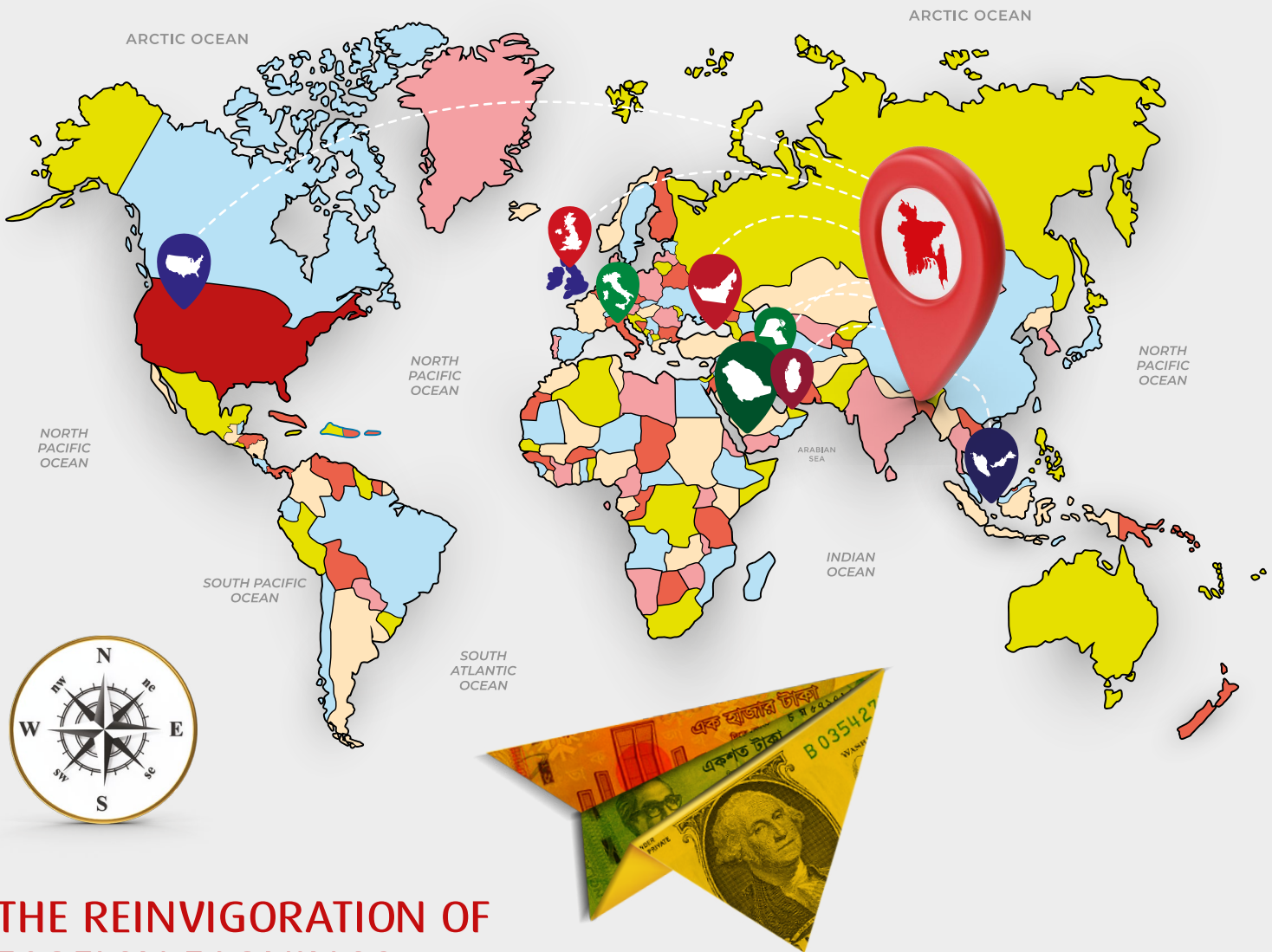


# BUSINESS

# REVIEW



**THE REINVIGORATION OF  
FOREIGN EARNINGS:  
STRENGTHENING THE REMITTANCE  
CORRIDOR THROUGH  
BANGLADESH'S DIASPORA**



## কাঙ্ক্ষিত লক্ষ্যে পৌঁছাতে দরকার হয় একটু নির্ভরতার!

আপনিও আস্থা রাখুন আইডিএলসি'র চার দশকের দক্ষতা ও অভিজ্ঞতায়

আপনার দুরন্ত স্বপ্নগুলোকে ডানা মেলায় শক্তি দিতে চাই দূরদর্শিতা, দীর্ঘ অভিজ্ঞতা ও দক্ষতা। দীর্ঘমেয়াদী পরিকল্পনা, সুশাসন, স্বচ্ছতা ও আন্তরিক সেবা নিয়ে দেশের সর্ববৃহৎ আর্থিক প্রতিষ্ঠান আইডিএলসি লাখ লাখ মানুষের পাশে আছে আস্থা ও ভরসা হয়ে।



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# contents



03

Economy at a Glance

---

04

Month in Brief

---

05

For the Record

---

06

World Economic Indicator

---

07

Banking Data Corner

---

08-10

Spotlight on Startup

- R-Squared



11-19

Cover Story

**The Reinvigoration of Foreign Earnings: Strengthening the Remittance Corridor through Bangladesh's Diaspora**

Remittances possess the power to strengthen the economic status of poverty-stricken families by opening avenues for investment in small businesses or other income-generating ventures. According to the data by KNOMAD via the World Bank, Bangladesh stood out as one of the top recipients of remittances, receiving a staggering USD 21.5 billion in 2022. However, the remittance inflow in 2023 has been turbulent throughout the year. As Bangladesh navigates the complexities of the global economy, revitalising the remittance corridor emerges not just as an economic necessity but as a strategic path for sustained growth and resilience. This journey calls for collaborative efforts blending policy innovation, skill enhancement, and technological integration to secure a robust and flourishing future for Bangladesh and its diaspora.



20-24

Expert Opinion on Cover Story

- Dr. Khondaker Golam Moazzem  
Research Director, Centre for Policy Dialogue
- 

25-31

Exclusive Feature

- **Plastic Paradox: The Balancing Act of the Plastic Industry's Growth with Environmental Sustenance**
- 

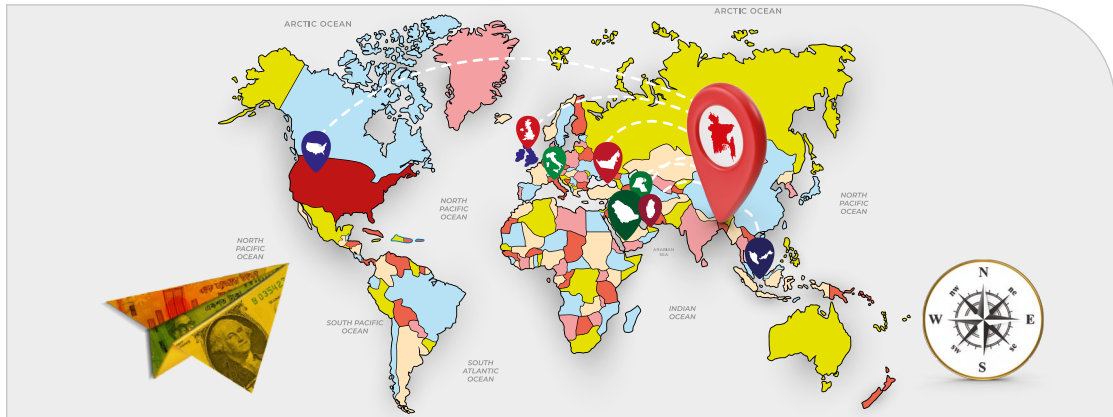
32-35

Womentrepreneur

- Preneur Lab
- 

36-42

Capital Market Review



### The Reinvigoration of Foreign Earnings: Strengthening the Remittance Corridor through Bangladesh's Diaspora

Remittances are playing an instrumental role in acting as a catalyst for socio-economic development in Bangladesh. At this critical juncture, with a war-torn world economy and our dwindling foreign exchange reserves, increasing our remittances as a major source of foreign currency reserves is more crucial than ever before. As per the data of KNOMAD via the World Bank, Bangladesh received a substantial amount of USD 21.5 billion in 2022, primarily from migrants in the US, UK, Southeast Asia, and the Middle East, making Bangladesh the seventh highest recipient of remittance globally.

Recent times have brought some unexpected challenges, marked by fluctuating migration patterns and remittance figures. Despite a record 1.136 million migrants last year and 618,000 in the first half of this year, the anticipated increase in remittances did not materialise. Emigrants sent USD 2.199 billion,

USD 1.973 billion, and USD 1.599 billion in June, July, and August 2023, respectively, followed by a 41-month low in September (USD 1.343 billion).

Factors such as migrant labour composition, recruitment expenses, and reliance on informal channels all contributed to this fall, prompting government intervention and strategic initiatives. Understanding the underlying mechanisms of the unexpected drop in remittance inflows is critical as Bangladesh strives to revitalise its remittance corridor for long-term growth. To ensure a prosperous future for Bangladesh and its diaspora, a concerted effort involving policy innovation, talent enhancement, and technological integration is required.

**Md. Shah Jalal**

Editor

IDLC Monthly Business Review

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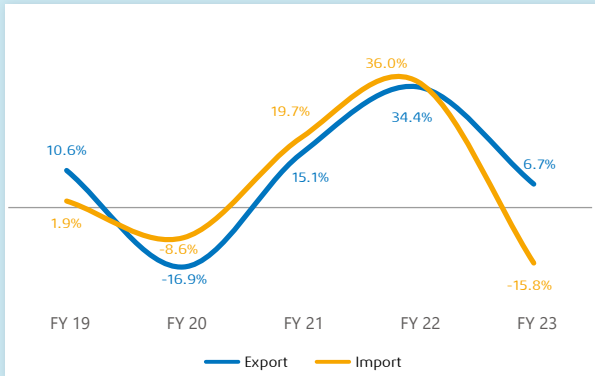
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# ECONOMY AT A GLANCE

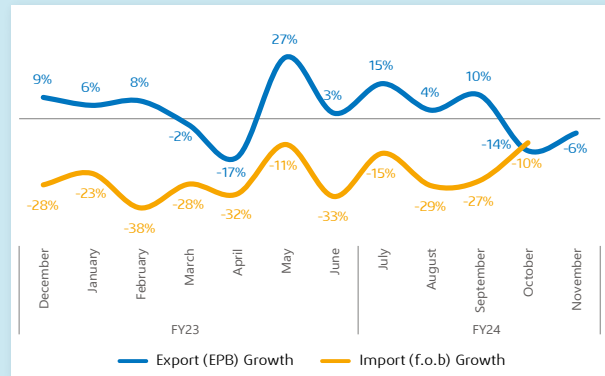
Prepared by IDLCSL Research Team

## EXPORT-IMPORT

Growth in Export-Import Trade (Last 5 Years)

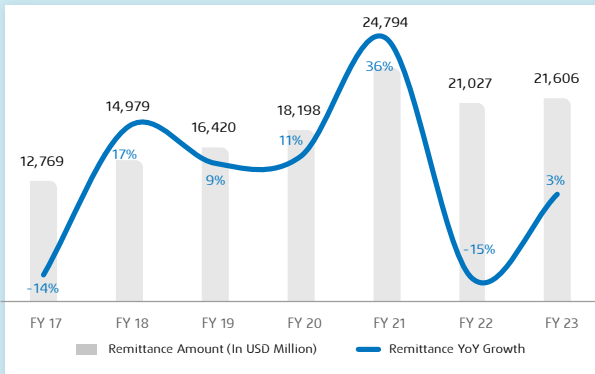


Export and Import Growth (Last 12 Months)

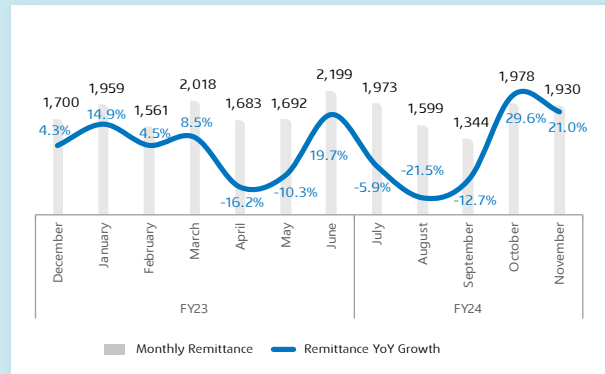


## REMITTANCE

Remittance Amount (USD Million, YoY Growth)

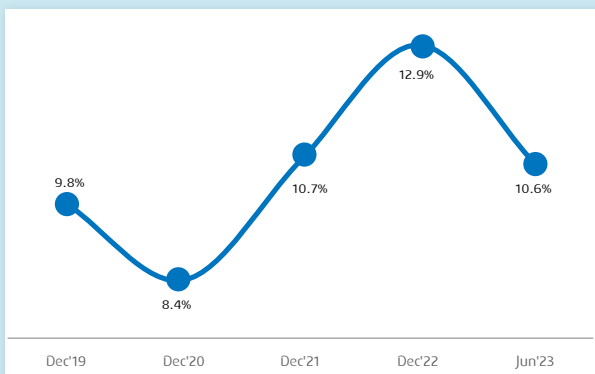


Monthly Remittances (USD million, YoY growth)

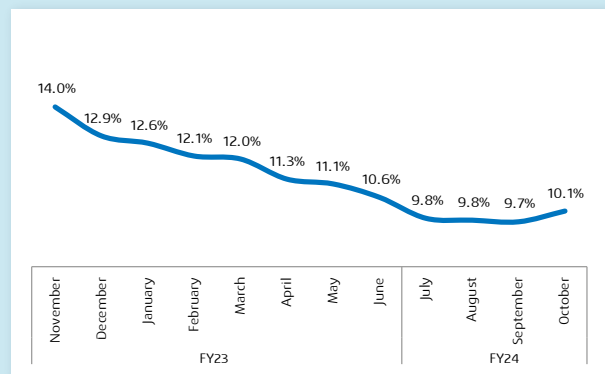


## PRIVATE SECTOR CREDIT GROWTH

Private Sector Credit Growth (Last 5 Years)



Private Sector Credit Growth (Last 12 Months)



## ■ MONTH IN BRIEF

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● **As per an announcement made on October 31, 2023, members of the Bangladesh Garment Manufacturers and Exporters Association** are set to implement the new wage structure for their workers in December 2023, aligning with the recommendation of the government-formed wage board.

● In October 2023, Bangladesh witnessed a surge in inward remittances, reaching **USD 1.98 billion, the highest in four months, attributed to a strengthened dollar and government incentives.**

● Bangladesh Bank introduced a new loan guarantee scheme on November 7, 2023, to facilitate women entrepreneurs to borrow up to **BDT 50 lakhs with the central bank's backing.**

● On October 26, 2023, the prime minister's office declared the establishment of an economic zone dedicated to agro-processing industries in the Alaolpur union of Gosairhat, Shariatpur. **The economic zone will be built on khas land measuring 686 acres on the bank of the river Meghna.**

● Bangladesh's global apparel exports surged to USD 14.78 billion in the July 2023–October 2023 period, **which indicates a 5.95% growth over the same period of the previous year.**

● The projection of the Bangladesh Bank predicts the minimum GDP growth to be **6.50% in FY2023–24, which is below the government's projection of 7.50%.**

● **Bangladesh has achieved a milestone in labour migration, surpassing the 1 million mark in labour exports** for the second consecutive year, with Saudi Arabia being on the top generating 37% of all foreign jobs, followed by Malaysia, Oman, the UAE, Singapore, Qatar, Kuwait, and Jordan. the previous year.

● Customs data reveals a significant reduction in the gap between raw material imports and manufactured goods exports under bond facilities. The gap was **22% during the period July 2023–September 2023, whereas the gap was 40% in the corresponding period of the previous year.**

● **A new gas reserve, valued at BDT 3,600 crore, has been discovered in Well-10** under the Sylhet Gas Field Limited, marking a notable addition to Bangladesh's energy resources.

● For the Record

*BANGLADESH IS AN IMPORTANT PARTNER FOR THE WORLD BANK TOWARD ITS VISION OF A WORLD FREE OF POVERTY ON A LIVABLE PLANET. SINCE THE COUNTRY'S INDEPENDENCE, THE WORLD BANK AND BANGLADESH HAVE HAD AN IMPACTFUL PARTNERSHIP THAT LIFTED MILLIONS OF BANGLADESHI PEOPLE OUT OF POVERTY.*

**Abdoulaye Seck, Country Director of the World Bank for Bangladesh and Bhutan**, on the World Bank signing five financing agreements with Bangladesh to help the country strive forward in achieving resilient and inclusive growth. (November 23, 2023. The Business Standard.)

We, along with the entire nation, are proud of the launch of 'TakaPay' card as this is Bangladesh's first ever very own national card scheme. This card will make the banking sector more equipped and self-reliant regarding technology. It will save costs in transactions for the customers.

**Selim RF Hussain, Managing Director and CEO of BRAC Bank**, on the launch of the first ever national debit card called 'TakaPay' with a focus on reducing reliance on international cards like Visa and Mastercard. (November 01, 2023. Dhaka Tribune.)

In our country, at one time, the funds for small loan institutions were primarily sourced from foreign funds; these funds used to come as foreign aid. Now, our country is progressing from a least developed country to a middle-income country, which is why foreign funds are decreasing.

**Yakub Hossain, Executive Director of Micro Credit Regulatory Authority**, on microfinance institutions in Bangladesh experiencing a decline in foreign funds. (November 19, 2023. The Business Standard.)

This project will help save gas, prevent gas wastage, build customers' awareness of the safe and efficient use of gas, and improve the financial performance of the gas distribution company by improving revenue streams and reducing billing, collection, and monitoring costs.

**Edimon Ginting, Country Director of the Asian Development Bank for Bangladesh**, on the government's initiative to minimise losses using the Smart Metering Energy Efficiency Improvement Project. (November 28, 2023. The Financial Express.)

Domestic and foreign investment is increasing in five industrial zones in Chattogram and three zones in Cox's Bazar. Consequently, the businessmen of the region are looking forward to making full use of the port's bay terminal to make the import-export trade more dynamic for business expansion.

**Omar Hazzaz, President of Chattogram Chamber of Commerce and Industry**, on the World Bank's decision to finance the construction of the breakwater and channel of Chattogram port's bay terminal to increase the port's capacity. (November 1, 2023. The Business Standard.)

The central bank's policy rate and lending rate hikes aim primarily to control inflation. However, it will take some time for the impact to be visible on the market.

**Zahid Hussain, Former Lead Economist of the World Bank**, on Bangladesh Bank increasing its key policy rate by 50 basis points to 7.75% to control inflation. (November 26, 2023. The Business Standard.)

Now more than ever, we need to work together to enhance credit guarantee schemes, tap into alternative databases for SME lending, and ultimately fast-track CMSME finance in Bangladesh. We want to bridge the gap between rich and poor, make sure men and women have equal opportunities, and boost economic growth across the country.

**Abu Farah Md Nasser, Deputy Governor of Bangladesh Bank**, on bolstering the SME sector to enhance employment creation, export proceeds, and productive excellence. (November 28, 2023. The Financial Express.)

This policy will be a positive development for the banking sector. It will enhance transparency in the assessment of collateral during loan disbursement, thereby strengthening the liability framework for banks.

**Syed Mahbubur Rahman, Managing Director of Mutual Trust Bank**, on Bangladesh Bank's policy regarding involving licenced third-party valuation firms for the valuation of mortgaged assets against loans. (November 29, 2023. The Business Standard.)

Country	Nominal GDP: 2022 (USD in Billion)	Real GDP Growth: 2022 (Yearly % Change)	Inflation Point to Point (%)	Current Account Balance: (% of GDP)	Interest Rates (%), Ten years Treasury Bond	Currency Units (Per USD)	
<b>Frontier Markets</b>							
Sri Lanka	75.30	-8.66	3.40	November-23	-1.94	13.39	327.59
Vietnam	406.45	8.02	3.45	November-23	-0.88	2.42	24,230.00
Kenya	115.99	5.37	6.80	November-23	-4.72	18.36	154.84
Nigeria	477.38	3.25	27.33	October-23	-0.72	14.49	803.50
<b>Bangladesh</b>	<b>453.85</b>	<b>6.03</b>	<b>9.49</b>	<b>November-23</b>	<b>-0.70</b>	<b>11.02</b>	<b>110.25</b>
<b>Emerging Markets</b>							
Brazil	1,924.13	2.90	4.82	October-23	-2.91	10.94	4.93
Saudi Arabia	1,108.15	8.74	1.60	October-23	13.79	N/A	3.75
India	3,386.40	6.83	4.87	October-23	-2.61	7.27	83.43
Indonesia	1,318.81	5.31	2.86	November-23	1.00	6.67	15,573.00
Malaysia	407.92	8.69	1.80	October-23	2.64	3.76	4.67
Philippines	404.26	7.60	4.10	November-23	-4.41	6.25	55.55
Turkey	905.53	5.57	61.98	November-23	-5.38	25.71	28.93
Thailand	536.16	2.64	-0.44	November-23	-3.26	2.86	35.66
China	18,100.04	2.99	-0.50	November-23	2.31	2.70	7.14
Russia	2,215.29	-2.05	7.50	November-23	10.27	12.38	92.16
<b>Developed Markets</b>							
France	2,784.02	2.61	3.40	November-23	-1.71	2.81	0.93
Germany	4,075.40	1.78	3.20	November-23	4.20	2.26	0.93
Italy	2,012.01	3.68	0.76	November-23	-0.73	4.04	0.93
Spain	1,400.52	5.48	3.20	November-23	1.06	3.28	0.93
Hong Kong	360.98	-3.51	2.70	October-23	10.73	3.56	7.81
Singapore	466.79	3.65	4.70	October-23	19.33	2.89	1.34
United States	25,464.48	2.07	3.20	October-23	-3.64	4.23	1.00
Denmark	390.68	3.62	0.10	October-23	12.82	2.53	6.93
Netherlands	993.68	4.52	1.60	November-23	5.49	2.60	0.93
Australia	1,701.89	3.66	5.40	September-23	1.20	4.35	1.52
Switzerland	807.23	1.70	1.40	November-23	9.84	0.74	0.88
United Kingdom	3,070.60	4.05	4.60	October-23	-5.55	4.06	0.80

**Bangladesh Data:** The new GDP size (FY23) is as per the provisional estimate of Bangladesh Bureau of Statistics and real GDP growth (FY23) is as per new base year. Calculation Method of CA balance (% of GDP) = CA balance of FY23 /Provisional Estimate for GDP of FY23  
Interest rate (%) 10 years TB as per November 2023, Inflation as per November 2023 and Currency Unit (per USD) as per 6th December are sourced from Bangladesh Bank

**Nominal GDP:** Data of all countries apart from Bangladesh is sourced from IMF estimates of 2023 data (April, 2023 Outlook)

**Real GDP Growth and Current Account Balance:** Data of all countries apart from Bangladesh is sourced from IMF estimates of April, 2023 data (World Economic Outlook, April 2023)

**Inflation:** Data of all countries apart from Bangladesh is sourced from tradingeconomics.com

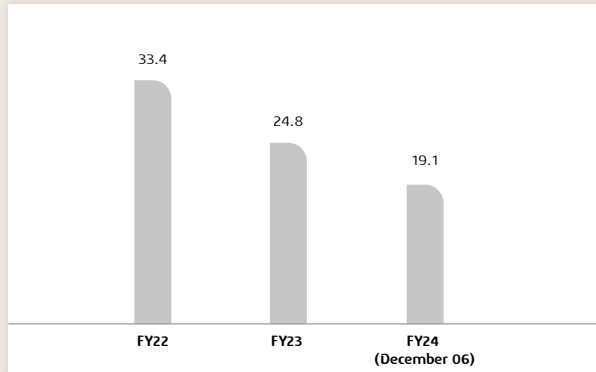
**Interest rates 10 years TB and Currency Unit :** Data of all countries apart from Bangladesh is sourced from Investing.com



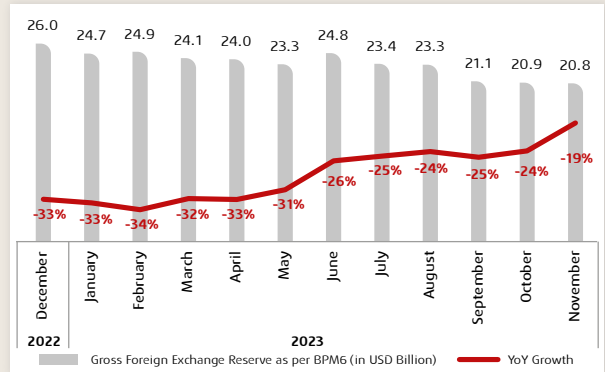
# BANKING DATA CORNER

Prepared by IDLCSL Research Team

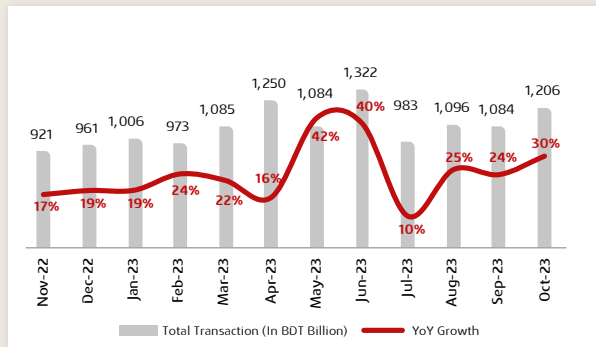
**Gross Foreign Exchange Reserve as per BPM6**  
(In Billion USD and Last 2 Years)



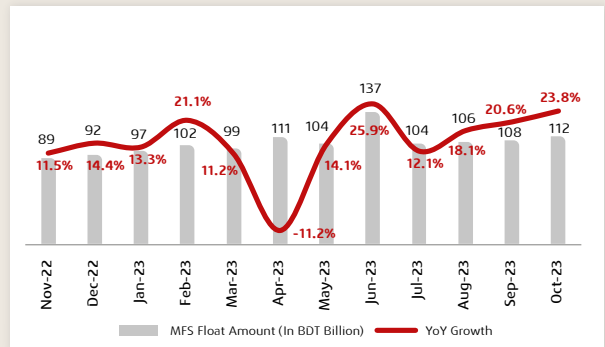
**Gross Foreign Exchange Reserve as per BPM6**  
(in USD Billion and Last 12 Months Trend)



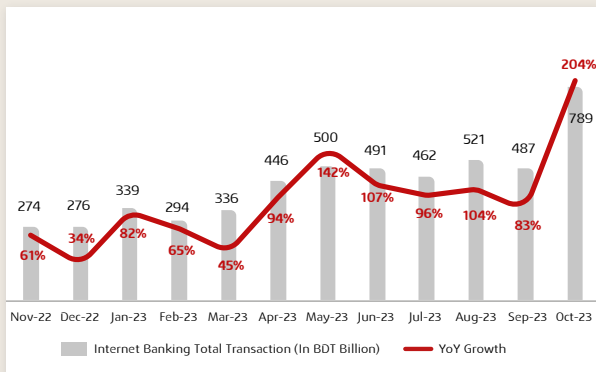
**MFS Total Transaction Value**  
(BDT Billion and YoY Growth)



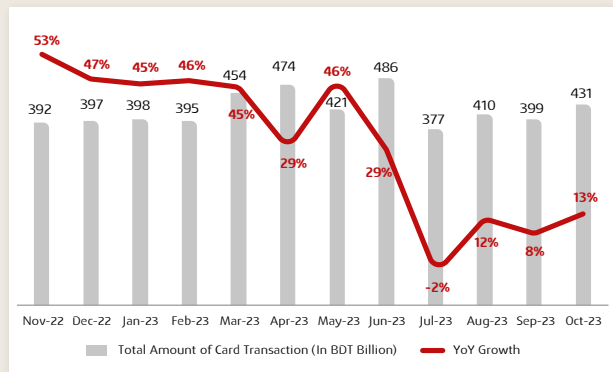
**MFS Float Amount**  
(BDT Billion and YoY Growth)



**Total Amount of Internet Banking Transaction**  
(BDT Billion and YoY Growth)



**Total Amount of Card Transaction**  
(BDT Billion and YoY Growth)



Source: Bangladesh Bank

# R-Squared



## Andalib Hasan

Founding Partner, R-Squared

### Interviewed By

Syed Md. Rakeen, Team MBR

*With over a decade of experience in data science, Mr. Andalib Hasan has played multiple leading roles in some of the most renowned organisations in Bangladesh, namely Robi, Banglalink, Pathao, and Foodpanda. Additionally, he has helped raise USD 4 million for a popular logistics startup named Truck Lagbe, where he served as Vice President, Growth, for almost two years. His extensive experience has contributed to mastering skills in SQL and data visualisation while crafting analytics solutions to drive organisational goals and objectives. Currently, he is playing a dual role as Operations Director at Foodpanda Bangladesh as well as the Founding Partner at R-Squared. Team MBR was in conversation with Mr. Andalib Hasan to learn about data analytics solutions as well as the inspiration behind founding R-Squared.*

**Syed Md. Rakeen:** You possess a wealth of experience from some of the most renowned technology organisations in Bangladesh, namely Robi, Banglalink, Pathao, Truck Lagbe, and Foodpanda. Would you kindly share with us how your prior experiences shaped your thinking towards forming a unique startup like R-Squared?

**Andalib Hasan:** Coming from a STEM background, working with data has been incredibly fulfilling for me. The journey, spanning from data analysis to crafting its relevance for fundraising and scaling startups, has been nothing short of amazing. Amidst the challenges of the 2020 pandemic, when many startups faced difficulties securing funds, my colleagues Nouroz Rahman and Araf Hasnat (both my colleagues from Pathao) and I initiated conversations with numerous startups

to comprehend the situation. Two key insights emerged: investors were inclined to be cautious with their funds, and startups sought effective ways to convince investors while needing proper utilisation of data. Recognising the latter as an opportunity, we founded R-Squared to collaborate with companies eager to extract meaningful insights from their data

**Syed Md. Rakeen:** R-Squared offers diverse data analytics services, ranging from creating dashboards for businesses to conducting experiments to evaluate consumer behavior. Would you please walk us through the process of devising solutions for the clients, starting from the initial communication with the clients and the relevant stakeholders?

**Andalib Hasan:** Our primary objective is to address the challenges faced by our partners,

making it our central focus. Data and product analytics naturally emerge as by-products of this focus. In our initial client interactions, we delve into understanding their specific pain points, whether it involves establishing data infrastructure or shaping compelling narratives for investor fundraising. Once we grasp the nuances of their challenges, we propose potential solutions. Subsequently, our team of analysts is mobilised to transform these solutions into tangible realities.

**Syed Md. Rakeen: Data analytics has emerged as one of the key driving forces behind the strategic decision-making of companies, where the performance metrics obtained through data analysis dictate the next course of action. Given the vital role of data analytics in tracking a company's performance, how does R-Squared ensure the accuracy and quality of its solutions?**

**Andalib Hasan:** We ensure this in two steps: firstly, we ensure that all the analysts we hire have profound experience and knowledge to get the work done and solve problems. Second, we always believe in continuous learning, and hence we keep ourselves updated with the latest tools and techniques that we deploy in those businesses.

**Syed Md. Rakeen: The demand for diverse requirements of data analysis from companies often requires a great deal of back-and-forth communication. Would you kindly share how R-Squared manages to adjust the dynamic requirements of companies and fit those suggestions into their data analysis?**

**Andalib Hasan:** We believe that communication is the key. We engage with our stakeholders in three stages:

1. Before we start working.
2. In between the projects, to stay updated and understand if any adjustments are needed.
3. At the end, when we try to go back and match expectations with what we have done.

This is an iterative process, but it provides us with maximum accuracy.

**Syed Md. Rakeen: Currently, there are myriads of data analytics tools used by different companies for automating and expediting their existing operations. Would you kindly provide some information about the tools that R-Squared currently uses for its clients as well as the reasoning behind the selection of those tools?**

**Andalib Hasan:** The choice depends on the nature of the problem and whether we opt for paid or freeware solutions. In the realm of analytics, our engagement with paid tools includes Tableau, CleverTap, Mixpanel, Google Analytics, and Facebook Analytics. For freeware, we frequently employ MySQL as the database and Metabase as the BI suite. However, the tool selection is adaptable, with other options coming into play based on specific business requirements.

**Syed Md. Rakeen: It goes without saying that companies that seek data analytics services will expect their data to remain confidential. How does R-Squared ensure the proper safeguarding of confidential data and prevent any breach of data privacy and security?**

**Andalib Hasan:** We sign an NDA first of all. Secondly, we also handpick our analysts so that they understand the value of data privacy and have practical knowledge about it. Thirdly, we use tools to keep client data secure.

**Syed Md. Rakeen: Despite the abundance of data available from organisations, most data professionals often come across several stumbling blocks, such as poor quality of data and difficulties in data integration. What are the major challenges awaiting R-Squared, and how do you plan to tackle them?**

**Andalib Hasan:** As you may have heard, data scientists spend 80% of their time cleaning data to make it usable and the rest 20% analyzing. It is no different for us, and this is a global problem. Everyone has data, but it is either messy or undiscovered so far. We help in both cases. Before even starting our work, we always take time to figure out the best ways to make clean data available and secure. Our analysts are well-trained as data engineers to create data warehouses for

companies in need, and then we start making sense of this data for our business partners.

**Syed Md. Rakeen:** The competitive edge achieved through data analytics is gradually prompting several firms to seek the services of either data analysts or firms specialising in offering data analytics solutions. From your perspective, how do you envision the prospects of data analytics in Bangladesh in the next decade?

**Andalib Hasan:** The vast potential in Bangladesh is evident with a population of 170 million, of which 70 million are active internet users, predominantly young individuals generating substantial data daily. This trend is poised for continuous growth. Presently, the addressable market for data analytics in Bangladesh stands at USD 5 million. However, our estimation anticipates a significant surge to USD 500 million or more by 2040. This signifies an enormous opportunity for businesses to leverage data analytics, ensuring their competitiveness in the evolving market landscape.



# The Reinvigoration of Foreign Earnings: Strengthening the Remittance Corridor through Bangladesh's Diaspora



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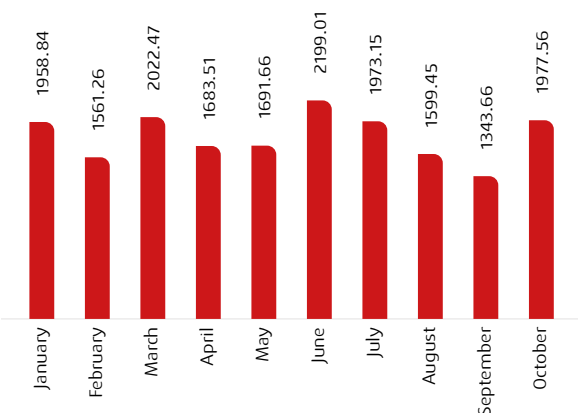
Written By  
Muktadir Mubassir

Remittances constitute the most crucial component of a financial network in the global economy, especially for countries such as Bangladesh. According to the data by KNOMAD via the World Bank, Bangladesh stood out as one of the top recipients of remittances, receiving a staggering USD 21.5 billion in 2022. The trickle of foreign revenues flowing mostly from Bangladeshi expats working in the United States, the United Kingdom, Southeast Asia, and the Middle East is the critical pillar on which social progress and economic emancipation rest for this country.

However, a more complex reality becomes apparent beneath the surface of this seemingly successful narrative. Although there is a huge upsurge of Bangladeshis migrating overseas in search of work, the expected surge of remittances did not come through. The remittance inflow in 2022 witnessed a surprising 1.5% year-on-year decrease from the previous year. The remittance inflow in 2023 has been turbulent throughout the year, to say the least. A few months of lower earnings typically follow a period of high remittance earnings, with a variety of factors playing major roles in shaping this unexpected trajectory.

**Figure 1: Month-wise Remittances Earned in 2023 (Up to October 2023)**

Month-wise Remittances (Millions USD)  
Earned in 2023 (Up to October)

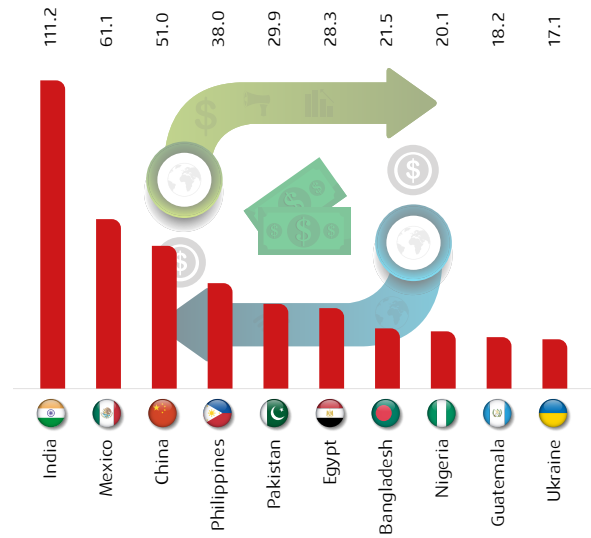


Source: Bureau of Manpower, Employment and Training

### Migration Dynamics of Expatriate Workers

Remittances have emerged as a key component of the Bangladeshi economy. According to the World Bank, Bangladesh ranked among the top ten countries globally in terms of remittance receipts, accumulating over USD 21.5 billion in 2022.

**Figure 2: Top Ten Remittance Recipient Countries in 2023 (In USD Billion)**



Source: Knomad via World Bank

In Bangladesh, migration is an important source of income, positively impacting empowerment and social development. Historically, during British rule, some people travelled to the west for trading and higher education. However, post-1971 independence, the number of migrants increased to various countries. The oil exploration in the Middle East in the mid-1970s caused a new wave of immigration, demanding skilled and non-skilled laborers. Overseas employment officially began in 1976, with a total of 6,078 workers. Primarily, Bangladesh consists of two categories of international migration, namely permanent migrants and contractual migrants. Permanent immigrants include work permit holders mostly migrating to the industrialised west, while temporary workers migrate to the Middle East and Southeast Asia and return home after completing their employment contracts in the countries they went to work in. The temporary migrants are classified into four groups: professionals, skilled

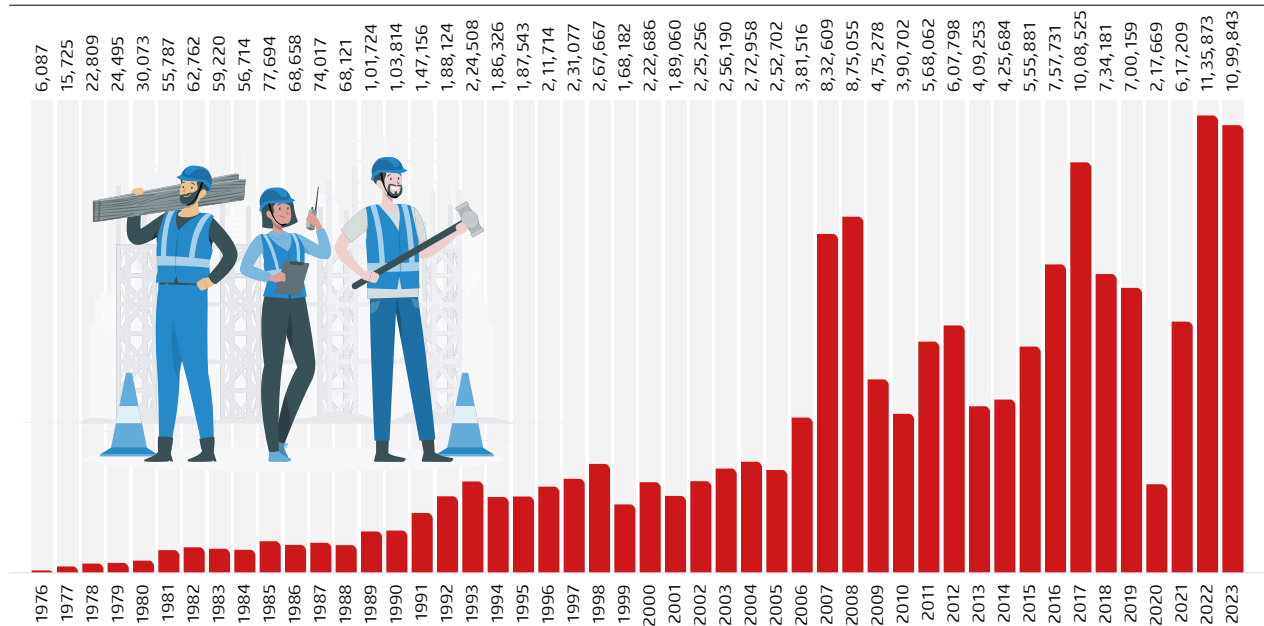
individuals, semi-skilled workers, and unskilled laborers. Professionals encompass occupations like doctors and engineers, while skilled workers are mainly found in manufacturing industries. Semi-skilled individuals include white tailors, whereas housemaids are classified as less skilled. Notably, the employment rate

abroad has steadily increased, as evident in the accompanying graph.

This rise in employment corresponds with a year-on-year increase in remittances, contributing significantly to poverty alleviation. Only 10% of expatriates work in the white collar sector, while more than 90% engage in low-wage blue collar jobs.

Figure 3: Year-wise Overseas Employment from Bangladesh

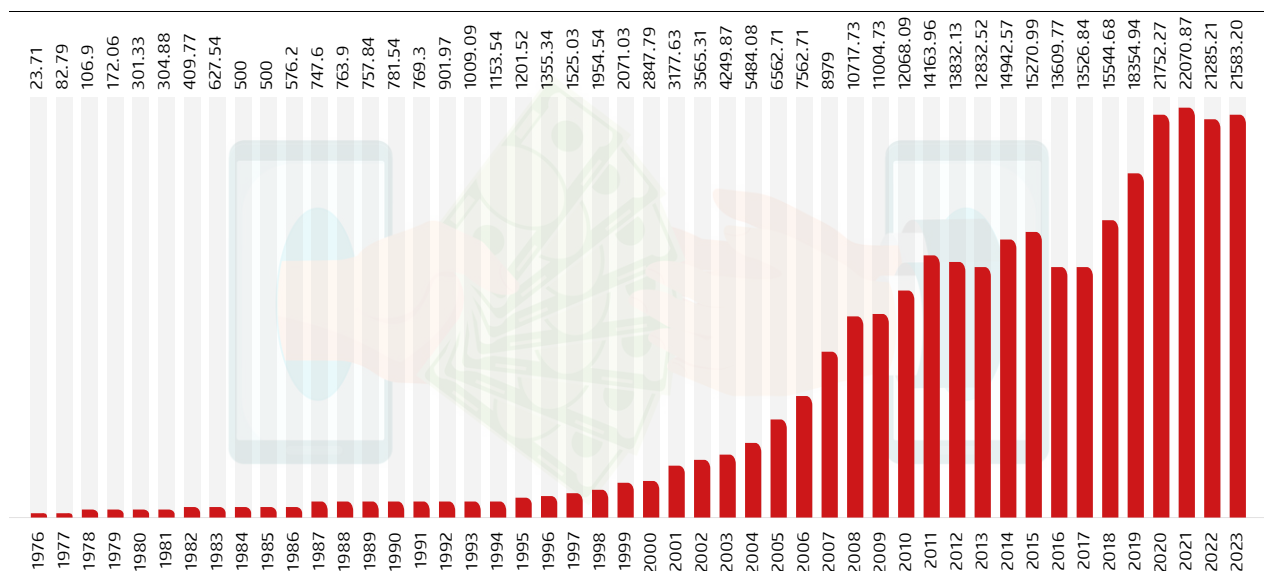
Year-wise Overseas Employment from Bangladesh (1976 to October'2023)



Source: Bureau of Manpower, Employment and Training

Figure 4: Year-wise Remittance Earned

Year-wise Remittances (Million USD) Earned (1976 to October'2023)



Source: Bureau of Manpower, Employment and Training

Remittances possess the power to strengthen the economic status of poverty-stricken families by opening avenues for investment in small businesses or other income-generating ventures. Improved access to education and educational resources has become more affordable for families, offering the potential for brighter prospects and escaping the cycle of poverty. Moreover, the influx of funds facilitates greater accessibility to quality medical care and nourishing food, consequently leading to enhanced health outcomes, reduced mortality rates, and overall improved well-being.

### Current Scenario of Remittance Inflows

Regardless of the migration figures reaching a record of 1.136 million the previous year, followed by approximately 618,000 in the previous year, the expected increase in remittances has not materialized. During the months of June 2023, July 2023, and August 2023, emigrants sent USD 2.199 billion, USD 1.973 billion, and USD 1.599 billion, respectively, followed by a 41-month low during September (USD 1.344 billion) since April 2020 (USD 1.093 billion).

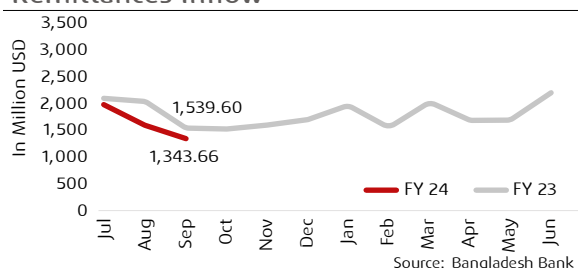
Table 1: Comparison of Monthly Remittance Inflows in FY 2022–23 and FY 2023–24 (First Three Months)

FY21	FY22	FY23R
"24777.71 (+36.10)"	"21031.68 (-15.12)"	"21610.70 (+2.75)"
Month	FY24 "	FY23R
July	1973.15	2096.32
August	1599.45	2036.93
September	1343.66	1539.60
July - September	"4916.26 (-13.34)"	"5672.85 (+4.89)"

Source: Bangladesh Bank

Figure 5: Comparison of Monthly Movements of Worker Remittance Inflows in FY2022-23 and FY2023-24 (First Three Months)

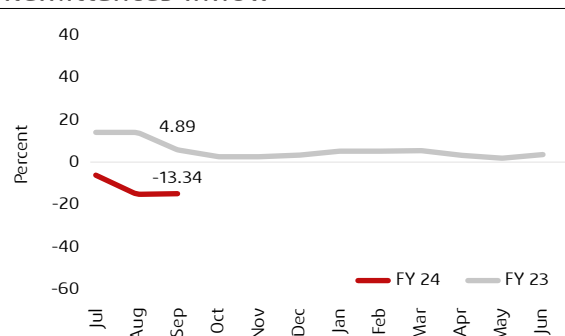
### Monthly Movements of Workers' Remittances Inflow



Source: Bangladesh Bank

Figure 6: Comparison of Cumulative Growth of Workers Remittance Inflows in FY2022-23 and FY2023-24 (First Three Months)

### Cumulative Growth of Workers' Remittances Inflow



Source: Bangladesh Bank

Table 2: Comparison of Monthly Remittance Inflows from Different Countries in FY2022-23 and FY2023-24 (First Three Months)

July-September of FY24			July - September of FY23		
Country	Amount in million USD	As percentage of total remittance	Country	Amount in million USD	As percentage of total remittance
U.A.E.	832.62	16.94	U.S.A.	999.77	17.62
K.S.A.	817.19	16.62	K.S.A.	999.01	17.61
U.K.	588.76	11.98	U.A.E.	788.11	13.89
U.S.A.	511.69	10.41	U.K.	508.66	8.97
Kuwait	324.27	6.60	Kuwait	403.27	7.11
Italy	317.84	6.47	Qatar	352.10	6.21
Malaysia	263.24	5.35	Italy	343.15	6.05
Qatar	254.48	5.18	Malaysia	324.77	5.72
Oman	227.96	4.64	Oman	170.10	3.00
Bahrain	97.38	1.98	Bahrain	119.73	2.11
Others	680.83	13.85	Others	664.18	11.71
Total	4916.26	100.00	Total	5672.85	100.00

Source: Bangladesh Bank

As the aforementioned figure shows, the inflows of remittances during the July–September period of FY2023–24 against FY2022–23 experienced a sharp drop from almost every country.

### Inhibiting Factors Behind Declining Remittance Inflows

The composition of migrant workers plays a pivotal role in remittance earnings. Despite the substantial increase in the number of migrants, a majority, approximately 78.64%, as per the Refugee



and Migratory Movements Research Unit’s 2022 Migration Trends Report, are categorised as less skilled, contributing to a diminished remittance yield. This is evident in the decline of skilled workers migrating abroad, dropping from 33.3% in 2019–2020 to 20.4% in the subsequent two years, as per the expatriates’ welfare ministry. As the less-trained workers are lowly paid, Bangladesh has not received as much remittance as projected.

Also, as per migrant rights experts, this decline can be attributed to the exorbitant recruitment costs, where about 50%–60% is directed towards illegal practices, such as paying visa traders in the destination countries. As per the Bangladesh Bureau of Statistics, the average recruitment expense of a migrant worker from Bangladesh is BDT 4.16 lakh (USD 4,903), while the average monthly salary stands at BDT 23,093. As a consequence, it takes 17.6 months for a worker to merely return the amount spent on recruitment.

However, the predominant reason for the decline in remittance inflows is the extensive use of unofficial channels, particularly the widespread reliance on hundi or hawla. The significant difference in exchange rates between official and informal channels, with the latter offering substantially higher rates, attracts workers away from formal banking processes. In August 2023, for example, the official bank rate for the dollar was BDT 109; however, hundi vendors offered rates ranging from BDT 117 to BDT 119 per dollar as per The Business Standard. The allure of hundi, with better exchange rates, zero transaction fees, and a simplified process, continues to overshadow formal banking, especially among workers with lower incomes and those in illegal capacities. According to a recent survey by the Refugee and Migratory Movements

Research Unit, 66% of Bangladeshi expats in the Maldives send money using hundi, with 64% lacking bank accounts. The 2.5% incentive offered by banks is deemed insufficient, and the attractiveness of hundi, with cheaper exchange rates, no transaction costs, and a streamlined process, continues to trump regular banks.

### The Government’s Intervention amidst Declining Remittances

In order to tackle these challenges and minimise associated risks, the government of Bangladesh has introduced a fresh initiative aimed at enhancing the inflow of remittances. The Association of Bankers Bangladesh (ABB) and the Bangladesh Foreign Exchange Dealers Association (BAFEDA) have removed the previous restriction of 2.5% on the incentives that banks could offer for remittance income. This modification grants banks the authority to establish their own incentive rates, potentially rendering them more competitive and encouraging individuals to select banks as their preferred means of sending money back to their homeland. This adjustment has already demonstrated positive effects, with remittances increasing from USD 1334.35 million in September 2023 to USD 1977.56 million in October 2023, providing a welcome boost to the nation’s economy after four months of decline.

### Diversification of the Workforce

The maintenance of remittance inflows in Bangladesh could greatly depend on the diversification of the workforce. Bangladesh receives remittances from a multitude of countries, with a staggering 14.9 million Bangladeshi workers employed across 176 countries globally.

Table 3: Monthly Country-Wise Wage Earners Remittance Inflows in 2023 (in Million USD)

Monthly Country-Wise Wage Earners Remittance Inflows in 2023 (in Million USD)										
Country	Month									
	January	February	March	April	May	June	July	August	September	October
Bahrain	40.14	58.62	57.05	48.84	51.56	51.70	48.57	23.06	25.75	51.71
Kuwait	143.06	113.43	167.80	135.13	118.52	114.53	114.81	116.25	93.21	152.02
Oman	64.36	61.13	106.47	83.73	72.18	89.69	120.78	64.75	42.43	74.29
Qatar	120.92	128.55	148.70	117.71	116.12	121.46	113.61	68.30	72.57	101.06
K.S.A.	308.72	262.21	283.40	276.11	320.08	405.96	307.50	291.36	218.33	250.73
U.A.E.	347.54	211.86	307.92	204.08	235.67	389.64	329.98	238.59	264.05	329.32
Libya	0.32	0.24	0.20	0.26	0.19	0.40	0.20	0.15	0.13	0.16
Iran	-	-	-	-	-	0.02	0.01	-	-	-

Monthly Country-Wise Wage Earners Remittance Inflows in 2023 (in Million USD)										
Country	Month									
	January	February	March	April	May	June	July	August	September	October
Australia	12.15	11.80	13.22	10.88	7.47	10.74	8.20	6.04	5.76	10.95
Hongkong	1.91	1.53	2.24	1.46	1.62	1.22	1.53	1.18	0.94	1.04
Italy	95.14	84.42	103.70	98.65	95.89	97.27	113.61	111.26	92.97	178.28
Malaysia	97.35	91.51	98.82	92.56	85.93	116.26	116.66	83.26	63.32	125.51
Singapore	39.25	37.04	41.02	38.78	36.57	54.75	42.69	26.88	24.63	42.15
U.K.	199.42	137.74	216.79	174.25	165.65	274.37	221.25	217.42	147.90	234.59
U.S.A.	298.7	231.84	303.95	246.18	225.18	249.42	200.00	170.27	141.42	183.98
Germany	11.2	8.56	11.66	8.55	8.15	18.49	9.63	4.91	7.43	16.47
Japan	16.79	5.86	7.12	8.65	12.34	8.40	5.13	3.76	5.89	8.65
S.Korea	14.41	6.21	3.99	5.85	5.06	6.36	7.35	4.38	7.66	8.16
Others	147.49	108.71	148.42	131.84	133.48	188.33	211.64	167.63	129.27	208.49
Total	1958.87	1,561.26	2,022.47	1,683.51	1,691.66	2,199.01	1,973.15	1,599.45	1,343.66	1,977.56

Source: Bureau of Manpower, Employment and Training

The table above gives a picture of how remittances have been earned from different parts of the world throughout the year. Diversity can minimise potential risks, as economic or political crises in the countries where most Bangladeshi expatriates work can disrupt remittance flows. Diversification can help reduce the vulnerability of remittances to such crises.

To enhance the diversity of remittance inflows, the government can adopt various strategies. One key approach involves encouraging Bangladeshi workers to explore job opportunities in different countries and industries. Moreover, investments in skill development and education programmes

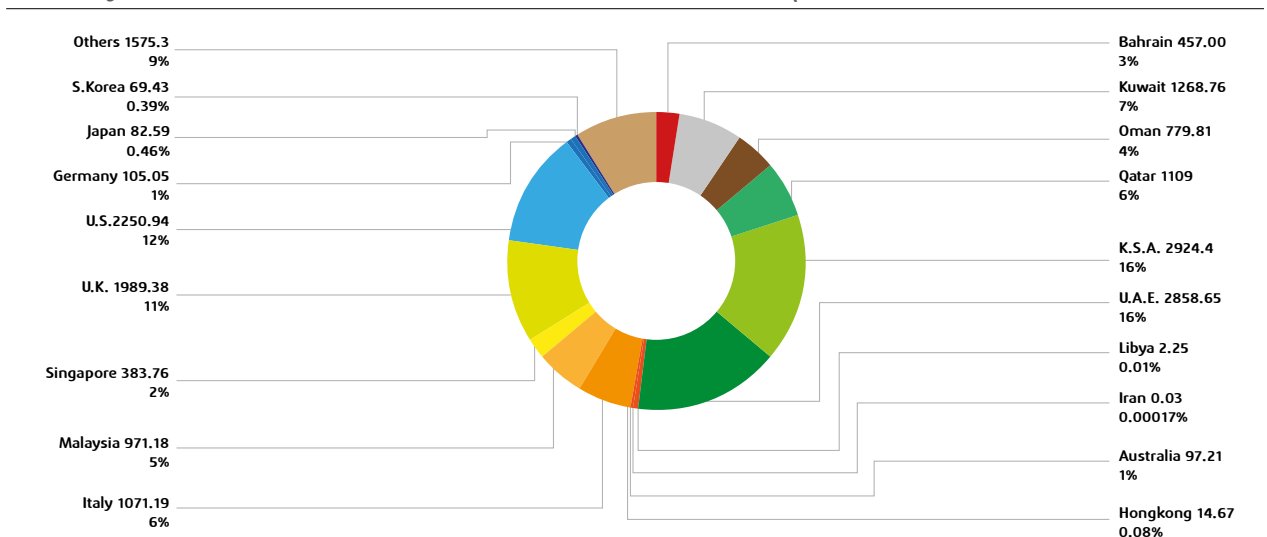
are essential to prepare Bangladeshi workers for a wider range of job opportunities, especially those in high demand abroad.

Promoting greater female labour force participation and facilitating their migration opportunities is also crucial. Female workers are often underutilised in the expatriate labour market, although there has been a gradual increase in the number of female workers travelling abroad over the last decade.

Notably, a considerable proportion of these female employees can be found in Saudi Arabia, accounting for 67% of the overall workforce.

Figure 7: Country-wise Remittance Earned in 2023 (Up to October 2023)

### Country-wise Remittances (Millions USD) Earned in 2023 (Up to October)



Source: Bureau of Manpower, Employment and Training

Figure 8: Year-wise Overseas Employment of Female Workers from 1991–2023 (Up to October 2023)

Year-wise Overseas Employment of Female Workers from 1991–2023 (Up to October 2023)

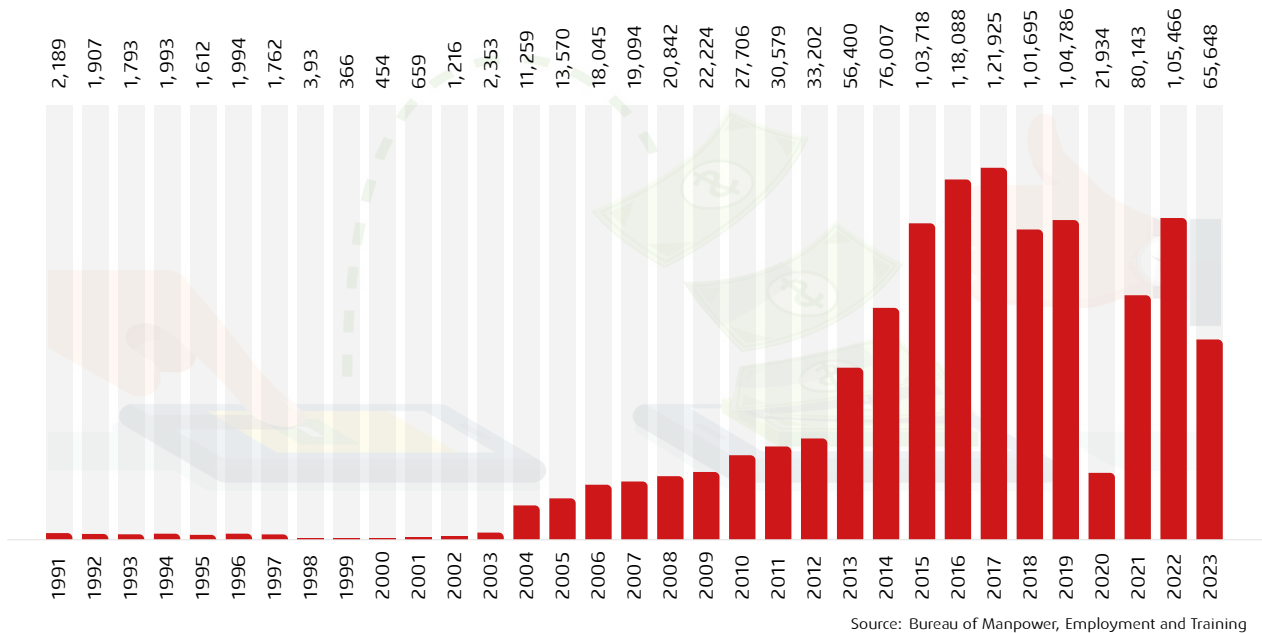
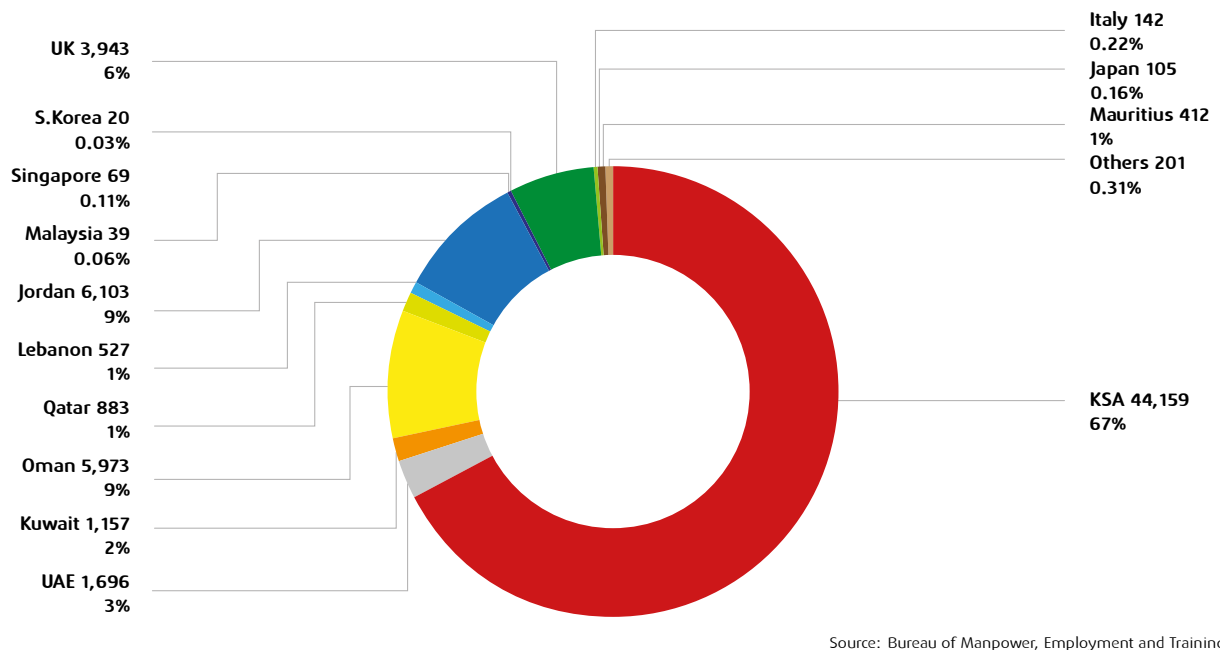


Figure 9: Country-wise Overseas Employment of Female Workers in 2023 (Up to October 2023)

Country-wise Overseas Employment of Female workers in 2023 (Up to October)



The majority of female migrant workers predominantly secure positions as domestic maids, offering essential housekeeping services in countries like Saudi Arabia, Singapore, and Malaysia. Their roles extend beyond

mere domestic tasks, encompassing crucial responsibilities such as childcare, eldercare, and various household duties, providing vital support to families. In contrast, the construction industry, particularly prominent in the Middle East and

Southeast Asia, actively seeks skilled Bangladeshi workers, primarily males. These male workers play a pivotal role in advancing the development of host nations by contributing their expertise in trades such as masonry, carpentry, and plumbing.

Bangladesh stands out globally for its significant involvement in textiles and garments, with a substantial workforce, particularly females, engaged in the overseas apparel sector. The agriculture industry of other nations also benefits from Bangladeshi workers, expanding the scope of their contributions beyond traditional sectors. Additionally, there is a notable influx of Bangladeshi employees to Gulf countries, where they undertake various physical occupations ranging from construction to maintenance and services, earning their livelihood in diverse job roles.

**Table 4: Economic Sectors with Future Prospects for Overseas Employment**

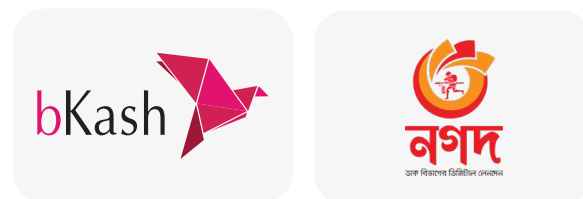
SL .	Particular economic sectors	Demand ( % )
1	Construction	28.21
2	Service	24.45
3	Industry	21.82
4	Agriculture	13.48
5	Health	4.77
6	Tourism	2.50
7	ICT	0.78
8	Others	3.99
	<b>All Together</b>	<b>100</b>

Source: *Aspire to Innovate (a2i)*

### The Role of Technology and AI

Technology and artificial intelligence hold immense potential to revolutionise remittance inflows in Bangladesh, offering streamlined and improved processes. Digital advancements have made it increasingly convenient for remitters to send money, reducing their reliance on physical visits to transfer agencies. Online and mobile platforms now allow Bangladeshi expatriates to send money home at a lower cost, with the proliferation of mobile phone usage enabling the growth of mobile money services like bKash and Nagad. These services facilitate money transfers even in remote areas, further boosting

remittance inflows. Its broad network, which includes collaborations with worldwide banks and money transfer companies, connects over 114 countries, providing a seamless and safe financial experience.



Artificial intelligence has the capability to contribute to the monitoring of currency exchange rates and predictions, which can assist both remitters and recipients in obtaining more favourable rates during transactions. However, there are some downsides to the emergence of technology.

While generative artificial intelligence is considered a major danger to many white-collar jobs, the technology’s rapid advancement in the manufacturing industry indicates that blue-collar workers, which comprise the majority of Bangladesh’s foreign expats, are also at risk of being displaced. In the manufacturing industry, robots and automated systems are becoming increasingly adept at tasks such as gathering and production, while drones and smart machines are taking over agricultural tasks previously performed by humans. While these advancements enhance efficiency, they also pose a potential threat of unemployment for individuals working in these industries.

To address technology-related challenges, it is imperative to implement specific actions such as educating the population and offering suitable training programmes to enable workers to effectively utilise modern technologies. Furthermore, the government can leverage technological advancements, specifically artificial intelligence, to predict the amounts and timing of remittances, thereby assisting in the development of economic and fiscal policies. It is crucial for the government to proactively ensure that technology complements the efforts of remittance workers rather than competing with them.

In spite of being one of the least prosperous nations in 1971, Bangladesh achieved lower-middle-income status in 2015. Moreover, it is making steady progress towards being removed from the UN's list of least developed countries by 2026. The poverty rates have also witnessed a significant decline, dropping to 5% in 2022 from 11.8% in 2010, based on the international poverty line of USD 2.15 per day (using the 2017 purchasing power parity exchange rate). It is worth mentioning that the substantial inflow of remittances and the thriving exports of ready-made garments played a crucial role in this remarkable accomplishment.

While the nation stands as a beacon among the top remittance recipients globally, the recent unexpected dip in inflows necessitates a comprehensive understanding of the underlying dynamics. As Bangladesh navigates the complexities of a dynamic global economy, the reinvigoration of its remittance corridor becomes not just an economic imperative but a strategic pathway towards sustained growth and resilience. The journey ahead demands a collaborative effort, blending policy innovation, skill enhancement, and technological integration to secure a robust and flourishing future for Bangladesh and its diaspora.





**Dr. Khondaker Golam Moazzem**  
 Research Director, Centre for Policy Dialogue

Interviewed by  
 Syed Md. Rakeen, Team MBR

*Dr. Khondaker Golam Moazzem is an industrial economist by profession. His primary areas of interest include the development of industrial enterprises, entrepreneurship development, private investment, including Foreign Direct Investment (FDI), competition policy, and trade-related issues at the bilateral, regional, and multilateral levels. He holds a PhD from Kyoto University, Japan, and was a visiting fellow at the Centre for South East Asian Studies (CSEAS), Kyoto University. Along the years, he has worked as a member of various committees at both the national and international levels while publishing numerous articles in international peer-reviewed journals, several book chapters, and co-authored books published by the Centre for Policy Dialogue, where he currently works as a Research Director. Team MBR was in conversation with Dr. Khondaker Golam Moazzem and was fortunate enough to receive his take on the recent trend of remittance inflows in Bangladesh.*

**Syed Md. Rakeen: According to the World Bank, Bangladesh is currently ranked as the 7th highest recipient of remittances in the world, with figures reaching USD 21.61 billion in FY2022-23, as per the Bangladesh Bank, and is also the third highest recipient of remittances in South Asia. In your opinion, which factors do you believe have helped Bangladesh consistently bring in strong remittance inflows over the years?**

**Dr. Khondaker Golam Moazzem:** The importance of remittances in Bangladesh has often been underrecognized in the context of their contribution to our economy. Currently, Bangladesh’s strong economic growth can be attributed to the 3 Rs, which stand for rice,

remittance, and RMG. Among them, RMG is often the most talked-about sector of all industries, while remittance isn’t talked about in the same light.

Since 1976, Bangladesh has been experiencing a push factor in migration, whereby people in the country move abroad due to inadequate job opportunities. Due to the large number of unskilled workers in Bangladesh, which is largely a result of the lack of job opportunities, many young, unemployed, and educated semi-skilled workers feel motivated to leave the country in search of employment. However, pull factors have also played an influential role in the immigration of workers. As the market in areas like North America is quite diversified, it opens up

opportunities for immigrants to find diverse and more job opportunities across various sectors. Chain migration has played its role as well, with a large portion of immigrant visa issuances experienced over the years. Finally, information asymmetry has reduced significantly compared to the 1970s and 1980s, with the news of life abroad now accessible to people from all corners of Bangladesh. The majority of the immigrant population is involved in blue-collar jobs, which are easier to obtain as opposed to white-collar jobs in foreign countries. All the aforementioned factors, coupled with the immigrants' preference to work abroad, have contributed to incurring consistent remittance inflows in Bangladesh.

**Syed Md. Rakeen:** According to data on remittance inflows obtained from the Bangladesh Bank, the figures experienced a sharp rise of 36.1% in FY2020-21 relative to FY2019-20, a subsequent decline of -15.1% in FY2021-22 against FY2020-21, and then another increase of 2.8% in FY2022-23 relative to FY2021-22. Would you kindly share the underlying reasons behind this uneven pattern in remittance inflows for the last three fiscal years?

**Dr. Khondaker Golam Moazzem:** Generally, growth in remittance inflows is often associated with an increase in migration from a country. But, in reality, there is no one-to-one relationship where an individual factor can impact the remittance inflows of a country. One of the most crucial factors behind this uneven trend can also be attributed to the channelling of funds through informal channels rather than formal channels. In fact, the figures of remittance inflow would've been much higher if the funds channelled through both formal and informal channels were added. Alarming, only 48–52 percent of the remittances are sent through formal channels. The injection of unrealized proceeds through informal channels could've established a strongly positive relationship between migration rates and remittance inflows. Besides, hundi has hindered

the growth in remittances to a large extent, as the remittance figures from informal channels far exceed those from formal channels.

A big positive growth can often be experienced during a short period when Bangladesh Bank allows the banks to buy dollars at a higher rate, which influences the remitters to send funds through formal channels for a brief period.

One particular factor that isn't mentioned enough is the remittance outflow in the country. There are many workers from India, Pakistan, Sri Lanka, and China stationed in Bangladesh who send remittance inflows through informal channels. Every year, a large amount of funds is syphoned away by the foreign nationals in the country. These remittance outflows should be brought under formal channels.

**Syed Md. Rakeen:** Back in September 2023, remittance inflows hit a 41-month low as remitters continually opted for informal channels like 'hundi' as opposed to official banking channels. In your opinion, why are funds still channelled through informal channels despite government incentives and relaxations in document requirements?

**Dr. Khondaker Golam Moazzem:** A part of the reason behind this continuous flow of funds through informal channels can be attributed to forex dealers. I believe that some legal action should be taken against these forex traders who involve themselves in illegal operations. Additionally, state-wise, the identities of hundi dealers are quite well known. Also, a lot of big agencies have formed a huge network of hundi channels, offering far better USD rates than formal channels. Besides, the formal channels tend to have high transaction costs along with a lot of formalities for sending remittances, which has hindered remitters from sending their proceeds through formal channels.

**Syed Md. Rakeen:** The remittance figures experienced a massive increase from USD

**1334.35 million in September 2023 to USD 1977.56 million in October 2023, after a period of declining remittances. Would you kindly shed some light on the policy reforms that have triggered this sharp incline? Do you expect this growth to be sustainable?**

**Dr. Khondaker Golam Moazzem:** Sometimes, the central bank allows banks to buy remittance dollars at a higher rate, which can temporarily rival the exchange rates offered through informal channels and influence the remitters to send funds through formal channels. However, maintaining that growth can be quite challenging, as banks will always have to keep an eye on informal channels as billions of remittances are unrealized. Every year, the dollar outflow from Bangladesh is reaching staggering figures due to procedural loopholes in the government. For instance, the baggage rule, which allows an individual to carry a maximum of USD 10,000 or an equivalent amount of foreign currency, should be drastically reduced.

**Syed Md. Rakeen: In a bid to boost foreign reserves, the central bank has decided to allow remitters to keep their proceeds in foreign currencies at domestic banks with an interest rate of up to 9%. In your opinion, what are the potential upsides as well as the downsides of this initiative?**

**Dr. Khondaker Golam Moazzem:** An initiative such as this can only enhance the net remittance inflow for short periods. Temporary migrants will be the biggest beneficiaries of this move, as they tend to stay for shorter periods, which can help them earn a high interest rate on their foreign currency deposits. This, in turn, can boost foreign exchange liquidity as remitters may receive more lucrative terms from the banks in Bangladesh compared to other foreign banks.

However, this won't attract remittances from non-resident Bangladeshis (NRBs), as they may not have an immediate need for foreign currency.

Also, there are several investment opportunities available abroad that can offer higher returns on their country of residence's deposits.

**Syed Md. Rakeen: Though expatriate workers spend a major portion of their lifetime staying abroad, they eventually come back to their native land after retiring from work. Would you kindly share your thoughts on how we can ensure a better life for the expats returning home, as they are the ones who contribute to the country's remittance earnings?**

**Dr. Khondaker Golam Moazzem:** To understand this, we have to look at the three levels of migration: pre-migration, post-migration, and re-integration. A labour-migration cycle is initiated from the pre-migration stage, where an individual or family plans to live or work overseas and is searching for opportunities in the form of studies, work, permanent residency, and reunification with family. Post-migration refers to the phase when individuals land in their destination country.

Various remitters come across numerous hurdles after setting their feet abroad. Considering the pressure and work environment in the destination countries of remitters, they often endure a poor lifestyle while saving a major portion of their earnings in the hopes of remitting as much as possible. They also injure themselves while working and, at times, pass away as well. Due to a lack of proper identification documents for the deceased individuals, the government of Bangladesh often fails to bear the repatriation costs due to the absence of legal status for some immigrants. Hence, a lot of the deceased immigrants aren't brought back to Bangladesh and are eventually buried in their destination country with the help of the diaspora.

After returning from a life of struggle and endurance, the reintegration of the returning expats often becomes difficult due to their



prolonged absence from the local communities of Bangladesh, making employment and investment opportunities scarce for the returning migrant workers. The struggles they've encountered in their lives abroad often discourage them from participating in further local struggles.

In my opinion, a budget should be allocated for the migrant workers. These migrant workers are often devoid of any benefits from health insurance, despite the existence of such arrangements. The government has also introduced a Universal Pension Scheme (UPS), which can hugely benefit returning migrants struggling for opportunities in their native homeland. Due to their lengthy hiatus from the communities in Bangladesh, UPS can help the migrants feel more inclusive of society, while regular pension payments can help them meet their basic necessities. Additionally, a migrant worker scheme could be initiated to help facilitate the migrants working currently abroad as well as smooth the reintegration of returning migrant workers. Currently, the government invests more in an RMG worker compared to a migrant worker, with a shocking statistic revealing that the government invests a mere 13 paisa per migrant. Several ministries should allocate a specific budget for migrants so that they receive adequate backing and become motivated to remit their proceeds. Additionally, we should also explore the opportunity of involving the Directorate General of Health Services (DGHS) to create more schemes catered towards the migrant communities as well as returning migrant workers. The Centre for Policy Dialogue had also put forward a proposal for a BDT 450 crore investment to improve the livelihood of migrant workers and enhance remittance inflows in the process.

**Syed Md. Rakeen: As most expatriate workers are stationed in the Middle East and remitters work in some particular job sectors, an economic slowdown in any of these sectors will drastically reduce remittances. In your opinion, what are the initiatives required by**

## **Bangladesh to diversify its remittance basket in terms of countries and job sectors?**

**Dr. Khondaker Golam Moazzem:** There are two forms of diversification in the context of migration, namely intra-country and inter-country diversification. While intra-country diversification refers to the migration of people from rural to urban areas with the hopes of better job opportunities, inter-country diversification is associated with the transfer of people from one country to another. Chain migration and network migration are the key ways individuals migrate from their native country. Since chain migration involves individuals bringing their families and relatives to the same country, a large population of Bangladeshis exists in a few countries. If we look at India and Sri Lanka, their recruiting agencies offer more diverse options for migration to different countries as opposed to those from Bangladesh. Besides, media influence plays a huge role in showcasing the lifestyle of life abroad. As we are all aware, the media abroad exerts a huge influence on a country's future as well. Similarly, the local media that features the expatriate workers' lifestyle also plays a crucial role in moving to a select few countries.

In terms of job sector diversification, blue-collar work significantly outweighs white-collar work, leading to the majority of the remittance inflows from blue-collar work. While it's often mentioned that Bangladesh's expatriate workers should diversify their line of work abroad, it should be pointed out that white collar jobs abroad require a lot of qualifications and certifications with international accreditation. For instance, a doctor or engineer from Bangladesh would face a difficult time finding work in their fields abroad as their local degree doesn't hold the same value as that of a foreign country's degree.

Also, there's a perception among expatriate workers that they'll only work in the fields they prefer rather than specialising in job roles that are in high demand abroad. Then again, individuals

who are looking to migrate should also be trained so that their skills are aligned with international standards. The government will need to play a significant role in ensuring that the local workers are well-equipped with the skills needed to land jobs abroad.

**Syed Md. Rakeen:** Generally, a small portion of labour migration occurs through formal channels, while the majority of the labourers are migrated through individuals or by recruiting agencies, where the migrants may become victims of fraudulent cases due to middlemen. Would you kindly share how the government can maximise the rate of labour migration through formal channels to enhance its remittance inflows?

**Dr. Khondaker Golam Moazzem:** Fraudulent cases stem from corruption caused by recruiting agencies. Private recruiting agencies often involve

themselves in malpractice by earning a hefty cut from expat workers moving abroad. For instance, a Bangladeshi expat worker needs to pay three times more than a worker from Nepal if they want to migrate to the Middle East. Besides, information asymmetry often becomes a key reason for such fraudulent cases, which often lead to human trafficking. Generally, most migrants remain under a lot of pressure to find work abroad, which makes them vulnerable to such cases.

In order to combat such malpractices, the labour migration procedure through local agents should be well documented. All the recruiting agencies involved in labour migrations should be registered and remain under the watchful eye of the legal authorities. Not just agents, but sub-agents and even the agents of sub-agents should be monitored to track their activity, thus ensuring that the whole labour migration process is transparent.





# Plastic Paradox: The Balancing Act of the Plastic Industry's Growth with Environmental Sustenance

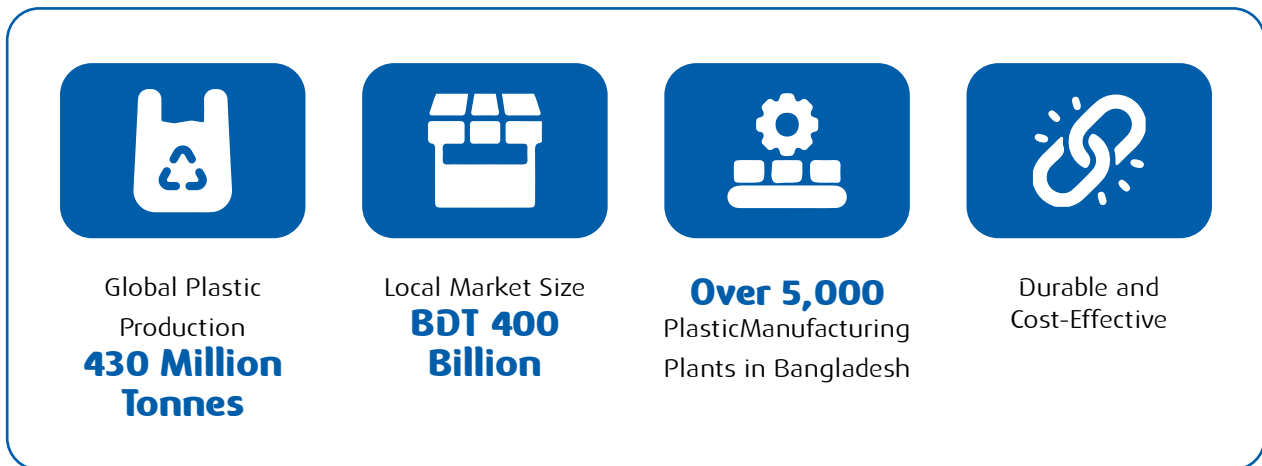
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Written By  
Syed Md. Rakeen

Environmental sustainability has positioned itself at the heart of the policies of global governing bodies, with the use of plastic earmarked as one of the key contributors to global pollution. As the world leans more towards increased urbanisation and production, the consumption patterns of plastic experienced an exponential rise along with pollution, environmental degradation, and waste mismanagement, leaving the world with one of the biggest problems of the 21st century. Despite its usage in various industries across the world, plastic continues to attract heavy criticism among environmentalists due to its non-biodegradability. The United Nations Environment Programme (UNEP) has responded to the challenges by creating a 17-year roadmap

to reduce plastic pollution by 80% in 2040. The question surrounding balancing the involvement of plastic in day-to-day life stems from the fact that the substitutes for plastic products may often be a huge contributor to environmental hazards as well. The popularity of plastic is still prevalent globally due to its durability, cost-effectiveness, and widespread availability in various shapes and sizes. Bangladesh currently boasts a plastic product market worth BDT 400 billion (40 thousand crore), with around 5,000 businesses associated with the manufacturing of plastic items. With a dire need for export diversification, Bangladesh can tap into the global plastic products market, with the rising trend of exports viewed as crucial to the country's development.

Figure 1: Plastic Industry Overview

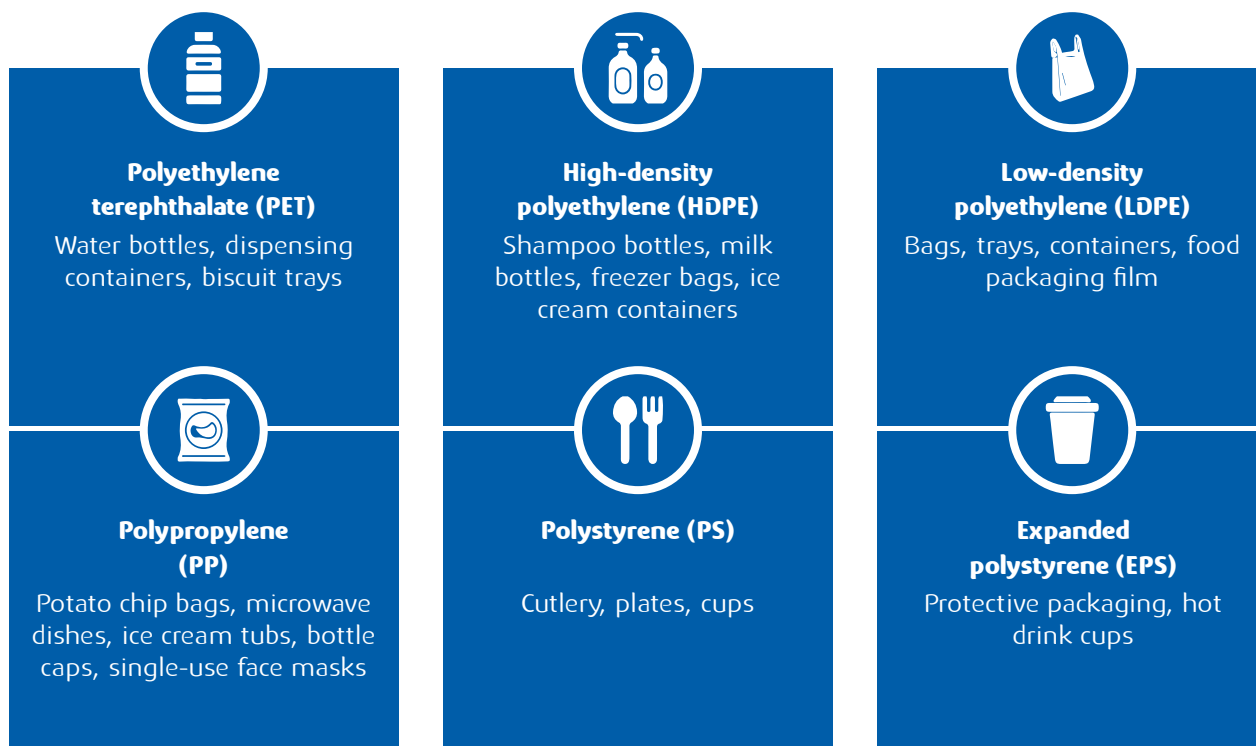


### Global Plastic Adoption and Pollution

Global plastic production has experienced a staggering rise in recent decades, with over 430 million metric tonnes of plastic manufactured annually in the world, according to the United Nations. According to the World's Top Exports survey, China presently maintains a 26.8% global market share and earns USD 21.4 billion, making it the leading player in the plastics industry, with Germany coming in second with a 12% global market share. Plastics are not considered homogenous products as they involve various polymer types as well as applications encompassing drinking bottles, cable insulation,

food packaging, and automotive parts. Besides, it also plays an instrumental role in preserving food, fuel-efficient vehicles, the development of computers, mobile phones, and several lifesaving modern medicines. The exponential growth of plastics across the world, which has increased by 230-fold since 1950, can be hugely attributed to features such as lightweight and insulation capacity. Additionally, it preserves fossil fuels, which would have otherwise been utilised in transportation and heating. Increasing global consumption can be hugely attributed to plastic due to its role in making possessions lighter, safer, cheaper, and stronger.

Figure 2: Single-use Plastic Products



Source: United Nations Environment Programme

Despite the widespread usage of plastic, plastic pollution inflicts significant damage to the environment, economy, and human health. Increased global consumption has played a key role in the escalating use of single-use plastics such as grocery bags, food packaging, bottles, straws, etc., which has exacerbated the global waste management problem. As per the World Bank, global plastic waste has shot up to 400 million metric tonnes between 2000 and 2019, with single-use plastics comprising two-thirds of that. Packaging such as plastic bottles or plastic bags accounts for 40% of the waste; however, only 10% is recycled. The United Nations Environment Programme reported that close to 98% of single-use plastic products are manufactured from fossil fuel or virgin feedstock, with the emission of greenhouse gases during the production and disposal of traditional fossil fuel-based plastics expected to increase to 19% of the global carbon budget by 2040.

### Exploring the Local Market of Bangladesh

While the international governing bodies continue their attempts towards the reduction of plastic usage, plastics have emerged as a promising export item in the diversification of the export basket in Bangladesh. As per Aspire to Innovate (a2i) of the ICT Division, a programme of the government's Digital Bangladesh agenda supported by UNDP, the current market size of the global plastic market stands at around USD 570 billion and is experiencing an average annual growth rate of 20%. Currently, Bangladesh occupies only 0.5% of the global market share, with several business leaders in the sector planning to increase the figure to 3% by 2030. The domestic market size of the plastics industry is BDT 40,000 crore, where local demand accounts for 80% of it. Bangladesh currently consumes roughly 2.4 million metric tonnes of plastic, as per the Financial Express. On average, a citizen from Bangladesh currently consumes 6 kg of plastic, whereas India consumes half of its neighbouring country.

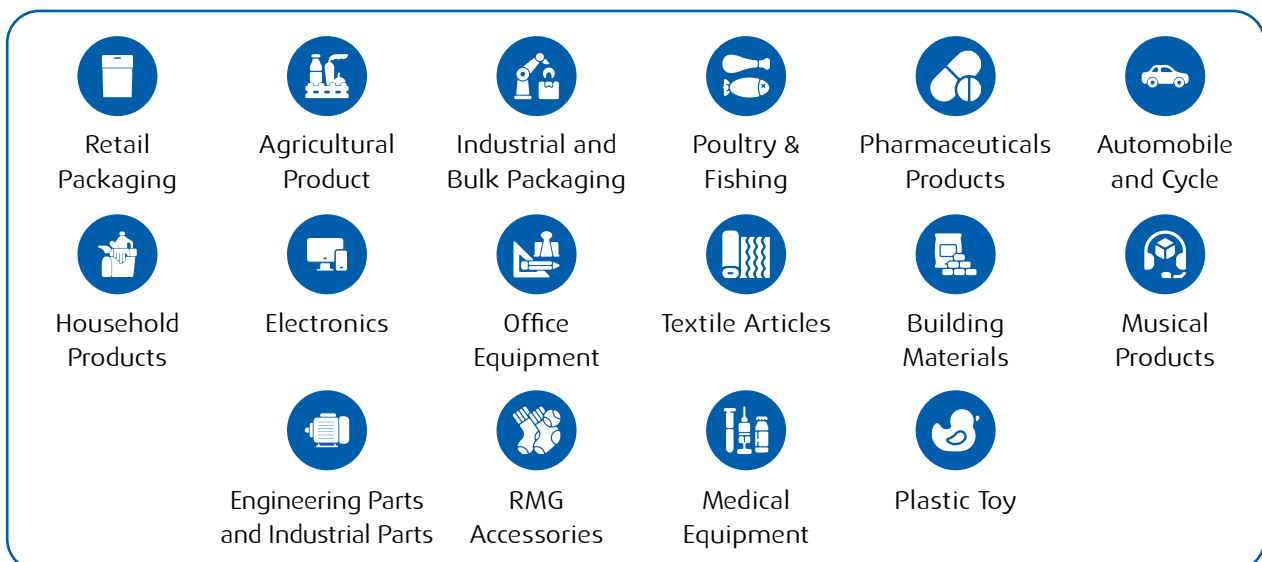
## Leading Local Market Players in the Plastic Industry



The local demand for plastic has increased over the years, with annual sales estimated to be almost BDT 150 billion in the domestic market, with household items accounting for about BDT 20 billion, as per the Financial Express. According to various industry insiders, this sector is attracting an investment of about BDT 1–1.5

billion annually. In terms of employment, about 1.2 million people are currently working in the plastics sector, both directly and indirectly, at about 4,500 SME manufacturing units. Plastic is essential to numerous goods in various economic sectors, including textiles, healthcare, electronics, buildings, and automobiles.

Figure 3: List of Sectors Supported by the Plastic Industry in Bangladesh



Source: a2i

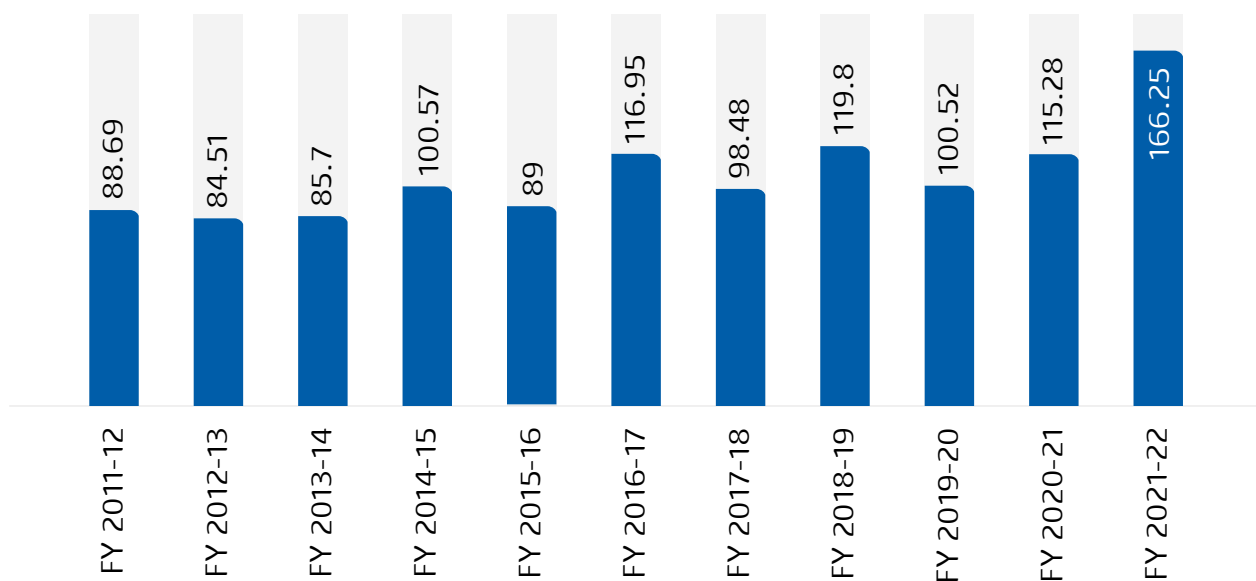
## Exploring the Export Space for Plastics

With plastic items driving trade expansion, Bangladesh's export market diversification has now ramped up its efforts to enhance this export segment. The sector's exports were largely fueled by the government offering a 10% financial incentive for exporting plastic goods back in 2016, prompting the plastic manufacturers to ramp up their plastic production. According to the Export Promotion Bureau, plastic exports ranked as the 12th most exported item, racking up foreign

earnings of over USD 1.2 billion annually. According to the Bangladesh Investment Development Authority (BIDA), currently there are 5,030 plastic manufacturers in the nation, and 98% of them are owned by small and medium-sized businesses, with the BPGMEA reporting that 250 of these businesses are involved in exporting plastic products. Currently, plastic products are being exported across 126 global markets, including all European countries, the USA, Canada, and various Asian countries such as China, India, and Nepal.

Figure 4: Export Earnings of the Plastic Goods Manufacturing Industry of Bangladesh for FY 2011–12 to FY 2021–22

### Export Earnings of the Plastic Goods Manufacturing Industry (\$mn)



Source: Export Promotion Bureau

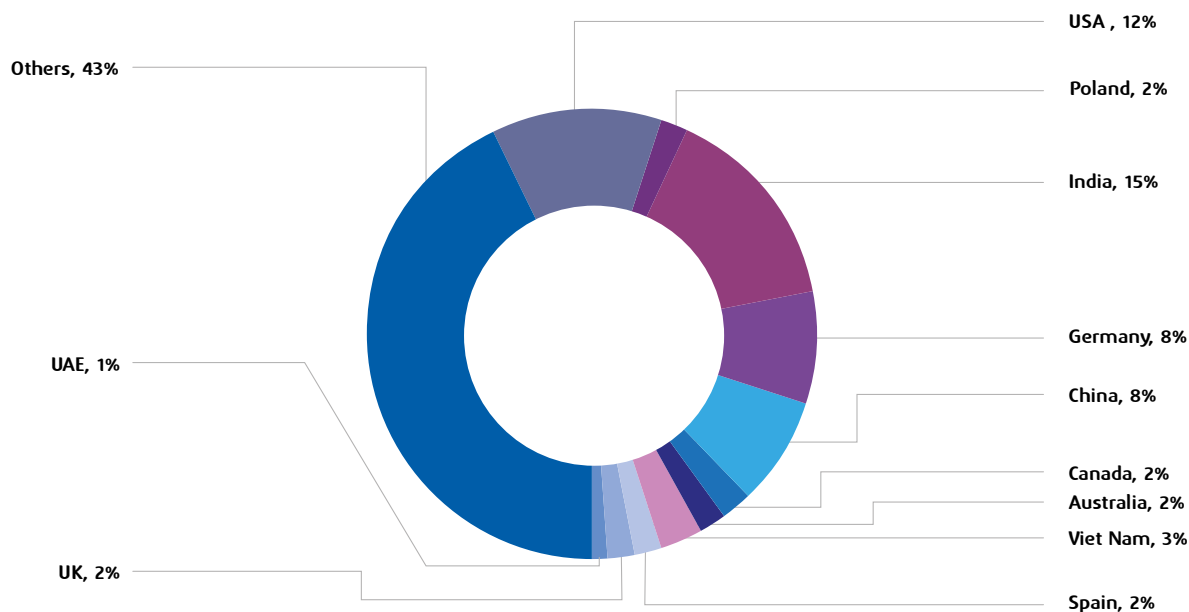
The plastic toy industry boasts the potential to play an influential role in diversifying Bangladesh's export basket. According to the Bangladesh Toy Merchants, Manufacturers, and Importers Association, 85 percent of the domestic market is currently manufactured by local toy manufacturers, whereas five years ago, the scenario was completely different. The domestic toy industry is currently valued at BDT 7,000 crore, with an expected demand of BDT 10,000 crore in the coming years. Hindrances in raw material

imports had affected the manufacturers ability to satisfy the demand for plastics.

As per the Export Promotion Bureau, Bangladesh currently exports toys worth USD 36.5 million in FY 2020–21 to 46 countries, including the United States, Russia, Japan, Germany, India, and even China. Several full-fledged export-oriented factors have been set up, with Golden Son Limited in Anwara of Chattogram, Hashy Tiger at Cumilla EPZ, and M/s Sonic (Bangladesh) Ltd., a Hong Kong-based toy company at Uttara EPZ, emerging as some of the biggest exporters.

Figure 5: Plastic Export Markets in Bangladesh

### Export Markets of Bangladesh for the Plastic Goods



Source: a2i

### Inefficient Plastic Waste Management in Bangladesh

Bangladesh has been grappling with the challenges of informal waste collection for some years now. Even though the municipal government is in charge of the waste collection process, the majority of the waste is collected from the informal sector. According to the World Bank, in December 2021, the annual per capita plastic consumption in Dhaka alone was 22.25 kg. Currently, 646 metric tonnes of plastic waste are collected in Dhaka, and only 37.2% of them are recycled. Even though the average per capita plastic consumption in European countries far outweighs the per capita consumption of Bangladesh, the country is still ranked as one of the top countries in the world in terms of plastic pollution due to inadequate plastic waste management. During 2020, only 31% of the plastic waste was recycled out of the 977,000 metric tonnes of plastic, with the majority of the mismanaged waste being single-use plastics such as shopping bags, packs, and wrappers. This leads to the pollution of cities, countryside, rivers, and canals while clogging drains and urban flooding,

while its slow degradation to microplastics poses a significant threat to humans, ecosystems, and marine life.

### Tackling the Hindrances to the Plastic Industry's Growth

While plastic exports are perceived as a potential export segment in Bangladesh, their growth directly conflicts with the goals of international governing bodies such as the United Nations and the World Bank. Besides, the export figures of plastics remain quite inconsistent, as plastic manufacturing plants have only recently moved to modern technology for producing food and non-food-grade products. Even on the production side, there is a dearth of improvement in quality and product diversification, which has held back the plastic industry's growth to a large extent. Significant enhancements in infrastructure, waste management, recycling, and skill development are areas in dire need to elevate the industry's trajectory. As the plastic manufacturers often miss out on product diversification and adaptation, Bangladesh often misses out on maximising its export proceeds from global markets.



Besides, the plastics sector has experienced a scarcity of skilled individuals in recent times. However, through the involvement of the Bangladesh Institute of Plastic Engineering and Technology (BIPET), the gaps in skills can be shortened, giving rise to higher productivity levels in the future. The Plastic Industry Development Policy 2023 plans to increase the plastics and packaging industry market from USD 4 billion to USD 10 billion by 2028. The realisation of this policy will also help generate 5,00,000 new employment opportunities by 2028. However, inadequate policy support so far, coupled with the energy crisis, including gas and electricity, has led to severe disruptions in plastic manufacturing growth.

Unlike other industries, the plastic industry is subject to arguments both for and against its fundamental tenet. The numerous negative consequences that are inextricably tied to it are

mostly to blame for the pessimistic outlook. Global governing bodies are continuously stressing on reducing the negative impacts of plastics with the hopes that it helps billions who depend on plastic items worldwide. While gradually phasing out plastic may be a long-term problem, the immediate stumbling block appears to be the insufficient or poor recycling of discarded plastic which often end up in landfills. The government of Bangladesh would need to strengthen its attempts to create a more formalized waste collection process to facilitate waste recycling process. Also, as the plastic industry could be one of the biggest export segments of Bangladesh in the coming years, the onus is on the government to strike a balance between environmental sustainability and the plastic industry's growth by managing economic shocks and offering adequate policy support while implementing environmental-friendly measures to stem the flow of unrecycled plastic spiral out of control.



# Preneur Lab



## Rakhshanda Rukham

Co-founder, Preneur Lab

### Interviewed By

Muktadir Mubassir, Team MBR

*Ms. Rakhshanda Rukham, at the helm of digital products and data at Preneur Lab has emerged as a dynamic professional in the area of tech innovation. Specialising in AI and big data, her technical prowess is underscored by a deeper commitment to women's empowerment. At Preneur Lab, she spearheads initiatives transcending technology, aiming to bridge gender gaps. Her impactful work provides women with opportunities, resources, and a platform to thrive in the tech landscape. Her profound expertise across multiple fields shines brightly through her diverse set of responsibilities. Team MBR was in a conversation with Ms. Rakhshanda Rukham to learn about her remarkable journey that led to the founding of Preneur Lab.*

**Muktadir Mubassir:** Preneur Lab is evidently committed to challenging gender disparities in STEM and empowering women. How has your personal journey, from volunteering with various organisations to obtaining a Master's degree in Electrical and Computer Engineering, led to the establishment of Preneur Lab, and how has this journey shaped the organisation's commitment to empowering women in STEM?

**Rakhshanda Rukham:** From a young age, my fascination with technology set the stage for a journey that would later define my mission. As

a child, I accompanied my father on his frequent work-related travels, offering me the opportunity to explore various cities. It was during these adventures, particularly in the '90s, that I observed a stark gender disparity in the field of science, technology, engineering, and mathematics (STEM). Witnessing the underrepresentation of women in STEM, I became acutely aware of the societal mindset prevailing at the time—a mindset that unjustly deemed women less capable in these fields. This realisation ignited a passion within me to challenge and reshape these stereotypes. As I grew older, I dedicated myself to

self-education, recognising the profound impact that STEM has on shaping our lives.

My journey was not just about personal enlightenment; it was a call to action. I set out on a mission to empower women in STEM because of the pervasive gender biases and societal expectations. Starting with those closest to me, I sought to break down the barriers and cultivate an environment where individuals, regardless of gender, could pursue their interests and potential in STEM fields. As I witnessed the transformative impact of my efforts within my immediate circles, it fueled my determination to extend this influence further. This passion became a focal point in my organisation, and this is how our organisation, Preneur Lab, started its journey, where empowering women in STEM is not just a goal but a guiding principle. Recognising the untapped potential of women in these fields, our organisation is dedicated to fostering an inclusive environment, providing opportunities, and challenging the stereotypes that hinder progress.

**Muktadir Mubassir: Preneur Lab has arranged several boot camps, such as 'Freedom Fellows' on civic leadership and digital safety and 'StartKoro', which primarily focused on building young entrepreneurs. Would you kindly share how these boot camps by Preneur Lab work?**

**Rakhshanda Rukham:** In recent years, Preneur Lab has been at the forefront of initiating impactful programmes and projects geared towards empowering and uplifting the youth, with a particular emphasis on fostering opportunities for women. Our commitment to creating meaningful initiatives is reflected in the diverse range of projects that have been launched, ensuring active and inclusive participation.

Among the noteworthy projects, "Freedom Fellows" stands out as a fully funded residential fellowship designed to enrich the knowledge of youth in areas such as digital verification, civic leadership, and social media etiquette. This initiative not only provides valuable insights but also nurtures the development of critical skills essential for the digital age.

"I Can Code - Workshop for Female Developers" is a commendable endeavour, specifically tailored to empower young female developers in Bangladesh. This workshop goes beyond theory, focusing on practical skills related to cutting-edge technology, thereby bridging the gender gap in the tech industry and creating a more inclusive environment. Hundreds of women benefit from this workshop.

StartKoro was one of the programmes that helped hundreds of entrepreneurs during COVID-19. It started its journey during the COVID-19 period to support entrepreneurs with funding and mentorship, and we keep doing that with new batches of entrepreneurs and helping them in their business launches, funding, legal services, and all.

The "Digital Verification Workshop" caters to journalists, equipping them with essential digital skills, fostering awareness of fact-checking, and enhancing digital verification techniques. This initiative is essential for ensuring the reliability and accuracy of news in an era where digital information predominates.

Lastly, the collaborative effort with the U.S. State Department, "CoCreate 2071," is a testament to Preneur Lab's commitment to advancing entrepreneurial mindsets and democratic values among young university students. This partnership emphasises the importance of fostering a generation that not only embraces entrepreneurship but also values democratic principles. Thousands of youths from 10 universities participated in this series.

Through these diverse projects, Preneur Lab continues to make a lasting impact on youth, providing them with the knowledge, skills, and opportunities needed to thrive in an ever-evolving world. The focus on encouraging women's participation underscores our dedication to creating an inclusive and empowering environment for all.

**Muktadir Mubassir: Acknowledging the inherent challenges faced by social impact businesses, Preneur Lab demonstrates a**



**unique resilience to societal betterment. Could you shed some light on the fundamental principles that guide the organisation through these obstacles?**

**Rakhshanda Rukham:** Engaging in a social impact business brings a profound sense of peace and happiness derived from the knowledge that your efforts contribute to helping and empowering others. It is not always an easy path; challenges are inherent in any endeavour, and a social impact business is no exception. However, it is the combination of determination and strong core values that serves as a compass, guiding you through obstacles.

The challenges faced are not deterrents but rather opportunities for growth and learning. Every organisation encounters hurdles, and acknowledging them is part of the journey. What sets social impact businesses apart is their unwavering commitment to the greater good. In the face of challenges, the focus remains on the betterment of society, the empowerment of youth, and the advancement of women.

**Muktadir Mubassir: Preneur Lab's active role in driving social change through the hosting of social events and community engagements is quite noteworthy. Would you kindly share with us if there is any plan for organising workshops, events, or boot camps in the near future?**

**Rakhshanda Rukham:** Absolutely, Preneur Lab is committed to its proactive role in driving social change through various initiatives, including hosting social events and community engagements. As we are consistently dedicated to creating opportunities for growth and empowerment, the organisation recognises the significance of workshops, events, and boot camps in achieving these objectives.

Looking ahead, Preneur Lab is actively planning a series of dynamic and impactful activities in the near future. These may include workshops aimed at honing specific skills, events fostering

community collaboration and engagement, as well as boot camps designed to provide intensive and immersive learning experiences.

**Muktadir Mubassir: The "Workathon for Women," an innovative approach for women introduced a few years ago by Preneur Lab, has proven transformative for women starting their professional careers. Could you please share your thoughts on the impact and significance of this innovative initiative, as well as its role in improving participants' job prospects and career readiness?**

**Rakhshanda Rukham:** The Preneur Lab's Workathon initiative has proven to be a remarkable and transformative experience for women beginning their professional journeys. Tailored especially for individuals at the onset of their careers, the programme has provided students with invaluable practical experience within an office setting. Participants engage in a spectrum of real-world tasks, including client meetings, brainstorming sessions, peer reviews, MVP development, and group presentations, offering a comprehensive understanding of professional responsibilities.

The benefits of the Workathon idea extend beyond the immediate tasks, resulting in increased productivity, the development of leadership skills, and the establishment of participants as desirable job prospects. By fostering a hands-on approach to learning, the initiative significantly contributes to the growth and preparedness of individuals entering the workforce.

The core notion of a Workathon focuses on enhancing collaborative abilities and recognising the importance of teamwork in a professional setting. This unique approach allows individuals to gain practical work experience before officially starting their careers, offering them a competitive edge in the job market.

Commencing in 2017, the Workathon initiative was conducted in partnership with Facebook Developer Circle, adding a collaborative and industry-relevant dimension to the program. The initiative, with its immersive real-world projects and client interactions, has proven instrumental

in helping participants secure jobs, re-enter the job market after breaks, and empower women to initiate or resume their careers.

**Muktadir Mubassir:** Your extensive journey, from representing Bangladesh at Google to participating in international fellowships, reflects a deep commitment to community empowerment. How do these global experiences shape your ongoing commitment to making a positive difference in society, and what collaborative efforts do you foresee in creating meaningful change in the future, both personally and within the initiatives of Preneur Lab?

**Rakhshanda Rukham:** I strongly believe in the importance of spreading knowledge within one's community, and one of the most rewarding experiences has been contributing to the success of my community. Recently, I was honoured to receive an invitation to attend the International Academy for Leadership Fellowship in Germany. As a dedicated gender advocate, I seized the opportunity to secure a scholarship for the Swedish Institute's SI Leader Lab Program, a programme specifically focused on advancing gender equality.

My journey has also included being an alumnus of the U.S. State Department, an achievement that I hold with great pride. Additionally, I had the privilege of being part of Nobel laureate Dr. Muhammad Yunus's fellowship, an experience that has significantly enriched my perspective and commitment to social impact.

In 2016, Google extended an invitation for me to represent Bangladesh and share insights into my work, empowering the community. This opportunity not only showcased the impact of our initiatives but also provided a platform to amplify the importance of community empowerment on a global stage.

These achievements underscore my ongoing commitment to making a positive difference in society and highlight the significance of

collaborative efforts in creating meaningful change. I look forward to continuing this journey of impact and learning, contributing to the betterment of communities and the advancement of gender equality.

**Muktadir Mubassir:** There has been a notable surge in the number of female entrepreneurs in recent years. How does Preneur Lab plan to build on these successes, foster an environment conducive to women's entrepreneurship, and advocate for policies addressing the unique challenges faced by women in the entrepreneurial ecosystem?

**Rakhshanda Rukham:** Creating more female entrepreneurs involves addressing various aspects of the entrepreneurial ecosystem to ensure that women have equal opportunities, resources, and support. The remarkable surge in female entrepreneurs during the COVID-19 period is a testament to the resilience and capabilities of women in the business world. Many women faced the challenges head-on, bravely tackling adversity and emerging as successful entrepreneurs. This period witnessed a significant increase in the number of women running small and medium-sized enterprises (SMEs), including a notable rise in female tech founders. Given this positive trend, it is crucial to build on these successes and continue fostering an environment conducive to women's entrepreneurship. To further support and encourage women entrepreneurs:

1. Showcase success stories to inspire other women and highlight the diverse contributions of women in entrepreneurship.
2. Encourage the formation of peer support groups where women can share experiences, insights, and resources.
3. Advocate for funding opportunities specifically earmarked for women entrepreneurs, both from public and private sources.
4. Advocate for policies that specifically address the unique challenges faced by women entrepreneurs.

## CAPITAL MARKET REVIEW

### Performance of Equity Markets of Bangladesh and Peer Countries

Bangladesh equity market closed the month of November in negative territory. During the month, the broad index DSEX decreased by -0.9%, blue chip index DS30 declined by -1.2% and Shariah index DSES decreased by -0.7%.

Among the regional peers, Pakistan and Vietnam reported a positive return of 16.5% and 6.4% respectively while Sri Lanka (-0.4%) ended the month in negative. On the other hand, MSCI Frontier Markets Index increased by 5.0% in November. Over 5-year horizon, Sri Lanka (+77.0%) yielded the most encouraging return.

Table 1: Equity market performance of Bangladesh and peer countries

Indices	Index Points, October 2023	Return*					
		1M	3M	YTD	12M	3Y	5Y
<b>Bangladesh</b>							
DSEX	6,223.0	-0.9%	-1.2%	0.3%	-0.2%	27.9%	17.8%
DS30	2,108.3	-1.2%	-1.6%	-4.0%	-4.8%	24.9%	13.3%
DSES	1,353.2	-0.7%	-1.4%	-0.4%	-1.2%	21.5%	N/A
<b>Peer Countries</b>							
Pakistan (KSE 100)	60,526.8	16.5%	26.0%	49.7%	42.9%	47.4%	49.5%
Sri Lanka (CSE - All Share)	10,608.3	-0.4%	12.3%	24.8%	22.6%	69.9%	77.0%
Vietnam (VNI)	1,094.1	6.4%	1.8%	8.6%	4.4%	9.1%	18.1%
<b>MSCI Frontier Markets Index</b>	<b>728.7</b>	<b>5.0%</b>	<b>-3.0%</b>	<b>8.2%</b>	<b>4.4%</b>	<b>2.6%</b>	<b>4.7%</b>

\*All returns are Holding Period Return.

Source: Investing.com, MSCI, DSE

### Liquidity Condition in Equity Market of Bangladesh

During November, the total market capitalization fell by -1.6%. The daily average turnover was BDT 4.3 bn (USD 39.1 mn) in November, down by -5.7% from that of last month. Turnover velocity which represents overall liquidity of the market stood at 14.8% in November, compared to 15.4% of last month. In 2022, turnover velocity of Bangladesh equity market was 30.7%, in comparison to 65.3% in 2021.

Table 2: Market capitalization and turnover statistics

Particulars	30-Nov-23	31-Oct-23	% change
Total market capitalization (USD* mn)	69,848	70,974	-1.6%
Total equity market capitalization (USD mn)	40,283	40,510	-0.6%
Total free float market capitalization (USD mn)	15,665	15,719	-0.3%
Daily Avg. Turnover (USD mn)	39.1	41.4	-5.7%
Turnover Velocity~	14.8%	15.4%	N/A

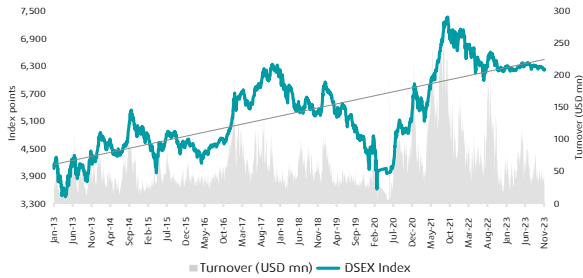
\*All USD figures are converted using an exchange rate of 110.50 as of November 30, 2023 as per Bangladesh Bank website.

~Turnover velocity is calculated by dividing monthly total turnover with month-end market capitalization. The figures are annualized.

### Historical Index Points and Market Participation Data

Since its inception on February 27, 2013, DSEX yielded a holding period return of 53.4% till November 2023. During this period, daily average turnover of the market amounted to BDT 6.8 bn (USD 61.3 mn) (Figure 1).

Figure 1: DSEX since inception along with market turnover



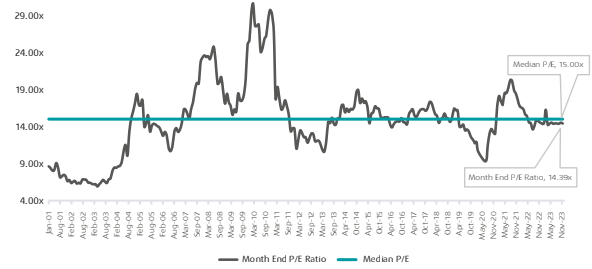
Source: DSE

### Market Valuation Level - P/E Ratio

The market P/E decreased to 14.39x in November compared to October's 14.51x. It is slightly lower than the 23 years' median market P/E of 15.00x (Figure 2).

Figure 2: Historical market P/E\* and its median

#### Current Market P/E\* in Context of History



\*Price Earnings (P/E) Ratio is calculated by dividing total market capitalization of all profit making listed companies with their total audited annual earnings.

Source: CEIC, DSE

### Sector Performance

Large cap sectors mostly posted mixed return in November 2023. Textile sector posted the highest return of 3.8%. On the other hand, Jute sector (-7.0%) faced the most price correction.

Telecommunication sector has the highest dividend yield of 5.9% among all sectors.



**Table 3: Sector performance snapshot**

Sector	Market Capitalization (USD mn)		Return*						P/E (x)**	P/BV (x)^	Dividend Yield~
	Total	Free Float	1M	3M	YTD	12M	3Y	5Y			
Pharmaceuticals & Chemicals	6,527	3,467	1.7%	1.7%	1.0%	0.5%	38.5%	52.9%	14.5	3.1	2.4%
Bank	6,134	3,398	-0.7%	-0.6%	4.7%	4.5%	28.0%	36.3%	6.3	0.7	4.1%
Telecommunication	5,251	578	0.0%	0.1%	3.1%	3.1%	10.9%	12.0%	14.3	6.0	5.9%
Engineering	4,797	1,050	0.7%	2.4%	3.0%	2.5%	45.5%	46.6%	32.7	2.5	2.3%
Fuel & Power	4,054	1,165	1.8%	1.7%	2.8%	4.0%	17.5%	16.5%	13.6	1.4	3.7%
Food & Allied	3,577	1,145	-0.2%	-0.7%	5.1%	5.3%	58.9%	70.2%	17.5	8.9	3.2%
Miscellaneous	2,032	849	0.7%	-1.3%	3.0%	2.9%	106.8%	110.3%	34.7	2.4	1.5%
NBFI	1,708	549	0.0%	-0.1%	0.8%	1.7%	18.7%	7.0%	24.9	2.0	1.5%
Textile	1,563	904	3.8%	2.2%	1.3%	2.1%	50.8%	-3.4%	29.5	1.1	1.8%
Cement	1,090	427	-1.5%	-2.8%	11.1%	11.4%	75.7%	29.5%	12.9	3.2	5.1%
Non-life Insurance	905	514	-6.5%	-0.3%	10.4%	9.3%	-1.5%	179.3%	17.6	1.9	2.9%
Life Insurance	648	380	-1.7%	-2.8%	3.0%	2.3%	15.7%	29.6%	105.2	7.1	2.0%
Tannery	297	159	-2.2%	-3.8%	1.1%	0.3%	73.7%	14.6%	38.1	2.9	1.8%
IT	339	211	-3.2%	-8.3%	-1.9%	-6.1%	58.8%	50.3%	31.0	3.0	1.7%
Ceramics	291	118	1.7%	1.7%	0.6%	1.7%	56.9%	27.5%	44.8	2.1	1.7%
Travel & Leisure	385	202	-5.4%	-3.8%	0.1%	-1.4%	79.7%	78.4%	34.5	1.5	1.9%
Paper & Printing	355	129	3.4%	-6.6%	0.4%	-3.3%	126.7%	26.7%	24.6	2.8	0.9%
Services & Real Estate	250	131	-1.0%	-0.3%	3.6%	0.5%	71.7%	63.2%	26.6	1.6	3.2%
Jute	40	21	-7.0%	11.1%	20.5%	43.8%	115.1%	18.7%	34.4	13.0	0.1%
<b>Market</b>	<b>40,283</b>	<b>15,396</b>	<b>-0.9%</b>	<b>-1.2%</b>	<b>0.3%</b>	<b>-0.2%</b>	<b>27.9%</b>	<b>17.8%</b>	<b>13.3</b>	<b>1.8</b>	<b>3.3%</b>

\*All returns are Holding Period Return.

\*\*Price Earnings (P/E) Ratio is calculated by dividing total market capitalization of all profit making listed companies with their annualized earnings.

^P/BV is calculated by dividing total market capitalization of listed companies with their respective total book values, excluding companies with negative book values.

~Dividend yield is calculated by dividing last year's declared cash dividend with market capitalization

## Cap Class Performance

During the month of November, Large cap (+0.3%) class, Small cap (+0.8%) and Micro cap (+2.5%) class managed to close the month in positive territory. On the other hand, Mid cap posted negative return of -0.3%.

**Table 4: Performance of different market cap classes**

Cap Class	Definition based on market capitalization (USD mn)	% of total equity Mcap	Return*						P/E (x)	P/BV (x)	Dividend Yield
			1M	3M	YTD	12M	3Y	5Y			
Large	≥92	76.7%	0.3%	0.0%	3.2%	3.1%	60.1%	63.3%	12.0	1.7	4.1%
Mid	28-91	11.9%	-0.3%	-0.6%	0.8%	1.1%	-25.8%	-27.0%	19.0	1.4	2.5%
Small	9-27	8.2%	0.8%	2.2%	3.9%	3.9%	62.0%	57.9%	26.2	1.0	2.3%
Micro	<9	3.3%	2.5%	-1.1%	18.0%	18.3%	-82.0%	-82.0%	33.9	1.0	1.6%
<b>Market</b>		<b>100.0%</b>	<b>-0.9%</b>	<b>-1.2%</b>	<b>0.3%</b>	<b>-0.2%</b>	<b>27.9%</b>	<b>17.8%</b>	<b>13.3</b>	<b>1.8</b>	<b>3.3%</b>

\*All returns are Holding Period Return

## Performance of 20 Largest Listed Companies in Bangladesh

Among the 20 largest listed companies in terms of market capitalization, SQRPHARMA increased by 4.4%, followed by UPGDCL (3.4%), BXPBARMA (2.4%), TITASGAS (1.2%), BEXIMCO (0.9%), BECONPHAR (0.7%) and RENATA (0.5%). On the other hand, LHBL (-3.9%), BERGERPBL (-2.7%), MARICO (-1.9%) and UNILEVERCL (-0.6%) posted negative return. All the other stocks of this list remained unchanged.

Majority of these companies yielded outstanding return over longer time horizon (5 years) such as BEACONPHARMA (+1443.9%), BEXIMCO (+488.1%), UNILEVERCL (+167.9%), MARICO (+137.0%), and BXPBARMA (+116.7%).

Among the scripts, GP, LHBL, SQRPHARMA, BATBC and UPGDCL recorded higher dividend yield compared to that of market.



Table 5: Snapshot of 20 largest companies in terms of market capitalization

DSE Code	Sector	Market Capitalization (USD mn)		Daily Avg. Turnover (USD mn)	Return*						P/E (x)	P/ BV (X)	Dividend Yield
		Total	Free Float		1M	3M	YTD	12M	3Y	5Y			
GP	Telecommuni- cation	3,502	350	0.03	0.0%	0.0%	3.3%	3.3%	-0.6%	-0.5%	10.7	13.3	7.7%
WALTONHIL	Engineering	2,872	29	0.00	0.0%	2.9%	2.9%	2.9%	56.2%	N/A	39.3	4.0	2.9%
BATBC	Food & Allied	2,535	670	0.02	0.0%	0.0%	1.9%	1.9%	65.3%	65.4%	15.5	8.5	3.9%
SQURPHARMA	Pharmaceuti- cals & Chemi- cals	1,683	1,100	0.43	4.4%	4.4%	5.0%	5.0%	28.8%	4.9%	7.7	2.6	5.0%
ROBI	Telecommuni- cation	1,422	142	0.01	0.0%	0.0%	2.3%	2.3%	N/A	N/A	68.2	2.6	2.3%
RENATA	Pharmaceuti- cals & Chemi- cals	1,264	616	0.02	0.5%	0.5%	0.5%	0.5%	39.6%	58.3%	34.2	7.1	0.5%
UPGDCL	Fuel & Power	1,226	123	0.00	3.4%	3.4%	3.4%	3.4%	-1.3%	1.9%	18.7	5.1	3.4%
BEXIMCO	Miscellaneous	917	612	0.04	0.9%	0.9%	0.9%	0.9%	402.1%	488.1%	(36.6)	1.7	0.9%
BERGERPBL	Miscellaneous	722	36	0.04	-2.7%	-7.5%	-0.1%	-0.4%	34.5%	33.8%	27.7	11.0	2.3%
LHBL	Cement	720	258	0.43	-3.9%	-2.0%	8.2%	6.2%	108.5%	95.4%	11.4	5.1	7.0%
MARICO	Pharmaceuti- cals & Chemi- cals	690	69	0.05	-1.9%	-5.4%	1.2%	1.2%	23.4%	137.0%	15.3	41.4	3.1%
ICB	NBFI	688	24	0.00	0.0%	0.0%	0.0%	0.5%	12.6%	-3.6%	(8.0)	8.0	0.3%
BXPHARMA	Pharmaceuti- cals & Chemi- cals	590	412	0.02	2.4%	2.4%	2.4%	-3.5%	6.1%	116.7%	10.5	2.1	2.4%
BRACBANK	Bank	521	280	0.05	0.0%	0.0%	1.8%	1.8%	-0.3%	-20.3%	8.2	1.5	1.9%
BEACONPHAR	Pharmaceuti- cals & Chemi- cals	512	308	0.01	0.7%	0.7%	-13.8%	-18.6%	257.6%	1443.9%	38.3	19.2	0.7%
ISLAMIBANK	Bank	475	305	1.06	0.0%	0.0%	1.8%	2.8%	32.5%	61.1%	9.0	0.9	3.1%
DUTCHBANGL	Bank	400	52	0.00	0.0%	0.0%	4.3%	4.3%	34.4%	85.6%	8.0	1.7	2.8%
TITASGAS	Fuel & Power	366	92	0.00	1.2%	1.2%	1.2%	1.2%	48.8%	39.6%	146.1	0.6	1.2%
UNILEVERCL	Food & Allied	352	50	0.01	-0.6%	-1.3%	14.1%	14.1%	41.5%	167.9%	43.0	34.4	0.7%
POWERGRID	Fuel & Power	338	84	0.02	0.0%	0.0%	0.0%	1.9%	29.7%	24.0%	(9.2)	0.7	1.9%
<b>Market</b>		<b>40,283</b>	<b>15,396</b>	<b>39.07</b>	<b>-0.9%</b>	<b>-1.2%</b>	<b>0.3%</b>	<b>-0.2%</b>	<b>27.9%</b>	<b>17.8%</b>	<b>13.3</b>	<b>1.8</b>	<b>3.3%</b>

\*All returns are Holding Period Return.

^ WALTONHIL got listed on Sep 23, 2020. ROBI got listed on Dec 24, 2020.

## Top Performing Mutual Funds

The top ten open end mutual funds based on 5 year CAGR outperformed the market, during the same period. Among them, Zenith Annual Income Fund (+21.8%) yielded the highest return. On YTD basis, Vanguard AML Growth Fund, Second ICB Unit Fund, IDLC Growth Fund, Zenith Annual Income Fund and EDGE Bangladesh Mutual Fund outperformed the market.

**Table 6: Top ten open end funds based on 5Y return (CAGR) performance**

Name	Asset Management Company	Fund Size (USD mn)	NAV Return		
			YTD 2023*	2022	2018-22
Zenith Annual Income Fund	ZENITH	0.9	1.9%	-1.0%	21.8%
Shanta First Income Unit Fund	SHANTA	8.5	-0.1%	-5.3%	13.5%
Vanguard AML Growth Fund	VANGUARD	1.1	3.6%	-0.3%	12.1%
CAPM Unit Fund	CAPM	1.1	-1.0%	5.6%	12.0%
Credence First Shariah Unit Fund	CREDENCE	1.0	0.1%	3.2%	11.5%
HFAML-ACME Employees' Unit Fund	HFAML	1.7	-5.2%	-0.9%	11.3%
Second ICB Unit Fund	ICB AMCL	2.3	3.2%	-1.6%	9.4%
IDLC Growth Fund	IDLC	5.9	2.7%	-3.8%	9.1%
EDGE Bangladesh Mutual Fund	EDGE	2.2	1.2%	-4.2%	9.0%
Capitec Padma P.F. Shariah Unit Fund	CAPITEC	3.6	-3.9%	10.2%	8.3%
<b>Market (Broad Index) Return (%)</b>			<b>0.3%</b>	<b>-8.1%</b>	<b>-0.1%</b>

\*Based on published NAV and DSEX point of November 30, 2023

All the top ten closed end mutual funds on the basis of 5 years (2018-2022) outperformed the market during the same horizon. Among them CAPMIBBLMF (+8.9%) posted the highest return. On YTD basis, PF1STMF (+5.6%), ICBSONALI1 (+4.5%) and ICBAGRANI1 (+3.8%) were the top performers.

**Table 7: Top ten close end funds based on 5Y return (CAGR) performance**

DSE Code	Fund Size (BDT mn)	Fund Size (USD mn)	Price <sup>1</sup> (BDT)	NAV <sup>1</sup> (BDT)	Price/NAV	Dividend Yield <sup>2</sup> (%)	NAV Return <sup>3</sup>				Redemption Year <sup>4</sup>
							YTD 2023	2022	2020-22	2018-22	
CAPMIBBLMF	718.0	6.5	12.1	10.7	112.7%	5.0%	-3.7%	0.0%	14.9%	8.9%	2027
1STPRIMFMF	267.8	2.4	19.5	13.4	145.6%	5.6%	2.3%	0.5%	23.6%	8.8%	2029
CAPMBDBLMF	545.4	4.9	9.9	10.9	91.0%	6.1%	-5.0%	4.7%	17.7%	8.1%	2027
ICBEPMF1S1	696.0	6.3	7.1	9.3	76.5%	4.2%	3.5%	0.8%	25.0%	7.8%	2030
PRIME1ICBA	957.0	8.7	7.7	9.6	80.5%	3.9%	2.2%	-2.3%	20.8%	7.6%	2030
ICB3RDNRB	896.0	8.1	6.5	9.0	72.5%	4.6%	3.3%	-1.1%	22.7%	7.0%	2030
PF1STMF	565.8	5.1	9.9	9.4	105.0%	3.0%	5.6%	-4.1%	21.4%	6.6%	2030
ICBAMCL2ND	502.5	4.5	8.7	10.1	86.6%	3.4%	3.0%	-0.8%	22.2%	6.4%	2029
ICBSONALI1	1,005.0	9.1	7.8	10.1	77.6%	3.2%	4.5%	-1.1%	17.1%	6.1%	2033
ICBAGRANI1	1,018.8	9.2	9.2	10.4	88.6%	5.4%	3.8%	-1.6%	17.2%	5.6%	2027
<b>Market</b>							<b>0.3%</b>	<b>-8.1%</b>	<b>12.0%</b>	<b>-0.1%</b>	

<sup>1</sup>Price as on December 06, 2023 and index value as on November 30, 2023.

<sup>2</sup>On last cash dividend declared.

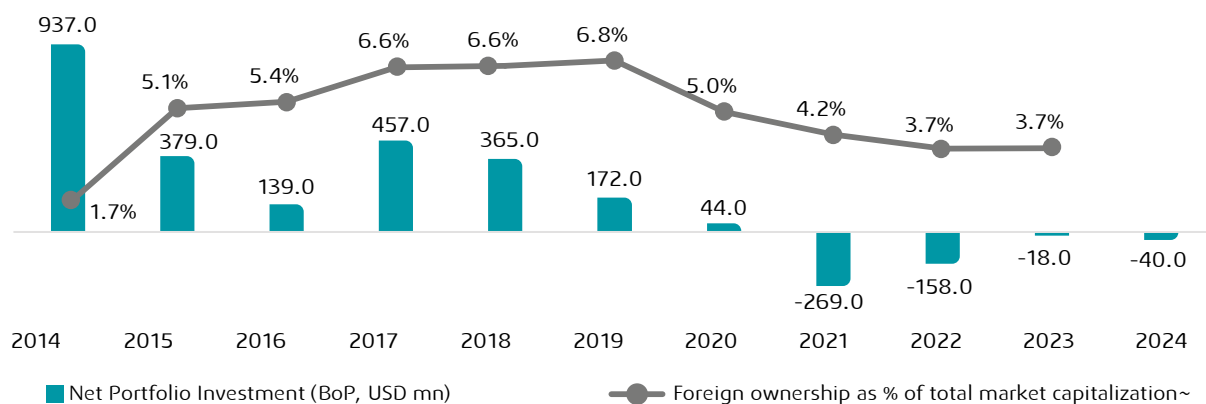
<sup>3</sup>CAGR computed for respected periods, except for 2021 and 2022 YTD, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

<sup>4</sup>In reference to BSEC Press Release বিসইবিস/মুসপাত্র (৩য় খণ্ড)/২০১১/২৫ published on Sep 16, 2018, tenure of existing listed closed end mutual funds can be extended by another tenure equal to maximum 10 years, provided that the full tenure of the subject fund does not exceed 20 years in total. However, the mutual funds those are not willing to extend their tenure will still have the option to convert or wind up as per rules and regulations.

## Foreign Participation in Equity Market of Bangladesh

Over last 5 years, Bangladesh equity market has seen a fall of foreign investment. As of October 2023, total foreign ownership stood at 2.9% of the total equity market capitalization, which was only 1.7% in February 2014.

Figure 3: Net foreign portfolio investment and foreign ownership as % of total equity market capitalization



Source: DSE and Bangladesh Bank

Note:

1. % of foreign ownership of equity market capitalization as of December and net portfolio investment as of June of the respective years.
2. Net portfolio investment of FY'24 includes Jul-Sept, 2023.

Among all the companies with foreign ownership, BRACBANK had the highest foreign shareholding of 30.5% as of October 2023, followed by BXPHERMA with 28.9%.

Table 8: Top ten companies with highest foreign shareholding as of September 2023

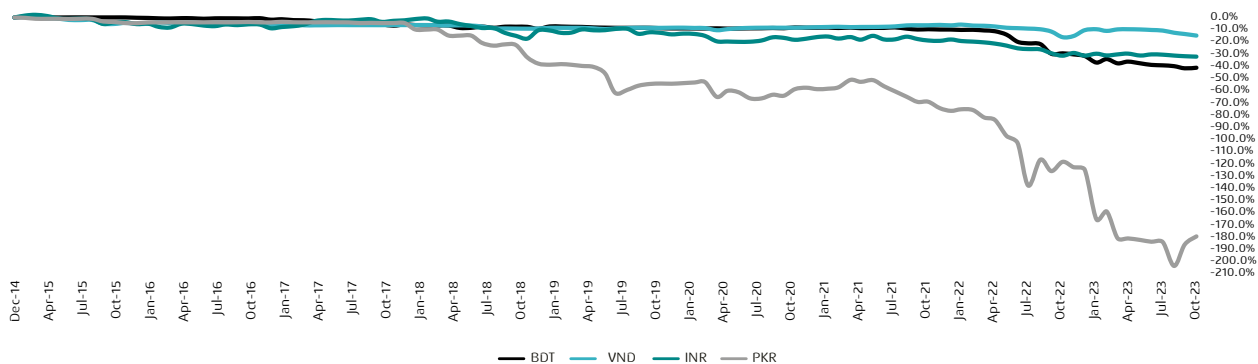
Ticker	Sector	Foreign Shareholding*
BRACBANK	Bank	30.5%
BXPHERMA	Pharmaceuticals & Chemicals	28.9%
NAVANAPHAR	Pharmaceuticals & Chemicals	27.7%
OLYMPIC	Food & Allied	24.8%
RENATA	Pharmaceuticals & Chemicals	22.7%
BSRMLTD	Engineering	17.3%
DBH	NBFI	17.0%
SQURPHARMA	Pharmaceuticals & Chemicals	13.7%
SHEPHERD	Textile	9.5%
ISLAMIBANK	Bank	8.3%

Source: DSE

## Performance of BDT and Currencies of Peer Countries against USD

BDT depreciated by 41.2% against US Dollar while other currencies of neighbor countries like Vietnamese Dong (VND), Indian Rupee (INR) and Pakistani Rupee (PKR) also lost value against US Dollar by 13.4%, 32.2% and 183.0% respectively, since December 2014.

Figure 4: Nine year's relative performance of BDT and peer currencies



### Major Commodity Price Movement

Among the major commodities, Crude Oil witnessed the most correction of -8.7% in November, followed by Cotton (-5.3%) and Wheat (-4.9%). On the other hand, Aluminum increased by 0.5%. Over last 5 years, wheat price hiked the most by 32.8%.

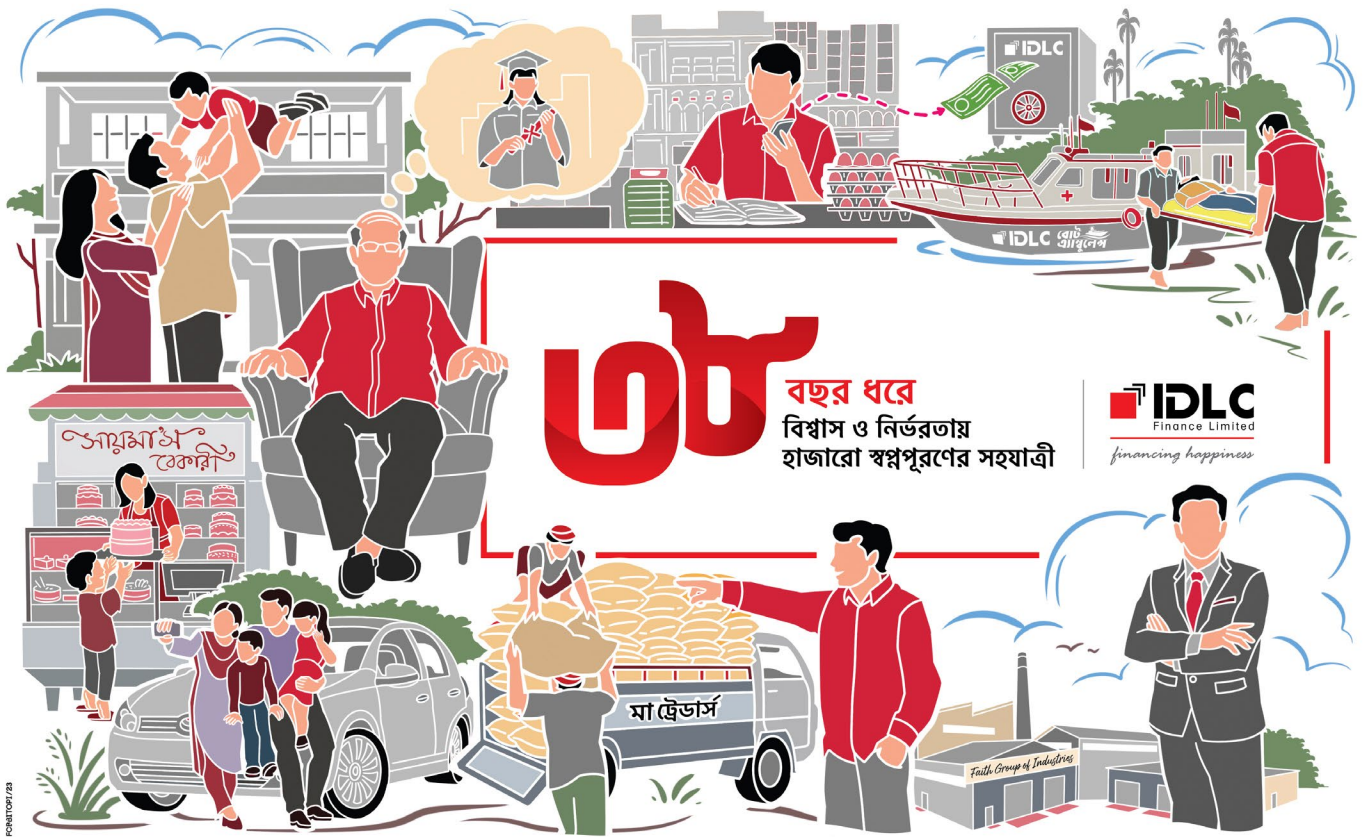
Table 9: Major Commodity Price Movement

	Price Change (%)					
	1M	3M	YTD	12M	3Y	5Y
Crude oil (Average)	-8.7%	-4.0%	4.2%	-9.9%	103.9%	6.0%
Wheat (US HRW)	-4.9%	-10.2%	-26.6%	-35.3%	4.1%	32.8%
Cotton (A Index)	-5.3%	-5.7%	-10.3%	-9.2%	20.9%	4.2%
Aluminum	0.5%	3.1%	-8.3%	-2.4%	21.9%	8.5%

Source: World Bank Pink Sheet

\*Average of Crude oil (Brent), Crude oil (Dubai), Crude oil (WTI)





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