



# BASUG-INAFI Bangladesh Remittances Project 2009



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# Introduction

- Bangladesh is a labor surplus country. Bangladesh has been considered as one of the labor supplying country in the international labor market.
- Every year a large number of professionals, skilled, semi-skilled and unskilled labor go abroad for short-term employment.
- Most of these temporary migrants go to Middle East, Malaysia, and Singapore for short-term employment.
- Besides, the cost of migration is less to migrate in these countries. The socioeconomic condition of these temporary labor migrants are not good and they come from middle class and lower class of the society.
- Over the last one decade it is observed that every year a good number of professionals, skilled, semi-skilled and unskilled migrants go to Europe. These migrants in Europe go to different European countries like Italy, UK, Greece, Spain, Germany, France, Belgium and Netherlands to stay there as permanent resident.
- The migrants who go to Europe to stay permanently come from higher class, higher middle class and middle class of the society; and their socioeconomic condition is good.
- It is assumed that the monthly average income of two members Bangladeshi migrants' family in Europe is 2500 Euro. But the income of professionals, highly skilled migrants and businessmen are higher.

## Introduction..contd..

- The Bangladeshi migrants who stay with their family ( 2 person family- husband and wife) and who don't work in different high position and lead very simple life, their monthly household expenditure is 1200 Euro. But who stay without family, their monthly family expenditure is 500 Euro.
- It is assumed that the average monthly surplus of a family is 1300 Euro.
- It is estimated that the Bangladeshi migrants in Europe transfer an average about 400 per month to their family members staying in Bangladesh. But the migrants, who stay alone without family, send more remittances.
- Besides, during various family and social occasions, the migrants send more remittances to their family members in Bangladesh. It is assumed that average 1200 Euro is transferred annually for special occasion.
- So it is assumed that a Bangladeshi migrant family in Europe sends average 6000 Euro annually to their family members staying in Bangladesh.
- But it is observed that due to lack of financial literacy the family members staying in Bangladesh spend large portion of remittances for household consumption and other non-productive purposes, and a very small amount invest in different financial instruments and business enterprises.
- From this perspective, BASUG jointly with INAFI Bangladesh has undertaken a project titled ***BASUG-INAFI Bangladesh Remittances Project 2009*** supported by OxfamNovib, Netherlands.

# Objectives of the Project

- The main objective of this project is to enhance formal channel of remittances and conduct financial literacy training to increase investment of remittances in various financial instruments i.e. bonds, Certificate deposits, capital market etc; and business enterprise development.

Through this project the participants will:

- acquaint with family income-expenditures and become more conscious about income-expenditures
- aware about different cost items of family expenditures and try to reduce unnecessary expenditures
- understand importance of savings and try to enhance family savings
- know about overall profit from different financial instruments and invest savings in these instruments
- encourage and invest additional savings in different financial instruments
- inform about different initiatives undertaken by Bangladesh Government for expatriate Bangladeshis

# Target Clients

- The target clients of this project are Bangladeshi migrants staying in Europe especially to the Netherlands, Italy, Germany, Spain, France, and UK and their family members staying in Bangladesh.

## Project Operational Areas

- BASUG will implement the project in Europe ( UK and the Netherlands)
- INAFI Bangladesh will implement the project in 10 Districts (Dhaka, Narayanganj, Munshiganj, Comilla, Chittagong, Feni, Sariatpur, Barisal, B. Baria, and Tangail through 3 partner organization i.e. Shakti Foundation, UDDIPAN, and WARBE.
- **Shakti Foundation:** Dhaka, Narayanganj, Munshiganj;
- **Uddipan:** Comilla, Chittagong, Feni;
- **WARBE:** Sariatpur, Barisal, B. Baria, Tangail (Mirzapur)

# Activities

- Identification of target clients from project operational areas
- Select the target clients by using preliminary client assessment form
- Orient the selected clients' details about the project, its objectives and training.
- Prepare a list of 50-60 selected clients who are interested to participate in the training. It may be mentioned here that maximum 2 persons ( 1 male and 1 female) from each family can participate in the training.
- Fix the training date
- Develop documentary film
- Develop financial literacy training materials
- Conduct training

# Financial Literacy Training Materials

## Session-1

**Session Title:** Registration, introduce with each other, briefing about course framework and assess expectations from the participants.

**Session Objectives:** At the end of this session the participants will-

- know training course objectives
- their expectations from training
- system of training

## Session-2

**Session Title:** Financial Knowledge and Management

**Session Objectives:** At the end of this session the participants will-

- understand the importance of financial knowledge and management
- know how financial knowledge can play role in personal and family life
- manage financial matters in personal and family life

# Financial Literacy Training Materials.. contd..

## Session-3

**Session Title:** Socioeconomic Condition of Europe going Bangladeshi Migrants

**Session Objectives:** At the end of this session the participants will know and understand-

- characteristics of Europe going migrants
- their educational qualifications
- financial condition of their family
- total expenditures for migration in Europe
- sources of funds for migration etc

## Session-4

**Session Title:** Life style of Bangladeshi Migrants living in Europe

**Session Objectives:** At the end of this session the participants will know and understand-

- Life style of Bangladeshi Migrants living in Europe
- Their monthly and annual income-expenditures
- Various cost items
- Monthly and annual surplus money
- Amount of remittances transferred to home
- Amount of savings etc

# Financial Literacy Training Materials.. contd..

## Session-5

Session Title: Life Style of Family Members of Bangladeshi Migrants staying in Bangladesh

Session Objectives: At the end of this session the participants will know and understand about-

- Life Style of Family Members of Bangladeshi Migrants staying in Bangladesh
- Monthly income and sources of income
- Monthly expenditures and various expenditure items
- Amount of annual surplus money
- Amount of savings etc

## Session-6

Session Title: Transfer Remittances through Formal Channel

Session Objectives: At the end of this session the participants will know and understand about-

- how to transfer remittances through formal channel
- documents required to transfer remittances
- how to complete documents
- cost and time of transfer

# Financial Literacy Training Materials.. contd..

## Session-7

**Session Title: Government initiatives and facilities to invest formal channel transferred remittances in different financial instruments**

**Session Objectives: At the end of this session the participants will know and understand about-**

- Government initiatives and facilities to invest formal channel transferred remittances in different financial instruments
- wage earners development bond
- US Dollar premium bond
- US Dollar Investment bond etc

## Session-8

**Session Title: Different Savings Schemes Initiatives and Facilities by the Government**

**Session Objectives: At the end of this session the participants will know and understand about-**

- Different Savings Schemes Initiatives and Facilities by the Government
- 5 Years Bangladesh Savings Scheme
- 3 Months Profit Savings Scheme
- Pensioner Savings Scheme
- 3 Years National Investment Bond Scheme
- Bangladesh Prize bond
- Post office savings scheme
- Post office Life insurance etc.

# Financial Literacy Training Materials.. contd..

## Session-9

**Session Title: Savings and Investment Schemes of Government and Private Commercial Banks**

**Session Objectives: At the end of this session the participants will know and understand about-**

- Different Savings Schemes Initiatives and Facilities by the Government and Private Commercial Banks
- Terms and condition of each savings product
- Interest rate of different savings products ( note: interest rate of different savings products might vary according to Central Bank Bangladesh Bank policy)

## Session-10

**Session Title: Savings and Investment Schemes of Different Financial Institutions: Non-Bank Financial Institutions (NBFIs) and Microfinance Institutions (MFIs)**

**Session Objectives: At the end of this session the participants will know and understand about-**

- Different savings schemes of NBFIs and MFIs
- Terms and condition of each savings product
- Interest rate of different savings products ( note: interest rate of different savings products might vary)

# Financial Literacy Training Materials.. contd..

## Session-11

Session Title: Investment Facilities for Non-Resident Bangladeshis in the Capital market

Session Objectives: At the end of this session the participants will know and understand about-

- Investment facilities for NRBs in the capital market
- How to open Foreign Currency (FC) account
- How to open Beneficiary Owners (BO) Account
- How apply for IPO of shares

## Session-12

Session Title: Investment Facilities of Non-Resident Bangladeshis

Session Objectives: At the end of this session the participants will know and understand about-

- Investment Facilities of NRBs in capital and financial market
- Investment Facilities of NRBs in industrial investment and investment in Export Processing Zone
- Tax holiday facilities
- Investment facilities in Land and Apartment

# THANK YOU!

