

Temporary Movement of Natural Persons (TMNP): Prospects and Constraints of Bangladesh

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Abstract

Temporary Movement of Natural Persons (TMNP) known as Mode-4 under the General Agreements of Trade in Service (GATS) is the real interest for Bangladesh in service negotiation. The research reveals the significance of TMNP and its impact on the living standard of households and economic development of Bangladesh. It has demonstrated the scope for future diversification in profession and market to expand volume of labor export from Bangladesh. In addition, this article has shown the constraints faced by Bangladesh in TMNP. The analysis is based on the secondary information and comprehensive database. Finally, the study depicts measures to improve the current status of TMNP in light of major market access barriers.

Keywords: Temporary movement, Natural persons, Economic development, Prospects, Constraints and Bangladesh

1. Background and Research Purpose

The General Agreement on Trade in Services (GATS) is the first multilateral trade agreement to cover trade in services. The creation of the GATS was one of the landmark achievements of the Uruguay Round of trade negotiations from 1986 to 1993, whose results entered into force in January 1995. With a view to achieving a progressively higher level of liberalization, pursuant to Article XIX of the GATS, WTO Members are committed to entering into further rounds of services negotiations. The first such Round started in January 2000.

The GATS was inspired by essentially the same objectives as its counterpart in merchandise trade, the General Agreement on Tariffs and Trade (GATT): creating a credible and reliable system of international trade rules; ensuring fair and equitable treatment of all participants (principle of non-discrimination); stimulating economic activity through guaranteed policy bindings; and promoting trade and development through progressive liberalization. Services represent the fastest growing sector of the global economy and account for two thirds of global output, one third of global employment and nearly 20% of global trade (Source: WTO Website).

The GATS identifies four specific ways to facilitate international services trade. Mode 4 is one of them, also known as 'Temporary Movement of Natural Persons'. The GATS describes TMNP as the supply of a service "by a service supplier of one Member, through presence of natural persons of a Member in the territory of any other Member (GATS, 2007)." A liberalization of TMNP would thus allow for greater movements of workers from one member country to another, for temporary employment, such as through a guest-worker program geared towards highly skilled workers. The GATS distinguishes between four modes of supplying services: cross-border trade, consumption abroad, commercial presence, and presence of natural persons.

Mode 1: Cross-border supply is defined to cover services flows from the territory of one Member into the territory of another Member (e.g. banking or architectural services transmitted via telecommunications or mail);

Mode 2: Consumption abroad refers to situations where a service consumer (e.g. tourist or patient) moves into another Member's territory to obtain a service;

Mode 3: Commercial presence implies that a service supplier of one Member establishes a territorial presence, including through ownership or lease of premises, in another Member's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains); and

Mode 4: Presence of natural persons consists of persons of one Member entering the territory of another Member to supply a service (e.g. accountants, doctors or teachers). The Annex on Movement of Natural Persons specifies, however, that Members remain free to operate measures regarding citizenship, residence or access to the employment market on a permanent basis. (Source: WTO)

Special provision for LDCs: Article IV Paragraph 3 define special priority shall be given to the least-developed country members in the implementation of paragraph 1 and 2. Particular accounts shall be taken of the serious difficulty of the least developed countries in accepting negotiated specific commitments in view of their special economic situation and their development, trade and financial needs.

Article XIX paragraph 3: Negotiating guidelines shall establish modalities for the treatment of liberalization undertaken autonomously by Members since previous negotiations, as well as for the special treatment for least-developed country Members under the provisions of paragraph 3 of Article IV.

Globalization is driving the movement of people across borders—the dramatic expansion of cross-border trade and investment—has upsurged international labor mobility. *The GATS could facilitate temporary Movements* of certain types of workers— service suppliers—is included under the World Trade Organization (WTO) General Agreement on Trade in Services. This is designed to facilitate the movement of people in a way analogous to the movement of goods and capital. This type of temporary movement—called Mode 4 in the GATS—is treated as other services in the global negotiations. They allow countries to negotiate fixed limits accorded to all foreign workers on a most-favored-nation (MFN) basis. Some developing countries deem temporary movement which is Mode 4 under GATS, as their key interest in services trade and are expecting real progress in the context of the Doha Development Agenda negotiations (Global Economic Prospects, 2004).

Both developed and developing countries have much to gain from temporary labor migration. Rich countries benefit because they gain workers whose skills are in short supply. Also, as demographics drive up the average age in rich countries, migration allows an influx of younger workers who contribute to pension systems that would otherwise be actuarially unviable. Poor countries gain from higher wages as well as from the remittances that accrue from migration. In 2001, worker remittances alone provided some \$70 billion to developing countries, nearly 40 percent more than all development assistance and significantly more than net debt flows to developing countries (Walmsley and Winters, 2002).

The movement of natural persons or temporary migration of labor has been playing an important role in the economic development of developing nations; which can be identified with the steady growth of remittances received by Bangladesh every year (19 Million in 1976, 1807 Million in 1999, Source: IMF Balance of Payments statistics yearbook as cited in International Migration: An Emerging Opportunity for the Socio-Economic Development of the ESCAP Region, 2002).

Although export of Ready Made Garments (RMG) is the major source of foreign earnings, remittance is the second largest sources of foreign currencies inflow in Bangladesh. The contribution of remittance in the GDP and economic growth is predominant which is influenced by the net successes of a manpower export. The tendency of Bangladeshi people is to migrate abroad to increase their living standard. Migrant workers living in the Kingdom of Saudi Arabia are the main source of remittances, contributing 32% of the total flow in 2007 (Bangladesh Bank, 2007).

Table 1.2 represented that the growth of remittance is more than two times of merchandize export. Merchandize export represented 15.87% and 10.30% growth rate in 2007-2008 and 2008-2009 respectively while remittance inflow represented 32.38% and 22.42% for the same years. In recent financial year the growth rate declined due to the global financial crisis.

Based on the statistics, a graphical presentation has made to depict whether temporary labor migration has affected the living standard of the households in Bangladesh. Even though remittance is one of the major sources of foreign currency inflow, the volume is lower than its neighboring country (e.g. India) and also than some other Asian countries such as Philippines, Indonesia etc. Table 1.3 has represented the contribution of south Asian countries' in service export.

The study has discovered the potentials of Bangladesh in TMNP, and suggests a better product line for professional or skill diversification. For example, Bangladesh largely focused on semi skilled and unskilled labor export in Middle East countries, especially for construction workers. Bangladesh can also focus on professional

diversification (e.g., nurses and maids) to expand volume of export for which Japan, New Zealand, United Kingdom, Australia and Canada may be the potential market. Here the research objectives are designed to serve the interest of Bangladesh for TMNP. The specific purposes of this research are as follows:

1. To identify the reasons for which Mode-4 of GATS is important for Bangladesh
2. To measure the impact of remittance on the living standard of household.
3. To determine the current trend of labor export in light of profession and destination.
4. To discover the potential of profession and market diversification.
5. To specify the major market access barriers.
6. To recommend some measures for negotiations and elimination of market access barriers.

2. Introduction

General Agreements on Trade in Services (GATS), particularly Mode-4 (Temporary Movement of Natural Persons) carry more importance for the developing countries and LDCs like Bangladesh. Under the GATS agreement, most of the developed countries have the privilege on different modes except mode 4. The developing and least developed countries are abundant with semi skilled and unskilled workers with competitive labor price. Many of the Bangladeshi workers are working overseas especially in the Middle East. Bangladesh has the major interest in GATS' Mode-4 and can diversify in semi-skilled and unskilled workers for North American and European markets.

The service sector contributes more than 50 percent to the GDP of Bangladesh and Nepal; both are major LDCs of South Asia. Growth rates of the service sector in these two countries are also higher than the growth rates of their respective GDPs. The services trade, however, accounts for only 5-6 per cent of the total trade of Bangladesh. Remittance earnings from temporary labor migration is the major source of service trade which was US\$ 3,866.63 million in 2004-05 and making it the second largest source of foreign exchange earnings for Bangladesh (Raihan, 2006).

Siddiqui (2003) highlights that remittances are the largest source of foreign exchange earnings for Bangladesh and that they are indispensable in financing the import of capital goods and raw materials for industrial development. In FY2003, the total remittance earnings were 46.76 per cent of total export earnings; the volume was equivalent to 5.9 per cent of Gross Domestic Product (Raihan, 2005).

Bangladeshi migrants consist mainly of low-skilled and unskilled workers, yet changes in the global labor market are increasing the demand for skilled workers and this has led some authors to argue that the Bangladeshi government should act to diversify its international labor force and develop strategies to send skilled workers and professionals abroad (RMMRU, 2002; Siddiqui, 2003; Al Hasan, 2006; Aminuzamman, 2007).

De Bruyn and Kuddus (2005) review and compile more than twenty studies with data on remittances utilization in Bangladesh, concluding that although remittances are destined mainly for consumption purposes they are also invested in education, housing and income generating assets such as livestock and land.

Bangladesh would have much to gain through the expansion of the TMNP market access commitments to include less skilled worker groups. Raihan and Mahmood (2007) consider the extreme situation where 200,000 skilled or unskilled workers were sent overseas. Based on these scenarios, the paper estimates the gains from the complete liberalization of skilled service provider migration at \$381 million, with the estimate for unskilled service provider category being \$3.5 billion.

Since the mid 1970s, labor migration has become an important element of survival for many households in Bangladesh. Migration carries high costs and risks both for migrants and their families who lose an important member of the household for an extended period of time, yet each year thousands of Bangladeshis migrate to the Middle East and South Asia to work. This flow has been particularly high in the last two years. According to the Bangladeshi Bureau of Manpower, Employment and Training (BMET), 377,591 people left the country in 2006, an increase of 50% over the previous year, and this number is gradually increasing.

Given these figures, remittances sent home by migrants have emerged as a dominant source of income for over 20 million Bangladeshis in over 4 million households and for the economy as a whole: according to a recent IMF report (2005), the share of remittances in household income has risen from 3.7 percent in 1987- 88 to 18.5 percent in 2000; meanwhile, the total volume of remittances has been growing at a pace of 20% per annum and is likely to exceed a total of US\$ 6 billion in 2007. Table 1.4 represented the remittance inflow of selected countries, 1995-2007:

It can be viewed from Table 1.4, the remittance from non-resident Bangladeshis (NRBs) has seen phenomenal growth; in the last 12 years, it has grown almost six times, from \$1.1 billion to \$6.4 billion. While Thailand's

growth remained minimal during these years, all three other countries have gone through remarkable growth; Indian remittance grew almost four times, and while less than India in volume, and far less than India in gross volume, the growth of remittance in Indonesia and Bangladesh has been almost six-fold.

According to the World Bank, in 2001, NRB remittance was around 2% of Bangladesh's national GDP; in 2007, it stood at an impressive 8.8%. In comparison, remittance in Indonesia, Thailand and India stands at 0.6%, 1% and 2.8% respectively.

In 2001, the top ten countries where the remittances came from were the following, with the amounts noted in billions: United States (\$28.4), Kingdom of Saudi Arabia (\$15.1), Germany (\$8.2), Belgium (\$8.1), Switzerland (\$8.1), France (\$3.9), Luxembourg (\$3.1), Israel (\$3.0), Italy (\$2.6) and Japan (\$2.3). Kuwait, Oman, Bahrain -- where NRBs reside in substantial numbers -- fall to 12th, 13th and 15th places, respectively. During that same year, the top ten developing nations which received remittances were the following: India (\$10.0), Mexico (\$9.9), Philippines (\$6.4), Morocco (\$3.3), Egypt (\$2.9), Turkey (\$2.8), Lebanon (\$2.3), Bangladesh (\$2.1), Jordan (\$2.0), and Dominican Republic (\$2.0) (Rahman, 2008).

Buchenau (2008) in Migration, 'Remittances and Poverty Alleviation in Bangladesh Report and Proposal', according to statistics provided by the BMET, women make up a very small proportion of formal international migrants, probably due to constraints in both Bangladesh and receiving countries. From June 2006 to May 2007, BMET recorded only 17,485 female migrants (3.5% of 494,000 cleared migrants during that period)

According to IMF Yearbook, in 2001 remittances from the non-residents of Tonga, Lesotho, Jordan, Albania and Nicaragua constituted 37.3%, 26.5%, 22.8%, 17.0% and 16.1% of their national GDPs respectively. And, The World Bank data suggests that in 2004, remittances accounted for approximately 31%, 25%, and 12% of GDP in Tonga, Haiti, and Nicaragua.

For Bangladesh, it is important to recognize that remittances can dramatically increase the national gross domestic product (GDP) by a significant percentage and hence, will play a vital role in shaping the economic progress of the nation. In numerous countries around the world remittances constitute a large percentage of national GDP.

3. Literature Review

Although a wide range of articles and research had been published on the importance of remittance and manpower export but very few number of articles focused on the potential of diversification in profession and market for Bangladesh. Still there is specific gap between identification of major market access barriers and find ways to overcome them.

In "Services Trade Negotiations after WTO Hong Kong Ministerial: *A South Asian Perspective*", the scope of services export for South Asian countries is largely concentrated in Mode 4. Though India has interest in all modes of services trade, the need for a greater cooperation within South Asia on Mode 4 is reasonably justified. There is also a need to come out with a common South Asian negotiating agenda on rules on services liberalizations (Raihan and Razzaque, 2007).

In "Trade Negotiations on Temporary Movement of Natural Persons: A Strategy Paper for Bangladesh" demonstrated policy brief on the basis of a research study on Risks and Opportunities of Liberalizing Trade in Services: Country Study on Bangladesh (Raihan and Mahmood, 2004). Over the past few decades, remittances from non-residents (NR) have become an increasingly important source of external funding for many developing nations, including Bangladesh (Rahman, 2008).

In "Bangladeshi remittances hit record high", Overseas remittances are up 18 per cent for the first two months of the financial year 2008, which started in July. The rising tide of remittances – which last year accounted for 10 per cent of the country's gross domestic product – follows the exodus of a record 875,000 Bangladeshis to jobs overseas in 2008, up from about 832,000 the year before (Kazmin, 2009).

Since 1990s, there is a renewed interest in the financial resources that migrants send back to their countries of origin (World Bank, 2005). According to estimates of the World Bank (2005) developing countries received 126 billion US\$ in 2004 in official remittances. This is 10 billion US\$ more than in 2003 and 27 billion US\$ more than in 2002.

In 1995 total official remittances to developing countries totaled at 53 billion US\$. These figures however do not take into account unrecorded remittances. Informal remittances could amount to more than the total volume of officially recorded remittances (De Bruyn & Kuddus 2005, Maimbo & Ratha 2005 and Pieke et al. 2005).

International remittances are sent mainly by three large, but distinct types of migrant. Firstly, there is an important, mainly American and British, diaspora of well-educated, high or middle income earners. Secondly, a diaspora of Bangladeshi origin belonging to the low-income or unemployed segments of the population also exists in industrialized countries. Thirdly, there is a major group of migrant labourers, who are residing for a specific period of time in Middle Eastern (mainly Saudi Arabia, UAE, Kuwait), South-East Asian (e.g., Malaysia, Singapore) and some industrialized countries (De Bruyn, 2006).

Between 1976 and 2002 Bangladesh received US\$ 30,400 million in official remittances. In the last years official remittances have increased to US\$ 3.8 billion annually. Most international remittances come from the Middle East and thus from temporary migrant workers (De Bruyn, 2006). The main policy initiatives taken abroad and in Bangladesh focused on the following issues (De Bruyn & Wets 2004, Carling 2005, CFSI 2004, House of Commons IDC 2004, De Bruyn & Kuddus 2003):

1. *Increasing remittances*: e.g. facilitating and stimulating labor migration.
2. *Stimulating formal remittance methods*: e.g. decreasing costs of formal transfer by stimulation of competition; information campaigns about pricing systems; development of synergies between banks and microfinance institutions
3. *Providing options using remittances for economic investment, social (i.e. education, health,) or housing purposes*: developing financial services (savings and investment schemes) for migrants; launching specific bonds and accounts; assisting migrant entrepreneurs.
4. *Supporting development initiatives of migrant associations*: e.g. developing institutional framework to support and subsidize development projects of migrant initiatives; matching funds schemes.

At the end of 2003, our institute, the Belgian Higher Institute for Labour Studies, KU Leuven, in close collaboration with the International Organisation for Migration (IOM) in Dhaka, carried out a study to compile the available information on remittances in Bangladesh; to determine the impact of financial remittances on the household and the broader community level; the initiatives taken by the Bangladeshi government and other actors to enhance this impact; and the hindrances, opportunities and possible avenues for the enhancement of the impact of remittances on the broader society. The final report, entitled “Dynamics of Remittance Utilization in Bangladesh”, (De Bruyn & Kuddus, 2005).

Bangladeshi migrants, who are mostly men, work mainly in Middle Eastern countries including Saudi Arabia and the United Arab Emirates. Their earnings are a lifeline for millions of impoverished families in one of south Asia’s poorest countries (Kazmin, 2009).

In “Bangladesh's economy: surrounded by deadly threats”, examined Bangladesh's overall economy with special focus on strengths, weaknesses, opportunities, threats (SWOT) analysis, choosing right foreign direct investment (FDI) strategy, remittance inflow, lessons from South East Asian nations, risk factors and aftermath. The research has found that Bangladesh is going to encounter series of economic hurdles in near future. The article offers a holistic view that would guide a reader to identify key challenges of a typical least developed country (Salman, 2009).

In “The New Economics of Labour Migration and the Role of Remittances in the Migration Process”, in 1995, international migrant remittances exceeded US\$70 billion. This article revealed the development potential of remittances from a new economics of labour migration (NELM) perspective and cites empirical evidence that remittances may be a positive factor in economic development Taylor (2007).

In “Dynamics of Labor Migration-Bangladesh Context”, in between 1996 to 2002 about 3.24 million Bangladeshi migrated for overseas employment and remitted 23.7 billion dollars during this period. These numbers excludes those who go abroad undocumented and made remittance through un-official channels (Miyan, 2004).

In “Migration decision from Bangladesh: permanent versus temporary”, revealed an empirical distinction between the temporary migrants (Bangladeshi citizens engaged in earning abroad) and the permanent migrants (those who have the dual citizenship) based on their cost conditions, earnings, and utilization of remittances in their country of origin (Joarder and Hasanuzzaman 2008). Despite institutional limitations, Bangladesh like other labor originating countries, has the goals of maximizing labor migration and ensuring protection and welfare of migrant workers abroad (Miyan, 2004).

4. Research Methods & Data Collection

This research is exploratory and quantitative in nature. Analysis is based on the data collected from various sources. A thorough literature review has been conducted to justify the analysis and findings. Here the concept of TMNP, prospects, constraints and recommendations are based on empirical research publications and data mining from reliable sources. The data analysis part, taking Bangladesh as an example and has shown how the TMNP plays significant role in the economic development of Bangladesh. World Bank Development Index Database, Bangladesh Bank Database, Ministry of Foreign Affairs and Bangladesh Bureau of Statistics are the main sources of data collection on TMNP to measure the impacts on the economy of Bangladesh.

5. Results and discussion

Since there is not enough relevant sources to find out the data of the remittances income for temporary movement of natural persons, this paper has taken workers' remittances and compensations of employees received as the base data. The major reason of taking "workers' remittances and compensations of employees received" data as the base data is that remittances income for TMNP is a part of foreign remittances.

Graph 1 and graph 2 both of them shows that there is a positive steady growth in remittances income of Bangladesh from the year 1985 to 2000 and from 2000 to 2009 there is very steady growth. This paper will show that other development indicators has positive relationships with the remittances income, which means TMNP remittances income has a major impact on a country's development.

Graph 3 and 4 shows the relationships between gross savings of Bangladesh with the remittances income. And very interestingly it can be found out that there was a steady growth if gross savings of Bangladesh from 1985 to 2000 and after 2000 it shows a rapid growth same as the remittances inflow.

Graph 5 and 6 shows the relationships between GNI of Bangladesh with the remittances income. However, the trend shows that there is a rapid growth until 2005, and from 2005 to 2009 there is a very steep growth. Comparing to the remittances inflow, the growth of the GNI trend is slightly higher. It can be justified in the way that the savings (which were shown in graph 3 and 4) can be the investment in the economy. So, the GNI should be the earnings from those investments (savings) and also the remittances inflow.

Graph 7 and 8 depicts that national expenditures has a similar trend as the remittances income. It means, with the generation of income, the purchasing power of the people also increases. So the income generated from temporary movement of natural persons has a positive impact on the country.

Graph 9, 10 and 11 informs that there is a positive growth of Bangladesh's GDP with some slight fluctuations throughout the period. The remittances inflow trend also has the similar nature except the rapid growth of Bangladesh's GDP since 1995. It is so because during those years many garments and other industries were developed which have resulted very high growth in GDP.

Graph 12 and 13 shows that Bangladesh's final consumption expenditures has a similar trend as the remittances income. As the final consumption expenditures has a positive trend, it be said that the overall economy's purchasing capability which is a notable indicator of the development of the economy.

In general, it is not desired for a country to have economically active children who are between 7 and 14 years. Data for economically active children of Bangladesh of the year 2003 to 2006 were found, and those data are shown in graph 14. Data for remittance of the same years are shown in graph 15. Even though there is a limitation on the numbers of collected data, but it can be seen that as the remittances inflow increases, there is a decrease of the economically active children.

Graph 17 shows, the children out from the school in Bangladesh of the year 2005 and 2006. But comparing it with the remittances inflow of the same years (graph 16), it can be noticed that as the remittances increases, the number of children out from the school decreases. From this aspect as well, it can be said that remittances has a positive impact in the household income or expenditures in Bangladesh.

6. Prospects and constraints

The above research reveals the following prospects and constraints for the Temporary Movements of natural Persons of Bangladesh. Source: Annex-A, Annex-B, Annex-C and Annex-D

- Contribution of remittance in the GDP and national economy is gradually increasing
- Impacts of temporary migration on the living standard of households are substantial
- Current trends for professional, semi skilled and unskilled labor force in export market
- Bangladesh strength on TMNP for competitive labor price

- Greater scope for diversification in profession and skills for temporary labor export
- Huge opportunity for Market diversification in temporary workers movement (e.g., Middle East and EU)
- Major market access barriers with considering country specific requirements:
 - a. Issue for the conformation of social compliance.
 - b. Country specific requirements (e.g., eligibility) for temporary workers.
 - c. Preference on age and gender, e.g. Australia emphasized on young workers whose age in between 18-30 years, specially for women under work and holiday visa.
 - d. Comprehensive visa procedure for selected countries like: USA, Canada and Australia etc.
 - e. Preference for profession such as: agriculture, fisheries, construction and hotel etc.
 - f. Market for skilled workers
 - g. More requirements for semi skilled and unskilled workers to access in the developed countries.
 - h. Sovereignty issues on TMNP: (e.g., USA, Canada, Australia and some European Countries are more concern about this).
 - i. Potential threat of smuggling, terrorism and criminal activities in TMNP.
 - j. Unrecognized measurement scale for education (Vocational and Technical) for diverse profession.
 - k. Gender discrimination and abuse.
 - l. Security issue of labor importing countries.
 - m. Involvement of temporary workers in Trade union and Politics.
 - n. Language requirements for different country (e.g., France, Japan, USA, Spain and South Korea).
 - o. Communication barriers and undefined standard of language.
 - p. The risk of carry out and spread of infectious diseases such as AIDS, flu, influenza etc.
 - q. Lack of recognition of professional qualifications for developing countries (e.g. Bangladesh)
 - r. Disparity in wages and salary administration for temporary workers.
 - s. Level of social cohesion and integration between the government and agencies.
 - t. Economic need test.
 - u. Impact of inflation and economic crisis resist temporary movement of workers.
- Negotiation improvement for TMNP requires diverse skills.
- Strategic move is essential for market expansion: Negotiation under GATS, RTAs and FTAs.
- Serve mutual interest of importing and exporting countries on TMNP.

7. Recommendations and Conclusion

In the case of TMNP under GATS, potentially large returns would be feasible if developing countries are allowed to supply semi-skilled and unskilled workers in developed countries. But the real gains from trade in goods or in services come from exploiting differences. In the service trade of mode-4, the flow of unskilled (or less skilled) workers from developing to developed countries that promises the larger returns and these not only enhance the economical development but also increase income of the labor intensive country and facilitate transforming the unskilled workforce into valuable resources.

Throughout the research, it has emerged that TMNP can contribute to a country's economy. Many developed nations not yet opening their market where some others restrict the labour movement by barriers. The important issue is that the developed countries should come out from defensive position with regard to participation in the services negotiation. Developing countries should prepare themselves for submission of both offers and requests in some selected sectors which comply with the development objectives of the country, liberalization status in those sectors and negotiating priorities of requesting countries. Moreover, the developing nations should claim market access in the identified categories of the developed nations those require manpower.

Negotiations in service sectors especially for mode-4 has increased attention in global trade and policy arena in recent years. A comprehensive plan for liberalization should be promoted with proper assessment of benefits and threats from TMNP. Blind protectionism will not serve the interest of developed nations. There must be trade-off

between the interest of developed and developing countries to ensure higher benefits from Temporary Movement of Natural Persons by reducing the gap between “rich” and “poor”.

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Table 1.1. The following table represented the export and import volume of world trade in services for 2007 and the growth rate of service for 2000, 2004, 2005, 2006 and 2007 respectively.

World trade in commercial services by category, 2007	Value in billion US\$	% of Share					
		2007	2000	2004	2005	2006	2007
Exports							
All commercial services	3290	100.0	100.0	100.0	100.0	100.0	100.0
Transportation services	750	23.5	23.1	23.3	22.6	22.8	
Travel	855	32.0	28.8	27.7	27.0	26.0	
Other commercial services	1685	44.5	48.1	49.0	50.4	51.2	
Imports							
All commercial services	3085	100.0	100.0	100.0	100.0	100.0	100.0
Transportation services	890	28.8	28.3	29.1	28.9	28.9	
Travel	775	29.7	27.7	26.9	25.9	25.2	
Other commercial services	1415	41.5	44.0	44.1	45.1	45.9	

Source: WTO, *International Trade Statistics*, 2008

Table 1.2. The following table represented the comparison between total merchandize export and the total remittance inflow for the last three financial years: (In Million US \$)

Financial Year	2006-2007	2007-2008	Growth rate	2008-2009R	Growth rate
Annual exports (Merchandize)	12177.86	14110.80	15.87	15565.19	10.30
Annual remittances	5978.47	7914.78	32.38	9689.26	22.42

Source: *Foreign Exchange Policy Department, Bangladesh Bank*, R=Revised

Table 1.3. Services Exported by South Asian Countries

(in Million US\$)

Country	1997	2000	2003	2005	2007	% of share in 2007
World	2614900	2960800	3664600	4965800	6703000	100
India	17852	32060	47266	111016	183682	2.740
Bangladesh	532	565	796	948	1370	0.020
Nepal	1591	820	604	542	680	0.010
Pakistan	2892	2568	2952	4086	4442	0.066
Srilanka	1701	1831	2778	3037	3382	0.050
Maldives	618	690	858	634	1244	0.019
Bhutan	16	20	20	42	60	0.001

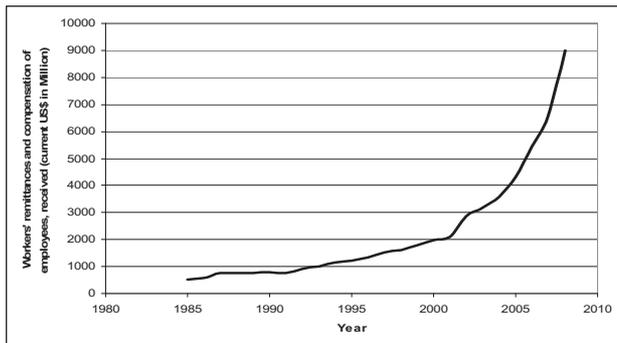
Source: International Trade Statistics 2008, WTO;

Table 1.4. Remittance inflow of selected Asian countries

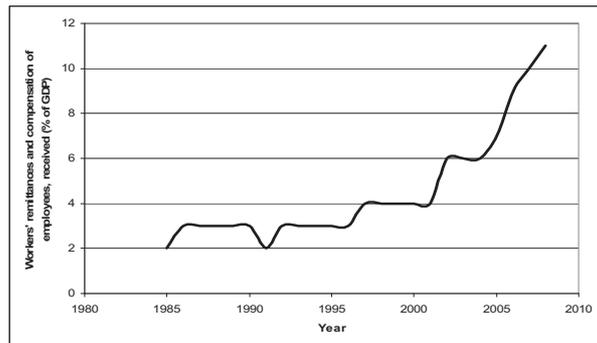
(In billion US \$)

Year	Developing Nations	Indonesia	Thailand	India	Bangladesh
1995	\$ 67.8	\$ 0.6	\$ 0.7	\$ 6.2	\$ 1.1
2001	\$ 96.5	\$ 1.0	\$ 1.2	\$ 14.2	\$ 2.1
2005	\$ 167	\$ 5.4	\$ 1.6	\$ 18.7	\$ 4.3
2006	\$ 207	\$ 5.7	\$ 1.1	\$ 21.3	\$ 5.4
2007	\$ 240	\$ 6.0	\$ 1.3	\$ 25.4	\$ 6.4

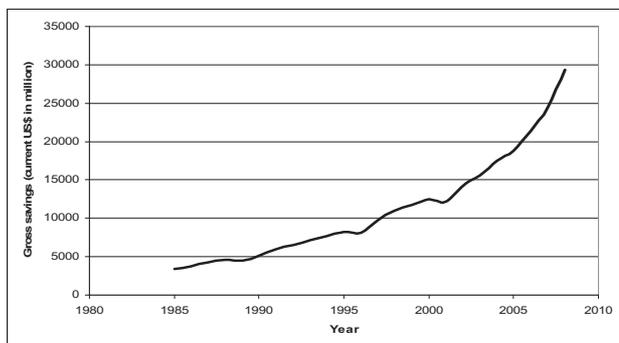
Source: World Bank



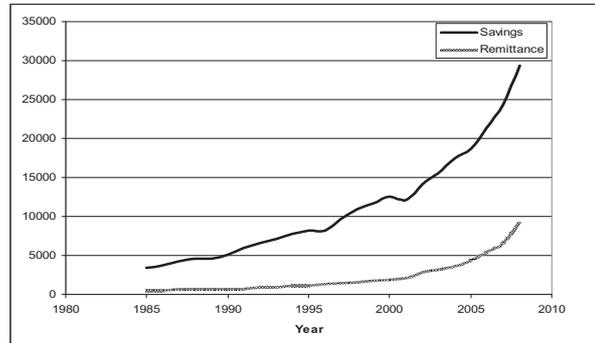
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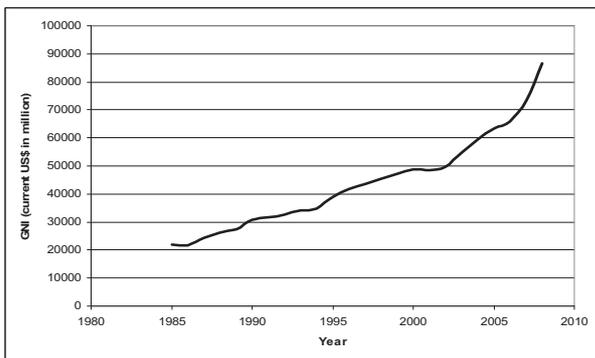
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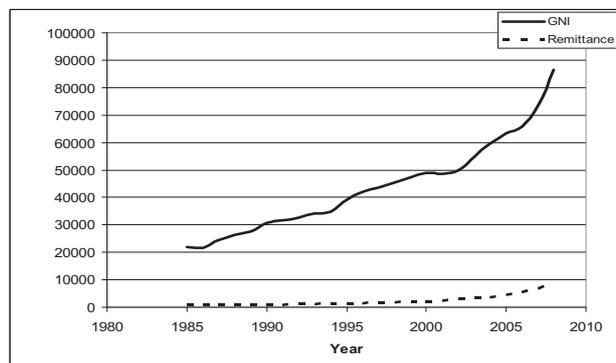
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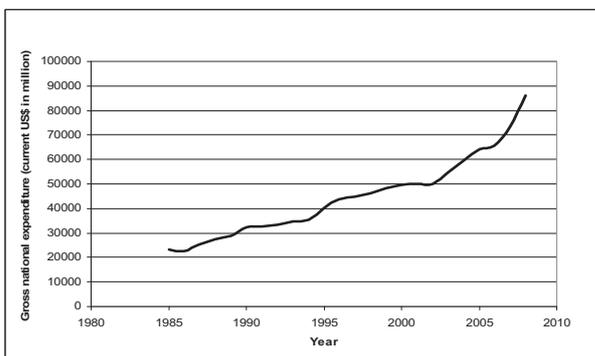
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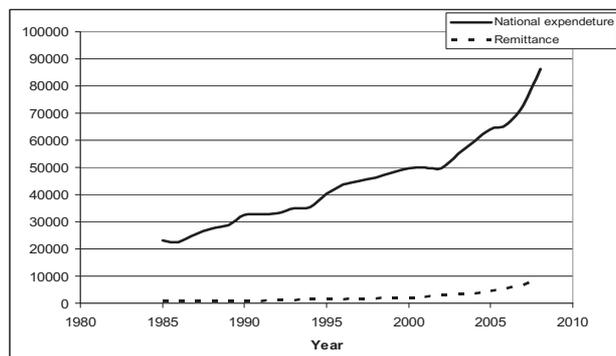
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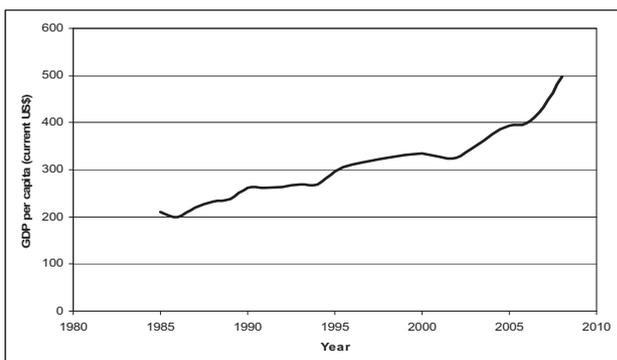
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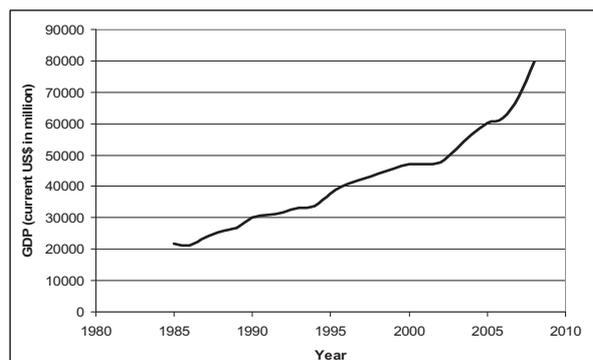
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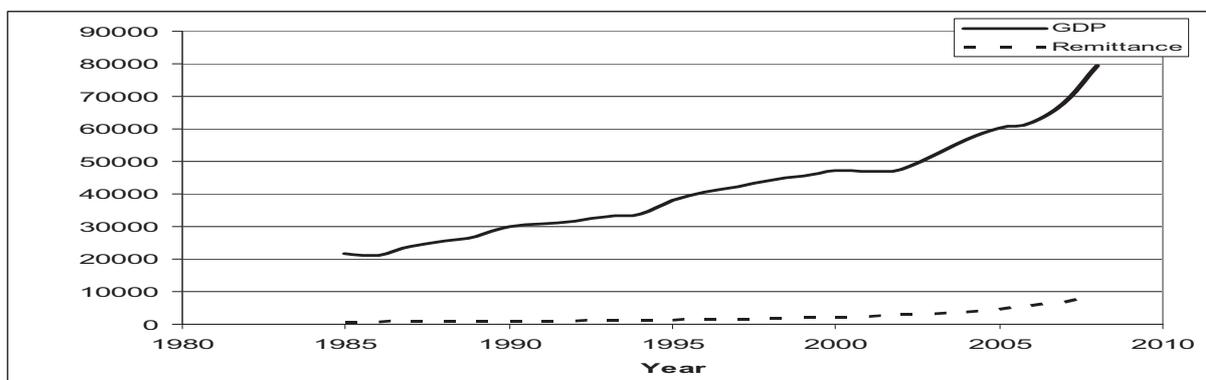
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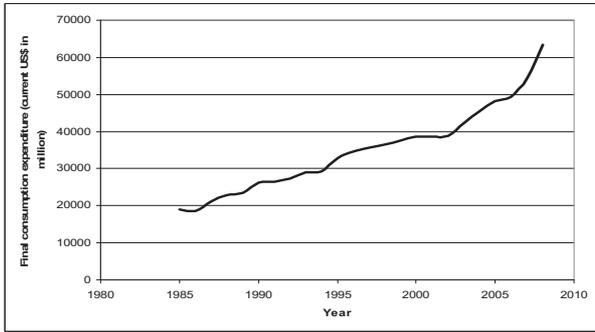
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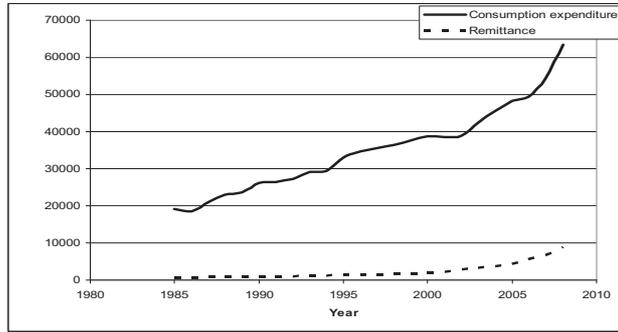
Graph No. 10



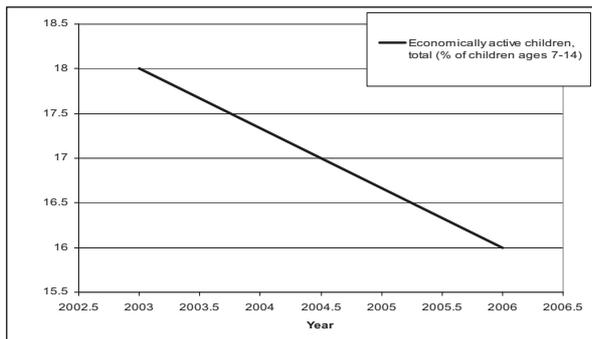
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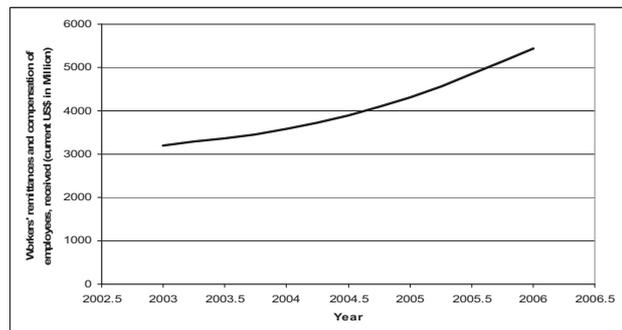
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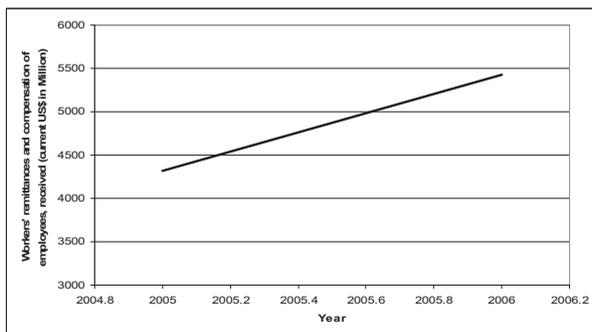
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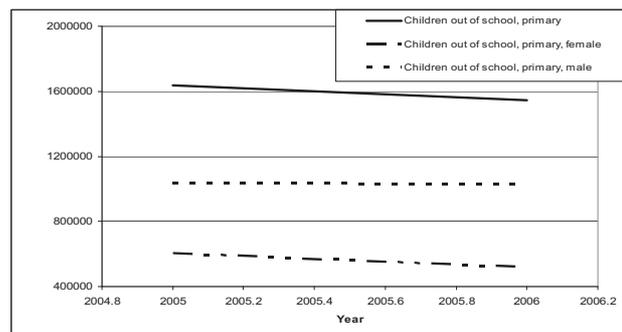
Graph No. 14



Graph No. 15



Graph No. 16



Graph No. 17

Appendices: Annex-A

Table 1. (1985-1996)

Series Name	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Children out of school, primary (in Million)	..	..	..	..	..	..	..	..	..	..	..	..
Children out of school, primary, female (Million)	..	..	..	..	..	..	..	..	..	..	..	..
Children out of school, primary, male (in Million)	..	..	..	..	..	..	..	..	..	..	..	..
Economically active children, total (% of children ages 7-14)	..	..	..	..	..	..	..	..	..	..	..	..
Final consumption expenditure (current US\$ in Million)	19044	18523	21145	22916	23575	26253	26445	27312	29087	29343	32959	34679
GDP (current US\$ in Million)	21613	21160	23781	25638	26825	30128	30957	31708	33166	33768	37939	40666
GDP per capita (current US\$)	210	200	220	232	237	261	262	263	269	269	296	311
GNI (current US\$ in Million)	21990	21589	24357	26261	27481	30756	31618	32478	34069	34824	39096	41877
Gross national expenditure (current US\$ in Million)	23273	22613	25432	27451	28841	32360	32680	33218	34853	35410	40398	43760
Gross savings (current US\$ in Million)	3427	3729	4237	4624	4522	5147	5980	6555	7118	7717	8217	8156
Workers' remittances and compensation of employees received (% of GDP)	2	3	3	3	3	3	2	3	3	3	3	3
Workers' remittances and compensation of employees, received (current US\$ in Million)	502	576	747	763	757	778	769	911	1007	1150	1201	1344

Source: World Development Indicators 2010, The World Bank Data Base

Table 2. (1997-2008)

Series Name	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Children out of school, primary (in Million)	..	..	..	..	..	..	..	..	1.638	1.545	..	..
Children out of school, primary, female (Million)	..	..	..	..	..	..	..	..	.604	.517	..	..
Children out of school, primary, male (in Million)	..	..	..	..	..	..	..	..	1.034	1.027	..	..
Economically active children, total (% of children ages 7-14)	..	..	..	..	..	..	18	..	..	16	..	..
Final consumption expenditure (US\$ Million)	35588	36414	37603	38675	38531	38933	42240	45511	48213	49367	54491	63397
GDP (current US\$ in Million)	42318	44091	45694	47096	46987	47571	51913	56560	60277	61901	68415	79554
GDP per capita (current US\$)	318	325	331	335	328	326	350	375	394	398	434	497
GNI (current US\$ in Million)	43687	45522	47264	48827	48626	49755	54777	59542	63355	65952	73522	86607
Gross national expenditure (current US\$ in Million)	44868	46273	48191	49568	49862	49840	54935	59585	64174	65782	73153	86246
Gross savings (current US\$ in Million)	9721	10954	11710	12522	12179	14165	15570	17491	18739	21361	24394	29393
Workers' remittances and compensation of employees, received (% of GDP)	4	4	4	4	4	6	6	6	7	9	10	11
Workers' remittances and compensation of employees, received (current US\$ in Million)	1526	1606	1806	1967	2104	2858	3191	3583	4314	5427	6562	8994

Source: World Development Indicators 2010, the World Bank Data Base

Annex-B

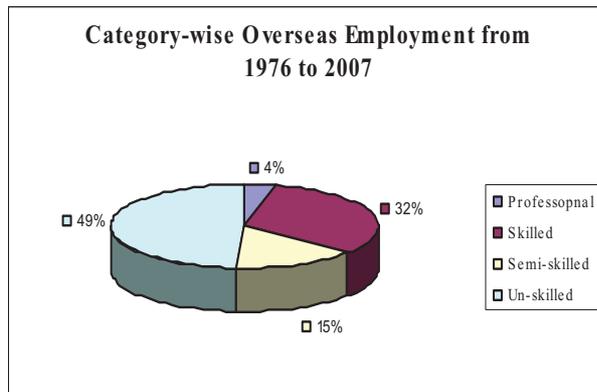
Country wise Wage Earners Remittance Inflows (Yearly)												(US\$ in million)	
Country	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	
Bahrain	38.94	41.8	44.05	54.12	63.72	61.11	67.18	61.29	63.79	138.20	157.43	170.14	
Kuwait	230.22	245.01	247.39	285.75	338.59	361.24	406.8	454.38	554.31	863.73	970.75	1019.18	
Oman	91.93	93.01	83.66	103.27	114.06	118.53	131.32	153	161.18	220.64	290.06	349.08	
Qatar	63.94	63.73	63.44	90.6	113.55	113.64	136.41	161.43	190.31	289.79	343.36	360.91	
K.S.A.	685.49	916.01	919.61	1147.95	1254.31	1386.03	1510.46	1562.21	1462.41	2324.23	2859.09	3427.05	
U.A.E.	125.34	129.86	144.28	233.49	327.4	373.46	442.24	512.64	636.99	1135.14	1754.92	1890.31	
Libya	0.14	0.04	0.1	0	0.16	0.13	0.27	0.16	2.58	0.36	1.25	1.46	
Iran	0.19	0	0	0	0.22	0.38	0.52	1.68	1.97	3.24	3.28	4.49	
Sub total	1236.19	1489.46	1502.53	1915.18	2212.01	2414.52	2695.2	2906.79	3073.54	4975.33	6380.14	7222.62	
Australia	0	0	0	2.28	3.38	4.79	7.15	8.89	9.48	13.11	6.78	8.45	
Hong Kong	5.13	5.15	3.96	3.99	4.77	5.92	5.63	5.37	5.17	8.10	9.09	8.32	
Italy	0	0.22	0.41	0.35	19.32	27.16	41.38	78.43	116.65	214.46	186.90	182.19	
Malaysia	67.52	54.04	30.6	46.85	41.4	37.06	25.51	19.05	9.72	92.44	282.22	587.09	
Singapore	13.07	11.63	7.84	14.26	31.06	32.37	47.69	61.32	67.22	130.11	165.13	193.46	
U.K.	54.04	71.79	55.7	103.31	220.22	297.54	375.77	517.39	737.72	896.13	789.65	827.51	
U.S.A.	239.41	241.3	225.62	356.24	458.05	467.81	557.31	701.37	746.49	1380.08	1575.22	1451.89	
Germany	5.14	4.7	3.84	6.11	9.57	12.12	10.1	10.95	11.91	26.87	19.32	16.50	
Japan	39.42	34.56	10.74	14.14	18.24	18.73	15.99	8.71	8.35	16.29	14.12	14.74	
S. Korea	1.87	0.52	0.33	0.79	3.93	5.19	18.41	16.4	13.64	19.69	18.33	20.77	
Others	43.95	35.95	40.53	37.63	40.02	48.76	48.15	92.56	105.18	142.17	242.36	453.86	
Sub total	469.55	459.86	379.57	585.95	849.96	957.45	1153.09	1520.44	1831.53	2939.45	3309.12	3764.78	
Total	1705.74	1949.32	1882.1	2501.13	3061.97	3371.97	3848.29	4427.23	4905.07	7914.78	9689.26	10987.4	

Source: Foreign Exchange Policy Department, Bangladesh Bank

Annex-C: Wage Earners Remittance Inflows (Yearly)

Year/Month	Remittances	
	In million US dollar	In million Taka
2009-2010	10987.40	760109.59
2008-2009	9689.26	666758.50
2007-2008	7914.78	542951.40
2006-2007	5998.47	412985.29
2005-2006	4802.41	322756.80
2004-2005	3848.29	236469.70
2003-2004	3371.97	198698.00
2002-2003	3061.97	177288.20
2001-2002	2501.13	143770.30
2000-2001	1882.10	101700.10
1999-2000	1949.32	98070.30
1998-1999	1705.74	81977.80
1997-1998	1525.43	69346.00
1996-1997	1475.42	63000.40
1995-1996	1217.06	49704.00
1994-1995	1197.63	48144.70
1993-1994	1088.72	43549.00
1992-1993	944.57	36970.40
1991-1992	849.66	32414.50
1990-1991	763.91	27256.20

Graph 1: the following graph represented the category-wise labor export from Bangladesh



Source: Foreign Exchange Policy Department, Bangladesh Bank

Annex-D

Year	Worker's Category in Export				Total	Remittances Earned	
	Professional	Skilled	Semi-skilled	Un-skilled		Million US\$	Crore Taka
1976	568	1,775	543	3,201	6,087	23.71	35.85
1977	1,766	6,447	490	7,022	15,725	82.79	125.16
1978	3,455	8,190	1,050	10,114	22,809	106.9	165.59
1979	3,494	7,005	1,685	12,311	24,495	172.06	266.95
1980	1,983	12,209	2,343	13,538	30,073	301.33	492.95
1981	3,892	22,432	2,449	27,014	55,787	304.88	620.74
1982	3,898	20,611	3,272	34,981	62,762	490.77	1,176.84
1983	1,822	18,939	5,098	33,361	59,220	627.51	1,568.76
1984	2,642	17,183	5,484	31,405	56,714	500	1,265.49
1985	2,568	28,225	7,823	39,078	77,694	500	1,419.61
1986	2,210	26,294	9,265	30,889	68,658	576.2	1,752.85
1987	2,223	23,839	9,619	38,336	74,017	747.6	2,313.94
1988	2,670	25,286	10,809	29,356	68,121	763.9	2,423.59
1989	5,325	38,820	17,659	39,920	101,724	757.84	2,446.00
1990	6,004	35,613	20,792	41,405	103,814	781.54	2,691.63
1991	9,024	46,887	32,605	58,615	147,131	769.3	2,818.65
1992	11,375	50,689	30,977	95,083	188,124	901.97	3,513.26
1993	11,112	71,662	66,168	95,566	244,508	1,009.09	3,986.97
1994	8,390	61,040	46,519	70,377	186,326	1,153.54	4,629.63
1995	6,352	59,907	32,055	89,229	187,543	1,201.52	4,838.31
1996	3,188	64,301	34,689	109,536	211,714	1,355.34	5,685.30
1997	3,797	65,211	43,558	118,511	231,077	1,525.03	6,709.15
1998	9,574	74,718	51,590	131,785	267,667	1,599.24	7,513.23
1999	8,045	98,449	44,947	116,741	268,182	1,806.63	8,882.74
2000	10,669	99,606	26,461	85,950	222,686	1,954.95	10,199.12
2001	5,940	42,742	30,702	109,581	188,965	2,071.03	11,590.79
2002	14,450	56,265	36,025	118,516	225,256	2,847.79	16,484.53
2003	15,862	74,530	29,236	134,562	254,190	3,177.63	18,485.12
2004	12,202	110,177	28,327	122,252	272,958	3,561.45	21,285.95
2005	1,945	113,655	24,546	112,556	252,702	4,249.87	27,304.33
2006	925	115,468	33,965	231,158	381,516	5,484.08	38,366.56
Jan-May'07	180	58,042	54,815	152,790	265,827	6,564.21	45,674.44
2008						3,727.66	25,761.08
Total	177,550	1,556,217	745,566	2,344,739	4,824,072	51,697.36	282,495.11
%	3.68	32.26	15.46	48.6	100		