

Cash incentive on remittance now 2.5pc

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Dhaka: The government has increased cash incentive on remittance to 2.5 per cent from the previous 2 per cent with a view to motivating migrants to use proper channels to send money home.

"We have decided to increase the cash incentive to 2.5 per cent from 2 per cent to increase the remittance inflow through proper channel," said Finance Minister AHM Mustafa Kamal on January 1.

The new cash incentive is in effect from January 1, Finance Minister Kamal said at a virtual press briefing.

"We are expecting the remittance inflow would increase to USD 26 billion this fiscal year while it was around USD 24 billion in last fiscal year," he noted.

He further mentioned, the remittance, which is the hard-earned money of the migrant workers, makes a special contribution to the country's economy.

The move came as the remittance flow to the country has been falling sharply for a few months as the expatriates continue to choose informal channels for sending their money home.

According to data from Bangladesh Bank, expatriate Bangladeshis sent USD 1.55 billion in November, down 5.48 per cent from a month earlier and 25 per cent year-on-year.

This was the lowest remittance earnings since June 2020, when the amount was USD 1.83 billion.