

Problems and Prospects of Remittance Service in the Public Banking Sectors of Bangladesh (A study on Janata Bank Limited)

[This internship report has been prepared as a partial fulfillment of the degree of Bachelor of Business Administration from Daffodil International University]

SUBMITTED TO

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DAFFODIL INTERNATIONAL UNIVERSITY

Letter of Transmittal

January, 2012

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Subject: Submission of internship report for kind acceptance

Dear Sir

I am profoundly contended for being able to submit Internship Report on “Problem & prospects of remittance service in public banking sectors of Bangladesh (A case study on Janata Bank Limited)” which you have assigned me as partial requirement of BBA program.

I have tried no stone unturned to prepare this report sincerely according to your advice, guidance, instructions and suggestions.

It was a great source of inspiration and pleasure for me to work on this report. I shall be very glad to furnish with any explanation on this report necessary.

Despite my great caution, I cannot but express my great concern to make any sort of mistakes. If such condition takes place, I would expect your sympathetic and graceful consideration.

Sincerely yours

.....

Department of Business Administration
Daffodil International University (DIU)

Supervisor's Certificate

1.

This is to certify that the internship report on “Problem & prospects of remittance service in a public banking sectors of Bangladesh (A study on Janata Bank Limited)” in the bona fide record at the report is done by as a partial fulfillment of the requirement of the degree of Bachelor of Business Administration (BBA) from Daffodil International University (DIU)

The report has been prepared under my direct supervision and guidance.

I wish him happiness good health and every success in life.

.....

SheakhAbdur Rahim
Assistant Proffesor
Department of Business Administration
Daffodil International University

Declaration

I do hereby solemnly declare that the work presented in this Internship Report has been carried out by me and has not been previously submitted to any other University / College/ Organization for an academic qualification / Certificate / Diploma or degree.

The work I have presented does not breach any existing copyright and no portion of this report is copied from any work done earlier for a degree or otherwise.

I further undertake to indemnify the department against any loss arising from breach of the foregoing obligations.

.....

Department of Business Administration
Daffodil International University (DIU)

Acknowledgement

For the very first of all I would like to express my gratefulness and harmony to the **ALLMIGHTY ALLAH** the supreme authority of the Universe, without Whom we would be nothing. Next I would like to express my kindness to my **Beloved Parent** whose continuous inspiration enrages me to make a right move in my life.

I would like to offer my heartfelt esteem and sincerest applause to my honorable teacher and supervisor **SheakAbdur Rahim Assistant Professors**, Department of Business Administration, Daffodil International University for his outstanding co-operation, monitoring, supervision and constant guidance while preparing this report.

I would like to thank to manager of Janata bank in Shariatpur branch **Mr. SaydurRahman** without whose help, suggestion and cooperation the total report will be valueless.

The very first person of Janata Bank Limited to whom I would like to convey my gratitude is the Senior Second Officer **MrNittoMukrsaji** for his kind consideration to give me an opportunity to complete my internship at Janata Bank Limited. I would also thankful to **Mr. AbdurRazzak** Executive Officer of Janata Bank Limited, Shariatpur Branch., Bangladesh for giving me an opportunity to complete my BBA degree and give me a scope to gather practical experience and enrich my knowledge.

Executive Summary

JANATA Bank Limited is a progressive Banking in Bangladesh. The Bank has been a nationalized bank, catering the need of the mass business people until recently, when this was corporatized on 15th November 2007. Janata Bank was thus born with a new concept of purposeful banking sub serving the growing and diversified financial needs of planned economic development of the country. JANATA Bank Limited has already established a favorable reputation in the banking industry of the country. It is one of the leading commercial banks in Bangladesh. The bank has already shown a tremendous growth in the profits and deposits sector.

Bank serves the customer in different sectors. Remittance is one of the most important services of Janata Bank. Remittance is sending money from one place to another through banking or authorized channel. Banks earn maximum portion of non interest income from remittance. That the increase in remittances is taking place at a time of declining official development assistance flows adds additional importance to the remittance debate and research. Policy makers are increasingly concerned with the impact of remittances on poverty and economic development.

There are also some problems of Janata bank in providing remittance service to their customer as a public bank. These are as Private Banks better remittance manager, foreign remittance fluctuation needs to be stabilized, Problems of Foreign Remittance, Janata banks special problems such as, Scarcity of Manpower, Lower Compensation System, Scarcity of instruments, Lack of on-line banking system, Customer preference about private bank.

There are few areas where the banks need to improve for better services. After analyzing all the problems of remittance services few important points I would like to recommend in my report for the bank.

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Chapter One

Introduction

Background of the Study:

Each student of BBA program is required to undergo the internship program and prepare an internship report according to a format specified by the supervising teacher. I comply with the concerned rules made by the authority. I was assigned to make an internship report titled Problem & prospects of remittance service in a public banking sectors of Bangladesh (A case study on Janata Bank Limited) to expand my practical knowledge.

Objective of the study;

The study has been conducted With the following Objectives;

- (i) To investigate and find out the existing remittance functions of Janata Bank Limited Shariatpur Branch;
- (ii) To find out the remittance Service of this Branch;
- (iii) To explore the Problems(if any) related to remittance services of this branch;and
- (iv) To make some recommendations based on findings.

Study Methodology

The report was fully exploratory in nature. Data have been collected from both primary and secondary sources.

Primary sources of data

- Conversation with the bank officers and staffs.
- Informal conversation with the clients
- Different manuals of Janata Bank Limited.
- Different circulars of Janata Bank Limited

Secondary sources of data

- Annual report of Janata Bank Limited
- Different papers of Janata Bank
- Unpublished data
- Different text books

- This report has been prepared through extensive discussion with bank employees and with the customers. While preparing this report, I had a great opportunity to have an in depth knowledge of all the banking activities practiced by the Janata Bank Limited.

Scope and duration of the study:

Since I am working in the Janata Bank in Badda Branch, I get the opportunity to gain knowledge of different part of banking system. I got opportunity to work in general banking division, investment division, human resource division. From these different divisions, I hope that I will be capable of doing these types of jobs in the future. This report will cover only banking industry prevailing in Bangladesh and here I focus on Janata Bank and my area of doing survey is the Dhaka city only for the time limitations. It would be a great endeavor if the report could incorporate the international standard and comparison among other industrial and service sectors. My duration of the study was three months.

Limitations

The present study was not out of limitations. But as an intern it was a great opportunity for me to know the banking activities of Bangladesh specially Janata Bank. Some constraints are as follows:

- The main constraints of the study are inadequate access to information, which has hampered the scope of analysis required for the study.
- Due to time limitations many of the aspects could not be discussed in the present report.
- Every organization has their own secrecy that is not revealed to others. While collecting data they did not disclose much information for the sake of organizational confidentiality.
- Since banks personals were very busy they could provide me very little time.
- Insufficiency of knowledge in preparing an intern reports

Chapter Two

Organizational Profile

Overview of the Bank

JANATA Bank Limited is a progressive Banking in Bangladesh. The Bank was a nationalized bank and was catering the need of the mass business people until recently when this was corporatized (on 15th November 2007). Janata Bank was thus born with a new concept of purposeful banking sub serving the growing and diversified financial needs of planned economic development of the country.

Janata Bank Limited, one of the state owned commercial banks in Bangladesh, has an authorized capital of Tk. 800 crore (approx. US\$ 116.79 million), paid up capital of Tk. 259.39 crore (approx. US\$ 37.87 million) and reserve of Tk.292.67 crore (approx. US\$ 42.73 million). The Bank has a total asset of Tk. 24406.11 crore (approx. US\$ 3562.94 million) as on 31st December 2007. Immediately after the emergence of Bangladesh in 1971, the erstwhile United Bank Limited and Union Bank Limited were nationalized and renamed as Janata Bank Limited.

Branches of the Bank:

- Janata Bank Limited operates through **864** branches including 4 overseas branches at United Arab Emirates. It is linked with 1198 foreign correspondents all over the world.

- List Of the Branches:

Local Office	1
Corporate-1 Branch	10
Corporate-2 Branch	40
Overseas Branch	04
Grade-1 Branch	204
Grade-2 Branch	205

Grade-3 Branch	291
Grade-4 Branch	108
NRB Branch	01
Total Branches :	864

The **Board of Directors** is composed of 11 (eleven) members headed by a Chairman. The Directors are representatives from both public and private sectors.

The Bank is headed by the Chief Executive Officer & Managing Director, who is a reputed banker.

- The corporate head office is located at Dhaka with 10 (ten) Divisions comprising of 37 (thirty seven) Departments.

International Award

Recently The Bank has been recognized internationally and domestically for its good performance.

International Award -"World's Best Bank Award-2008 in Bangladesh Janata Bank Limited was awarded Best Bank-Bangladesh in the Global Finance, World's Best Bank Awards, 2008 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Strategic relationships, Customer Service, Competitive pricing and innovative Products.

International Award -"World's Best Bank Award-2007 in Bangladesh

Janata Bank Limited was awarded Best Bank-Bangladesh in the Global Finance, World's Best Bank Awards, 2007 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Customer Service, Product innovation and Advanced Technology.

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Janata Bank Limited receives "Asian Banking Awards 2005" on Credit Scheme for Handicapped People:

The Awards were presented by the Asian Bankers Association (ABA) and Bank Marketing Association of the Philippines (BMAP) in the Asia Pacific bankers Congress (APBC) 2005 on June 17, 2005 in Manila, Philippines.

International Award -The Bank of the Year-2004 in Bangladesh

Janata Bank Limited has been awarded as 'The bank of the year 2004 in Bangladesh' by the London based Financial Magazine the Banker of the Financial Times Group. This is for the second consecutive year that the Janata Bank Limited has been awarded 'Bank of the year'. Janata Bank Limited shows a remarkable progress in the year 2003. Its return on assets was 1.36% and return on investment was 6.47% respectively. Janata Bank Limited is also emerging as the strong and innovative bank within the country. The profile of its success is enriched by a package of new qualitative product lines, prudent liability and assets management and others. Most of the key financial indicators of the bank showed a very positive improvement at the year ended December 2003.

Janata Bank Limited receives "Asian Banking Awards 2004" on financing Program for Women Entrepreneurship: Financing program for Women Entrepreneurship of Janata Bank Limited has highly been commended as a Runner-Up in the Micro-Finance Product or Program category of the Asian Banking awards 2004. The Awards were presented by the Asian Bankers Association (ABA) and Bank Marketing Association of the Philippines (BMAP) in the Asia Pacific Bankers Congress (APBC) 2004 on March 26, 2004 in Manila, Philippines.

Janata Bank Limited gets “The Banker Award-2003” The Banker, an International Banking Magazine of the Financial Times group in London has selected Janata Bank Limited as “The Bank of the Year, 2003” among all other banks in Bangladesh. The Banker’s assessment for award is based on a number of criteria. Besides core data and results, the criteria include key growth and performance measures, the use of technology and particular achievement in the past and overall strategy, it may be mentioned that Janata Bank Limited could achieve the same award for the year 2001.

International Award-The Bank of the Year-2002 The Banker, a magazine of the London based Financial Times Group of Companies, has voted Janata Bank Limited as the bank of the year for Bangladesh for 2002. While making this selection the panel has recognized the efforts made by Janata Bank Limited in recent times for Improving IT based performances.

International Award-The Bank of the Year-2001 The Banker, a magazine of the London based Financial Times Group of Companies, has voted Janata Bank Limited as the bank of the year for Bangladesh for 2001. While making this selection the panel has recognized the efforts made by Janata Bank Limited in recent times for improving its performances. The bank has also been included in the listing of top 200 Asian Banks for the year 2001. This listing will be available to delegates attending the forthcoming IMF/World Bank meeting in Washington. The September edition of the Banker will also highlight the recent achievements of Janata Bank Limited. Besides, a certificate of merit and a bank of the year logo will be given to Janata Bank Limited for exclusive use on all publicity and advertising.

It may be noted here that Janata Bank Limited has been working hard in improving the customer services in recent times by introducing a number of IT-based reform measures.

Name & present place of posting of Managing Director, Deputy Managing Director & General Manager of Janata Bank Limited:

SL.	Name	Designation	Telephone No.	E-Mail Address
01.	S.M. Aminur Rahman	CEO & Managing Director	Off -880-2-7169287	md@janatabank-bd.com
02.	Md. Golam Sarwar	Senior Consultant (Deputy Managing Director)	Off -880-2-9552348 Res-880-2-8252666	dmdch1@janatabank-bd.com
03.	Md. Nurul Amin	Deputy Managing Director	Off- 880-2-9551216	dmdch3@janatabank-bd.com
04.	Shihabuddin Md. Shahjahan	General Manager (Divisional Office, Dhaka South)	Off- 880-2-9558509 Res-880-2-9359250	jbd-dhk@janatabank-bd.com

05.	Md. Ayet Ali	General Manager (Special Assets Management Division)	Off- 880-2- 9556217 Res-880-2- 7542865	gmch2@janatabank-bd.com
06.	Dr. Hafiz Md. Hasan Babu	General Manager (IT) (IT & MIS Division)	Off- 880-2- 7175433 Res-880-2- 9571911	hasanbabu@janatabank-bd.com
07.	M. Zahirul Alam, FCA	General Manager(Audit) (Internal Audit Division)	Res-880-2- 9666535	zahirul@janatabank-bd.com
08.	Bhismadev Mondal	General Manager (Khulna Division)	Off- 880-41- 721080	jbdkln@btb.net.bd
09.	Md. Sirajul Islam	General Manager (Law & Compliance Division)	Off- 880-2- 9554842	
10.	Md. Alamgir Miah	General Manager (Divisional Office, Dhaka North)	Off- 880-2- 9567465	
11.	Md. Aminul Islam	General Manager (Local Office)	Off- 880-2- 9553106	lo@janatabank-bd.com
12.	Md. Mohsin	General Manager (Rangpur Division)	Off- 880-0521- 62277	
13.	Md. Abu Bakar Siddique	General Manager (Human Resources Division)	Off- 880-2- 9553330	

14.	Md. Awlad Hossain	General Manager (Rajshahi Division)	Off- 880-0721-775725	
15.	Noor Muhammad	General Manager (Accounts & Financial Management Division)	Off- 880-2-7175218	
16.	Md. Daud Ahmed Sikder	General Manager (Corporate and Retail Customer Division)	Off- 880-2-9554842	
17.	Md. Mamtaz Uddin Maishan	General Manager (Chittagong Division)	Off- 880-31-715392	
18.	S. M. Masud Ul Alam	General Manager (Comilla Division)		
19.	Md. Golam Faruk	General Manager (Barisal Division)	Off- 880-431-64860	
20.	Md. Lutfor Rahman	General Manager (Sylhet Division)	Off- 880-821-714938	

Services of Janata bank:

Janata Bank Limited is one of the biggest commercial banks of the country. It's a state owned bank that was formed just after liberation of Bangladesh. In fact it was a combination of two smaller banks namely United Bank Limited and Union Bank Limited. The bank has a very wide network of 872 branches all over the country. At present its authorized capital is BDT 20,000 million and paid up capital is BDT 5,000 million. **Janata Bank** was converted to a limited

company on 15 November, 2007. **JBL** provides all services of a commercial bank. Moreover it serves its clients with most modern banking products.

Services:

Janata Bank provides all commercial banking services to its clients focusing on the national interest and sustainable growth. The major fields of its activities may be represented as below:

- Retail/Personal Banking
- Credit programs
- Micro Enterprises & Special Credit
- Rural Banking / Credit Program
- International Banking
- Foreign Remittance and NRB Banking

Retail Banking

In addition to normal savings and current accounts, **Janata Bank** presents different deposit schemes for retail clients. As a limited income person you may select one for yourself. The schemes are Short term deposit, Term deposit, Sanchaya pension scheme and Deposit pension scheme. The programs offer good terms and conditions.

At personal level **Janata Bank** present some credit schemes to facilitate and up lift your standard of living. You may have one to meet up your requirement.

Credit Programs

Janata Bank in its credit programs engulfs most of the economic activities of Bangladesh with special attention at the thrust sectors of the country. It touches about 200 items of trades, businesses and industries. Thrust sector items, as declared by GOB and taken care of by **JBL** are:

- Agro products & agro processed goods
- Light Engineering products including Auto parts and Bi-cycle
- Leather goods and shoes

- Pharmaceutical goods
- Software and ICT products
- Home textile
- Ocean going ship building

Other than the thrust sector **Janata Bank** provides credit for all large and medium scale industries. The credit includes capital machinery and also running capital.

Rural Banking

The bank extends its loan facility to create employment and achieve economic growth in rural Bangladesh. It provides loan to farmers, fish and shrimp cultivators, and micro entrepreneurs. They may have loan for agro equipment and other expenditure related to production. All the efforts are targeted to employment generation and self employment. Well, all these loans are at easy terms.

Almost 80% of our population lives in rural areas. So their economic empowerment is a must for real and sustainable growth of our economy. So this bank works simultaneously to create employment and to alleviate poverty.

As the success of a micro credit program depends mainly on intensive supervision, the bank sometimes provides such credit in collaboration with other agencies. Collaborating GO or NGO provide supervisors.

Micro Enterprise & Special Credit

Our rural population is badly submerged under poverty. To bring them above the poverty level **Janata Bank** has taken up a good number of financing programs. Some of these are:

- Small Farmers & Landless Laborers Development project (SFDP)
- Swanirvar Credit Scheme
- Co-operative Credit for rural poor
- Lending through NGOs

- Grain Storage Credit
- Ghoroa Prokalpa/Family based micro credit
- Women Entrepreneur Development Credit
- Small Business Development loan Scheme

Further to the above the bank offers some special credit programs. Those are like:

- Seed Development Program
- Loan for Handicapped/Disabled people
- Hybrid cow Rearing Program
- Credit for Forestry and Horticulture/Nursery
- Flower cultivation
- Goat Rearing

So it is clear that **Janata Bank** tries to help almost all professions of our villages. Thus it's contributing quite substantially in reducing poverty and increasing growth.

International Banking

Janata Bank performs in international banking for its clients through 4 overseas branches and 1198 correspondent banks around the globe. It provides credit in export and import businesses and all other banking services related to them. So you may avail the services from **Janata Bank**.

Foreign Remittance and NRB services

Janata Bank serves the expatriate Bangladeshis in sending their hard earned foreign currency to home. In addition they may have FC accounts in the bank. Attractive deposit schemes are also offered by the bank.

Other Products

Janata Bank has logically started internet banking for its clients. You may have a lot of banking services being at home.

JBL has introduced Debit Card service for its clients. So you are now free from any tension of carrying huge cash.

‘Janata’ mean a people. **Janata Bank Limited** has proved its name to be very correct, through people oriented programs and schemes. At the same time it’s contributing a lot to the national economy.

Personalized Services:

Janata Bank Limited with its wide ranging branch network and skilled personnel provides prompt and personalized services like issuing:

- 1) **Demand Draft**
 - 2) **Telegraphic Transfer**
 - 3) **Mail Transfer**
 - 4) **Pay Order**
 - 5) **Security Deposit Receipt**
 - 6) **Transfer of fund by special arrangement:**
 - i) Normal transfer
 - ii) Electronic transfer through Ready Cash Card.
- Janata Bank Limited Ghare-Ghare (House to House)

One Stop Services: Janata Bank Limited, first among the Nationalized Commercial Banks in Bangladesh, has introduced **One Stop Service**.

The salient features of this system are as under:

- A customer can deposit and withdraw money from a single counter.
- The system of Token and Scroll has been discontinued.
- Customers are getting prompt and personalized services from a single counter.
- Verification of signature is easy as the same is stored in the Computer.

SWOT Analysis

SWOT analysis is the detailed study of an organization's exposure and potential in perspective of its strength, weakness, opportunity and threat. This facilitates the organization to make their existing line of performance and also foresee the future to improve their performance in comparison to their competitors about a specific topic. As though this tool, an organization can also study its current position, it can also be considered as an important tool for making changes in the strategic management of the organization.

Strengths:

- JANATA Bank has the reputation of being the provider of good quality services to its, potential customers. So in case of remittance service the customer prefer it as a loyal bank.
- JANATA Bank has sufficient branch to meet the customer remittance need in rural area and also in urban area.
- JANATA Bank has already achieved high profit from remittance service.

Weakness:

- Private bank has already provided better service in remittance.
- The bank failed to provide a strong quality-computerized banking system which is helpful to serve in remittance service.
- The poor service quality has become a major problem for the bank. The quality of the service at JANATA Bank is lower than that of the Dhaka Bank, Prime Bank or Dutch Bangla Bank etc

- Scarcity of man power and instrument is also a weakness of the bank in providing remittance service.

Opportunities:

- The JANATA Bank has some foreign branch which is able to serves in foreign remittance service.
- It has already involved in computerized banking system. So it will be an greater opportunity in providing better remittance service.
- The foreign remittance service has direct impact on profitability of the bank

Threats:

- On-line banking is not available in JANATA Bank. But it is very important tools in remittance service.
- Private bank is more preferable to customer about remittance service.
- The low compensation package of the employees from mid level to lower level position threats the employee motivation. As a result, good quality employees leave the organization and its effects the organization as a whole.

Chapter Three

Analysis and Findings

Remittance: Remittance is sending money from one place to another through banking or authorized channel. Banks earn maximum portion of non interest income from remittance. Noninterest income of a bank depends on largely, the overall qualities of services of the bank. So the precondition for a bank's prospects to provide remittance service in modern and developed way, relevant expertise of the employees and customer's satisfaction.

Remittance is important from the customer's point of view, as it is easy, less expense, minimizing risk. Remittance is important from the banker's point of view as Bank earn non-interest income, helpful for other business and helpful for stable economic growth. Mainly the following parties are involved in remittance:

- A) Applicant or Sender or Purchaser, who is sending money.
- B) Drawer or Issuing branch which receive money and instruct other branch to make payment.
- C) Drawee or paying branch which make payment.
- D) Payee or Beneficiary who receive money.

Types of remittance: Remittance is two types:

- A) Inland remittance
- B) Foreign Remittance

Mode of remittance serves by the Janata bank: As a public bank janata bank serves in the following mode of remittance:

- 1) Demand Draft (DD)
- 2) Mail transfer (MT) and
- 3) Telegraphic Transfer (TT)
- 4) Pay slip
- 5) Pay Order
- 6) Security deposit receipt (SDR)
- 7) OBC
- 8) Clearing

- 9) Cash Management
- 10) Foreign remittance

Followings are the brief about those modes of remittance serves by the Janata Bank as a Public bank:

- 1) Demand Draft (DD):** Demand Draft is an order from one branch to another to pay a certain sum of money only to, or to the order of, a certain person on demand.
- 2) Mail transfer (MT):** A mail transfer is, in form, a request addressed by one branch of a bank to another branch to pay a stated sum of money to a named party and, as the same implies, the instructions are sent mail duly authenticated under authorized signatories.
- 3) Telegraphic Transfer (TT):** Telegraphic Transfer (TT) is the quickest method of transferring funds from one place to another. The remitting Branch sends a telegraphic message to the branch at the other end, to pay a certain sum of money to a named payee.
- 4) Pay Slip:** Pay Slip is also a mode of payment. Bank use it for the payment of their own work which has to be done in locally. Demand draft is an order for payment to another branch but it is an order for their own branch. It is transferrable but pay slip is not transferrable.
- 5) Pay Order:** Pay order is also a mode of payment like Pay slip. It is like the cheque of bank. The payee branch is responsible for the payment. It contains a receipt but pay slip does not.
- 6) Security Deposit receipt:** For security the money which is deposited in the bank, the bank give one kind of receipt which is called SDR. No interest will pay for this.
- 7) OBC:** Those cheques which are gathered for the collection from another bank. Generally two banks or branch are here and one is collecting and another is paying bank.
- 8) Clearing:** Clearing is the collection of cheques in fever of the customer.
- 9) Cash Management:** Cash is liquid asset and cost incurring but non-earning and risky.
- 10) Foreign Remittance:** Foreign remittance means transfer of foreign exchanges from one country to another country through banking or authorized channel.

Purpose of Foreign remittance: Receipt/Payment of-

- 1) **Family maintenance (Wage earners):** International migrant remittances are perhaps the largest source of external finance in developing countries. Migrant people are sending money as remittance to maintain their family.
- 2) **Realization of export proceeds:** Export and import business people deal through remittance service of bank
- 3) **Indenting commission:** Commission gainer also use remittance service in their payment mode. Because of safety service.
- 4) **Foreign Tourists:** Foreign travelers use remittance service in their payment of something.
- 5) **Recruiting Agents Commission:** Recruiting agent's receipts and payment their commission as a safety mode of transaction.
- 6) **Donations:** Different donor country also gives donation through remittance service of bank.
- 7) **Gifts:** Gifts also send by remittance by wage earner and relatives who are migrant.
- 8) **Students Education Expenses:** Remittances can reduce the probability of children leaving school. Because the migrant people send money through remittance for their children's education.
- 9) **Insurance Premium /Claim:** In the payment and receipts of insurance premium both party can use remittance service.
- 10) **Export Brokerage:** In export brokerage remittance use for paying and receiving money.
- 11) **Treatment Medical:** Migrant people send money through remittance for their families' medical treatment.
- 12) **Guarantee Commission/Charges:** In the time of guarantee commission remittance service is use largely.
- 13) **Purchase of books/Journals etc:** In the time of purchasing foreign books and journals remittance service is use.
- 14) **Training, Seminar, Workshop etc:** In the time of remittance service training, seminar, workshop service is use largely.

Impact of Foreign Remittance:

- 1) Impact on National Economy
 - Source of Foreign Currency

- Increase National Income
- Finance of Import
- Help to attaining sound BOP position
- Reduce unemployment
- 2) Impact on Social Structure
 - Standard of Living
 - Increase Rural financial and Trade activities
 - Poverty Alleviation
- 3) Impact on Bank Business
 - Dealing Room
 - Call Money Market
 - Payment of Import Bill
 - Honor of LG claim
 - Earning

Mode of Foreign Remittance: FDD, FTT, FMT, TC, Cash Foreign Currency

Foreign Telegraphic Transfer (FTT):

- FTT is the quickest means of sending remittance.
- It is a payment instruction issued by one bank to another bank to pay certain sum of money to certain beneficiary.
- Fund is transferred through the telex or SWIFT.
- It bears test for its authenticity of the instruction.

Foreign Mail Transfer (FMT): Payment instruction is sent by one bank to another bank by mail. Signature on the instruction is verified for authenticity of the instruction. Payment is made to the beneficiary as per instruction contained in the MT.

Foreign Demand Draft (FDD): An instrument which banks issue in foreign currency against delivery of local currency and hand over on the purchase. Purchaser may carry the instrument himself or send to beneficiary for depositing to his account for value.

Prospect of remittance service in Janata Bank:

That the increase in remittances is taking place at a time of declining official development assistance flows adds additional importance to the remittance debate and research. Policy makers

are increasingly concerned with the impact of remittances on poverty and economic development.

Remittances may help improve economic growth, especially if used for financing children's education or health expenses. Even when they are used for consumption, remittances generate multiplier effects, especially in countries with high unemployment. In many other countries, a large part of remittances are invested in real estate, reflecting both a desire of migrants to provide housing to families left behind, and a lack of other investment instruments in the recipient community. Whether remittances are used for consumption or buying houses, or for other investments, they generate positive effects on the economy by stimulating demand for other goods and services.

Prospects of Foreign Remittance:

Remittance flows have shown remarkable stability over the last decade, and the rising trend evident in recent years is likely to continue, particularly remittance flows from nonresident or temporary workers. The search for lower costs is driving multinational corporations to hire overseas workers for cross-border jobs. This trend toward more mobility of temporary workers may be reinforced if progress is made on Mode 4 trade in services in the GATS negotiations. Improvements in transportation and communications will complement this trend. Migration pressure is likely to continue to rise in the foreseeable future. The most important factor in the rise is perhaps the aging of the population—and the implied surge in pension costs—in the developed nations (see, for example, United Nations 2000). Because skilled workers pay more taxes and need less support from state Social Security systems, future changes to immigration policies are likely to favor permanent skilled and temporary unskilled migrants (Desai, Kapur, and McHale 2001a). In addition to differential changes in dependency ratios, Hatton and Williamson (2002) identifies three historical economic determinants of world migration:

- Wide wage gaps between developed and developing countries
- High but falling costs of migration relative to the low incomes in developing countries
- The size of existing migrant stocks in receiving countries (which affects the extent of influx of friends and relatives).

Impact on national economy: The foreign remittance has the following impact on national economy and the janata bank as a part of serving remittance service is also helps the country to economically stable. And this way the bank has also achieve greater prospects in remittance service.

1) Source of foreign currency: Aside from the economic benefits accrued to individual households, remittances also have a positive impact on the economy as a whole. This impact is increasing: Bangladesh Bank data shows that remittance flows have grown from US\$ 3 billion in 2003 to almost US\$ 5 billion in 2006 and, in 2007, remittance flows are expected to hit a new record of more than US\$ 6 billion. Informal channels are commonly used to remit funds to Bangladesh; hence it is necessary to consider such flows when analyzing the impact of remittances. Although it is difficult to estimate precisely the amount of remittances sent through unofficial channels, evidence from various surveys suggest that these account for about half of the total flow. In Bangladesh remittances tend to be spent in sectors with strong linkages with the rest of the economy (such as construction) and thus to have a positive effect on employment and economic growth. Remittances also contribute to building foreign exchange reserves, accounting for one-third of Bangladesh's total foreign exchange earnings in 2006, more than that received from foreign aid inflows.

2) Increase National Income: International migrant remittances are perhaps the largest source of external finance in developing countries. Officially recorded remittance flows to developing countries exceeded US\$125 billion in 2004, making them the second largest source of development finance after foreign direct investment. Remittances were certainly larger if flows through informal unrecorded channels are also included. As the development community continues the search for additional resources to finance the Millennium Development Goals, remittances—pro-poor and cyclically stable, compared to other capital flows—appear to be a promising source. Remittances also appear to be the least controversial aspect of the overheated debate on international migration. Both remitting and recipient countries are considering the long-term economic implications of these transfers.

3) Reduce unemployment: Remittances can also encourage entrepreneurship, generating substantial employment and income and thus spurring economic development and poverty

alleviation through encouraging microenterprise development. Several studies have found that an important portion of the capital invested in microenterprises derives from remittances: Woodruff and Zenteno (2001), for example, find that in Mexico more than 40% of urban microenterprises are funded by remittances. Not only do remittances provide microenterprise investment capital to households that lack access to credit but they may also open up further avenues of credit, particularly in countries where non-traditional financial institutions like credit-unions or microfinance institutions (MFIs) play an active role in providing remittance-services; in fact, several MFIs around the world have developed credit schemes to provide working capital to households receiving remittances.

Remittances also contribute to building foreign exchange reserves, accounting for one third of Bangladesh's total foreign exchange earnings in 2006, more than that received from foreign aid inflows. 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.

Impact on Social Structure: The foreign remittance has the following impact on social structure and the janata bank as a part of serving remittance service is also helps the country to economically stable. And this way the bank has also achieve greater prospects in remittance service.

1) Standard of living: Remittances are typically transfers from a well-meaning individual or family member to another individual or household. They are targeted to meet specific needs of the recipients and thus, tend to reduce poverty. In fact, World Bank studies, based on household surveys conducted in the 1990s, suggest that international remittance receipts helped lower poverty (measured by the proportion of the population below the poverty line) by nearly 11 percentage points in Uganda, 6 percentage points in Bangladesh, and 5 percentage points in Ghana.

In poorer households, remittance may finance the purchase of basic consumption goods, housing, and children's education and health care. In richer households, they may provide capital for small businesses and entrepreneurial activities. They also help pay for imports and external debt

service, and in some countries, banks have been able to rise overseas financing using future remittances as collateral.

Remittance flows tend to be more stable than capital flows, and they also tend to be counter-cyclical—increasing during economic downturns or after a natural disaster in the migrants' home countries, when private capital flows tend to decrease.

A) Money remitted by wage earner: Remittances depend largely on the number of Bangladeshis working abroad, hence there exists a strong relation between the increase in migrant workers overseas and rising remittance flows to Bangladesh. While concentrated in the Gulf-states, remittances to Bangladesh originate from a diverse set of countries including Saudi Arabia, the US, UK, UAE, Kuwait, Qatar, Oman, Italy, Singapore, Bahrain, South Korea, Malaysia and Germany. The amount sent per migrant varies significantly depending on his or her income (which in turn depends on the overall skill and income-level in the host country) and the extent to which informal channels are used.

B) Students education and Medical treatment: When invested in education and health, remittances can also have a positive impact on the formation of human capital: Cox Edwards and Ureta (2003) find that remittances can reduce the probability of children leaving school and Acosta (2006) provides strong statistical evidence suggesting that children from households which receive remittances are more likely to be enrolled at school compared to those from households which do not; furthermore, Afsar and Yunus (2002) find that remittances have a positive impact on promoting school education in Bangladesh. Though there is less analysis of the impact of remittances on child health, the few studies that do exist show a positive impact of remittances on infant mortality. Hildebrandt and McKenzie (2005), for example, find that in Mexico migrant households have lower rates of infant mortality and higher birth weights and that migration raises maternal health knowledge and the likelihood that a child is delivered by a doctor. Bangladesh has set the goal of reducing under-five child mortality to a target rate of 50.

C) Natural Disasters: A further potential benefit at the household level is that remittances may provide protection against natural disasters or economic downturns: when migrants' households face economic difficulties, migrants can provide additional support by increasing the volume of remittances sent and this countercyclical cash flow can provide a type of insurance for poor households. This seems to be occurring in Bangladesh: a recent study by the World Bank

(2006) points out that remittance flows have consistently increased in Bangladesh after natural disasters.

2) Poverty alleviation: Remittances affect poverty most directly by increasing the income of households which have a family member working abroad. Because income from remittances is usually larger than that which could have been earned by migrants had they stayed at home, migration can reduce poverty. Remittances can also encourage microenterprise development, generating substantial employment and income and thus spurring economic development and poverty alleviation. When invested in education and health, remittances also have a positive impact on the formation of human capital. A further potential benefit at the household level is that remittances may provide protection against natural disasters or economic downturns: when migrants' households face economic difficulties. Finally, migration can induce changes in gender roles. Given these diverse potential effects of remittances on poverty reduction, the end use of remittances has been a major area of research in Bangladesh with institutions such as the IOM recently conducting research in this area. Most existing studies, however, are based on household surveys with very small samples which make it difficult to generalize the findings. More research is needed to gain a more precise understanding of the patterns of remittance use in Bangladesh.

3) Increase Rural financial and trade activities: The portion which is remitted in our country increases the rural financial and trade activities.

Impact on bank business: The foreign remittance has the following impact on bank business and the Janata Bank as a part of serving remittance service is also helping the country to be economically stable. And this way the bank has also achieved greater prospects in remittance service.

1) Increases Banks Earning:

Bangladesh Bank Press Release states that Janata Bank earned 75460000 US Dollars in September as inward remittance. So we can say that it is a prospective area for Janata Bank as a public bank. Remittances augment the recipients' incomes and increase their country's foreign exchange reserves. If remittances are invested, they contribute to output growth; if they are consumed, they generate positive multiplier effects. Thus, remittances offset some of the output losses that a developing country may suffer from emigration of its highly skilled workers.

2) **Dealing Room:** The activities of a foreign-exchange dealing room, where world currencies are bought and sold, have actually changed very little over time. Indeed, the foreign-exchange market is very different from other financial markets, such as the bond or equity markets. Trading takes place on one floor, and for the most part over the telephone, or on electronic screens. In a foreign-exchange dealing room there are a large number of traders, each of them sitting at a desk? On these desks there are a number of computers with electronic screens. Each of the traders is trading, that is buying or selling, usually one foreign-exchange bilateral pair. Banks play essential roles in transactions of the dealing room. The Janata Bank has a direct impact on dealing room by executing foreign remittance.

3) **Payment of Import Bill:** Banks play essential roles in transactions utilizing documentary collections as follows:

Remitting Bank: This is the exporter's bank and acts as the exporter's agent in collecting payment from the importer. It basically transmits the exporter's instructions along with the terms of the draft to the importer's bank. The bank does not assume any risks and does not undertake to pay the exporter but can influence to obtain settlement of a bill.

Collecting Bank: This is the importer's bank and takes up the role of ensuring that the buyer pays (or accept to pay) for the goods before shipping documents are released to him.

Generally, the banks in the transaction control the flow and transfer of documents and regulate the timing of the transaction. They must ensure the safety of the documents in their possession but are not responsible for their validity and accuracy.

4) **Honour of LC claim:** A letter of credit is the most widely used trade finance instrument in the world. It has been used for the last several hundred years and is considered a highly effective way for banks to transact and finance export and import trade. The letter of credit is a formal bank letter, issued for a bank's customer, which authorizes an individual or company to draw drafts on the bank under certain conditions. It is an instrument through which a bank furnishes its credit in place of its customer's credit. The bank plays an intermediary role to help

complete the trade transaction. The bank deals only in documents and does not inspect the goods themselves.

Therefore a letter of credit cannot prevent an importer from being taken in by an unscrupulous exporter.

The Uniform Commercial Code and the Uniform Customs and Practices for Documentary Credits published by the United States Council of the International Chamber of Commerce set forth the covenants governing the issuance and negotiation of letters of credit. All letters of credit must be issued:

- In favor of a specific beneficiary,
- for a specific amount of money,
- in a form clearly stating how payment to the beneficiary is to be made and under what conditions, and
- With a specific expiration date.

Role of Banks in Documentary Letters of Credit

Compared to other payment forms, the role of banks is substantial in documentary Letter of Credit transactions.

- The banks provide additional security for both parties in a trade transaction by playing the role of intermediaries. The issuing bank working for the importer and the advising bank working for the exporter.
- The banks assure the seller that he would be paid if he provides the necessary documents to the issuing bank through the advising bank.
- The banks also assure the buyer that his money would not be released unless the shipping documents evidencing proper and accurate shipment of goods are presented.

Remittance flashes 17pc growth in Feb:

Bangladesh received US \$ 974.46 million remittance in February compared to US \$ 827.46 million in the same period a year ago, recording a 17.69 percent growth.

The total remittance received in first eight months of the current fiscal year stood at US \$ 7.5 billion against \$ 7.31 billion in the same period a year earlier, marking a rather stability and slight growth in remittance inflow into the country.

Four state-owned commercial banks – Sonali, Rupali, Agrani and Janata Bank handled US \$ 268.33 million remittance in the same period while 30 private commercial banks channeled another US \$ 681.62 million.

ECONOMIC EFFECTS OF REMITTANCES

Remittances augment the recipients' incomes and increase their country's foreign exchange reserves. If remittances are invested, they contribute to output growth; if they are consumed, they generate positive multiplier effects. Thus, remittances offset some of the output losses that a developing country may suffer from emigration of its highly skilled workers. Despite the expanding literature on the subject, there remains an inadequate understanding of a number of issues related to the flow and use of remittances.

Thus, there has been little work on the impact of remittances on the overall economy.

The major labor exporting countries follow different conventions on whether to include remittances from overseas workers as a part of the net factor income in national income accounts. The resulting GNP estimates ($GNP = GDP + \text{net factor income from abroad}$) therefore are not comparable. Amongst the major Asian labor exporting countries, GNP estimates published by governments in India, Sri Lanka, and Thailand exclude workers' remittances while Bangladesh, Pakistan and Philippines include them. In this report, an attempt has been made to clarify concepts relating to the affect of workers' remittances on the overall economy of Bangladesh. As Bangladesh is among the few countries that include workers' remittances separately in their gross national income estimates, it is important to identify the impact of remittance on the national economy. In order to understand the effect, this paper integrates remittance in the national income accounting framework.

Macroeconomic effect:

Aside from the economic benefits accrued to individual households, remittances also have a positive impact on the economy as a whole. This impact is increasing: Bangladesh Bank data shows that remittance flows have grown from US\$ 3 billion in 2003 to almost US\$ 5 billion in 2006 and in 2007 remittance flows are expected to hit a new record of more than US\$ 6 billion. Migrant workers living in the Kingdom of Saudi Arabia are the main source of remittances, contributing in 2007 32% of the total flow (Bangladesh Bank, 2007). The positive contribution of these remittance flows has been recognized by several authors: according to figures posted by the Migration Policy Institute (MPI) formal remittances contributed about 9% of Bangladesh's GDP in 2006 and, according to its calculations, would account for around 18% if informal channels were included.

Impact of Remittance on balance of payment, investment, and national savings:

It is clear, indeed obvious, that the most important macro-economic impact of financial flow arising from international labor migration is on the balance of payments and through that on the economy as a whole.

A major benefit of labor export is the balance of payments support provided by remittance (Mahmud, 1989). He also stated that, in a situation of chronic foreign exchange shortage, remittance inflows could promote investment and capacity utilization if most of the remitted foreign exchange is used for importing capital goods and essential inputs. Alternatively, increased foreign exchange availability may lead to a relaxation of controls on luxury imports. It may also lead the government to choose the easier short-run options instead of taking measures designed to strengthen the economy's structure and reduce its import dependence in the longer run.

A precarious balance of payments has always been a major constraint to development efforts in Bangladesh. The country became heavily dependent on foreign aid immediately after Independence, particularly because of the disastrous fall in terms of trade in the early seventies and the sluggish growth in exports ever since. However, since the beginning of the eighties, the external aid inflow in real terms has stagnated or even declined. Against this background, the huge upsurge in the flow of remittances inevitably had a salutary effect on the country's capacity

to import. The role of remittances in compensating for the sluggish growth in real export earnings particularly since the beginning of the eighties is quite evident.

Turning to the balance-of payments (BOP) issue, while it is widely recognized that the remittance flows from the migrants provided a dramatic boost to the BOP, the precise position is not clear (Saith, 1989). In part, this is on account of the absence of appropriately and accurately recorded data and some other problems, like the leakage or diversion of the remittances into imports.

The financial flows triggered by international migration have had a dominant impact on the balance of payments of all the labor exporting countries. At a time when massive increase in oil imports and international recession put severe pressure on the country's balance of payments, remittances offered much needed relief (Amjad, 1989).

Hyun (1984) estimated that during the late 1970s a 10 per cent increase in remittances led to a 0.32 per cent increase in private consumption in the long run and fixed investment by .053 per cent. GDP increased by 0.22 per cent and GNP by 0.24 per cent. Hyun also estimates that a 10 per cent increase in remittance leads to a decrease in the ratio on the current account deficit to GNP by 0.40 percent in the long run. He however argues that the immediate effect of increase in remittances is to adversely affect exports due to increase in prices and wages but the net effect in the long run would be positive.

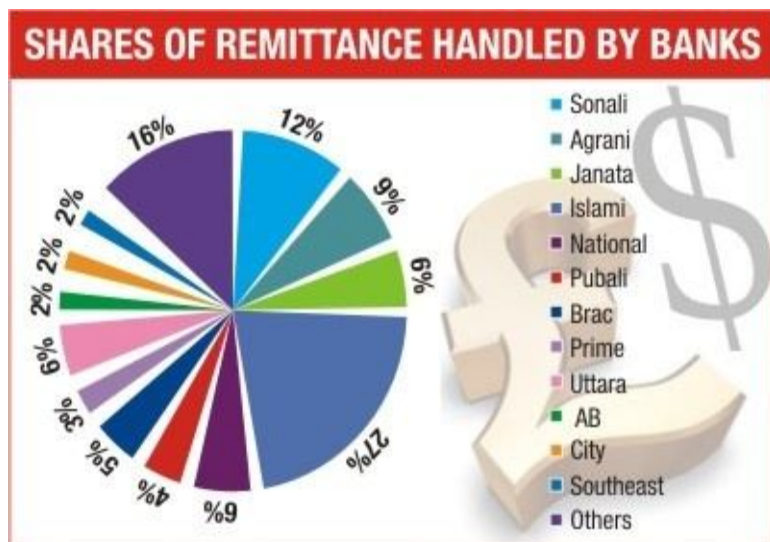
The important point to grasp is that the increase in income attributable to remittances enables the economy to realize an excess of investment over domestic savings through a corresponding excess of imports over exports with a smaller withdrawal on external resources than would otherwise be the case. (Amjad, 1989). Nayyar (1984) explains, as a result of remittance financed investments it "may appear to be paradoxical – but it is gross national savings rather than gross domestic savings that would rise and the economy would be able to realize a excess of investment over the latter." What this means is that the effective savings constraint on investment is not domestic savings but national savings, which take into account remittances.

According to Nayyar (1984) In a situation where the departure of migrants does not reduce domestic output, remittance inflows should increase national income. He also stated in his research paper that, the increase in income attributable to remittances might enable the economy to realize an excess of investment over savings, through a corresponding excess of imports over exports, with a smaller drawl on external resources than would otherwise be the case. Unless the marginal propensity to absorb out foreign incomes exceeds unity, remittance inflows should always improve the balance of payments position or prevent it from deteriorating as much as it otherwise would.

The increased inflow of remittances significantly improved the balance of payment position of Pakistan's economy during the second half of the seventies and early eighties. The foreign exchange made available because of workers' remittances also reduced the external debt, improved debt servicing ability, and decreased the need for additional foreign loans (Burney, 1989).

Problems Of remittance service in Janata Bank:The problems of remittance service in Janata Bank are as follows:

- 1) Private Banks better remittance manager**



Private Banks, by handling more than 69 percent remittances to Bangladesh, have emerged as major remittance managers overtaking the state-owned banks in the last few years.

Bangladesh Bank data shows aggressive marketing drives launched by the private banks at home and abroad have curtailed the dominance of the state-run banks to only 27 percent in the past few years.

In fiscal 2005-06, the remittance inflow was \$4.8 billion. Of the amount, private banks (PCBs) managed 49 percent, while the state-owned banks (SCBs) 46 percent.

According to central bank data, remittance through PCBs increased by 17 percent to \$7.62 billion in fiscal 2009-10 compared to a year ago.

The volume of remittance handled by SCBs increased by 5 percent in fiscal 2009-10 to \$3.04 billion. Bangladesh recorded \$10.98 billion in inward remittance in 2009-10.

Khondkar Ibrahim Khaled, chairman of Bangladesh Krishi Bank, said if any bank has sufficient foreign reserve, it can handle international trade very easily. The bank can also earn money by selling foreign currency.

"The state-owned banks can't do what the private banks can do to build relations with the international money exchange houses," said Khaled.

He said the state banks still handle remittances in a traditional way, while the private banks use new marketing strategies.

All banks have foreign networks for handling remittances. Many private banks even deputed officials in some major remittance generating countries like in Middle East, said Khaled.

As per the central bank data, of all the private banks, Islami Bank was the highest remittance handler in fiscal 2009-10. The bank brought \$2.93 billion in remittances followed by state-owned Sonali Bank's \$1.3 billion and Agrani Bank's \$938 million. Sonali had been the highest remittance earner until FY2005-06 when the amount stood at \$1.22 billion.

Helal Ahmed Chowdhury, managing director of Pubali Bank, said the central bank's anti-money laundering drive helped much to redirect remittance inflow to the formal channel.

The private banks' initiatives to open exchange houses in foreign countries and establishing liaison with different foreign exchange houses also helped them become major remittance earners.

Chowdhury said the private banks' move to arrange home delivery of money by using channels like banks, non-government organisations and mobile phones made them the market leader.

2) Foreign remittance fluctuation needs to be stabilized:

Inward flow of foreign remittance to our country is fluctuating for the last few months. The last financial year has passed bagging 13.25 per cent growth over the previous financial year. Foreign remittance is the major source of foreign currency of Bangladesh. Remittance inflow rose by 10-32 per cent in the last 20 years, which continued even during the global recession in the past two years.

Impact of remittance is well known to all. It reduces the extent of the country's dependence on foreign aid. The amount of remittance received in a year is four times higher than the foreign aid the country receives yearly. It contributes to the GDP of the country. A research showed that increase in remittance by Tk 1.00 would result in the increase in national income by Tk 3.33. Currently, garment manufacturing is considered as the highest foreign currency-earning sector of our country.

Problems of Foreign Remittance: There are some problems in foreign remittance. Followings are those:

1)Low skilled labor: 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.

2) High transportation cost: The market for migrant workers is highly imperfect, characterized by high transaction costs, pervasive information gaps and misplaced expectations. The market imperfections are often evident and based in unfair labor contracts. Recruiting agents often reap abnormal profits, largely at the expense of the migrant workers' interests. The high price paid by migrants today is determined by a market in which the supply of unskilled and low-skilled labor from developing countries far exceeds demand, given the differences in income between sending and receiving countries and the uncertainties of labor in the home countries. Some decades ago, part of the cost of migration from Bangladesh was paid by employers in the host countries.¹³ Today, however, the overwhelming number of unskilled and low skilled persons willing to migrate has eliminated any scarcity power enjoyed by previous generations of migrants and induces competition amongst sending countries, hence migrants themselves must bear the entire cost of employment-related migration.¹⁴ In order to try to contain some of the costs born by migrants, the government of Bangladesh has imposed a ceiling of 84,000 Taka on charges made by recruiters; this, however, is usually circumvented through additional informal payments demanded of migrants until the aforementioned price-levels are attained, and such improper price disclosure results in a lack of transparency in the market while generating a cause for corruption.

3) Language barriers and a lack of understanding of the country's legal system: Language barriers and a lack of understanding of the country's legal system can make it difficult for migrant workers to seek legal remedies against unfair labor practices. The unhealthy competition among recruiting agencies from different developing countries often exacerbates the situation.

Janata banks special problems towards remittance service:

- 1) **Scarcity of Manpower:** Janata bank already has many branches but there is lack of employee. For this reason they cannot give proper service to the customer about remittance service.
- 2) **Lower Compensation System:** Janata bank does not pay more compensation among the private bank. For this reason the employee switch the organization and always it face the problem of scarcity of manpower.

- 3) **Scarcity of instruments:** Janata bank already has many branches but there is lack of instrument which is hampered the service of remittance service. Especially it happens in the local branch of janata bank. The customer cannot get proper service in time in those local branches.
- 4) **Lack of on-line banking system:** On-line banking system is not available in janata bank. It is really hampering serving in remittance service to the customer

5] Shortage of liquidity;

The liquidity ratios measure the ability of a firm to satisfy its short Term obligations as they become due for payment. In fact, liquidity is A Pre request for the very survival of a firm. The short-term Creditors of the firm that funds of the firm that funds

Recommendations:

There are few areas where the banks need to improve for better services. After analyzing all the problems of remittance services few important points are recommend for the bank. Those are as follows:

Have to Improve Recruitment Process: Janata bank already has many branches but there is lack of employee. So the bank has to improve recruitment process.

More supportive attitude among employees: Janata bank does not pay more compensation among the private bank. For this reason the employee switch the organization and always it face the problem of scarcity of manpower. The low compensation package of the

employees from mid level to lower level position threats the employee motivation. As a result, good quality employees leave the organization and its effects the organization as a whole. So bank should take more supportive attitude among employees.

On-line banking system: On-line banking system is not available in janata bank. It is really hamper in serving in remittance service to the customer. But it is very important factors in remittance service. So the bank has to include on-line banking system in every branch of the bank.

Have to meet customer satisfaction: The customer now a day's preference about private bank is greatly increase. So it is also a problem for the Janata bank. So the bank has to meet the customer's needs.

Increase service level: The poor service quality has become a major problem for the bank. The quality of the service at JANATA Bank is lower than that of the Dhaka Bank, Prime Bank or Dutch Bangla Bank etc. Private bank has already provided better service in remittance. So the bank should increase their service level.

Computerized banking system: The bank failed to provide a strong quality-computerized banking system which is helpful to serve in remittance service. Scarcity of instrument is also a weakness of the bank in providing remittance service

Diplomatic relation:

Diplomatic relation should be developed with the manpower importing countries. In all diplomatic contacts and missions, the agenda of manpower export should be given priority.

Profitability: The high official of Islami Bank Bangladesh Ltd. (IBBL), the highest remittance earning bank of Bangladesh (27.46 per cent of the total amount). So the janata bank also should increase their profitability by serving remittance service.

Process should make easy: The process of sending remittance should be made easy for both literate and illiterate wage earners. Bankers can provide latest technology such as SMS banking, Mobile banking, remittance card, spot cash facility for speedy service. They can ignore the little mistakes often made by the remitter, if it is not related to legal aspects.

More Attention for the customers:Besides concentrating on only the big customers the banks must provide services to the small group of customers.

Conclusion

As an internee of JANATA Bank Ltd., I have truly enjoyed my internship from the learning and experience viewpoint. I am confident that this three months internship program at JANATA Bank will definitely help me to realize my further carrier in the job market. As there are lots of local and foreign banks in Bangladesh the JANATA Bank Ltd. is promising commercial Bank among them. In this competitive market JANATA Bank has to compete not only the others commercial banks but also with the multinational Bank. JANATA Bank Ltd. is more capable of contributing towards economic development as compared with other bank.

The remittance has the great impact on national economy and the janata bank as a part of serving remittance service is also helps the country to economically stable. And this way the bank has also achieve greater prospects in remittance service.

The bank also has some problem in remittance service. In order to increase remittance some strategy may be taken by the bank.

JANATA Bank Ltd. invested more funds in export and import business. It is obvious that the right thinking of this bank including establishing a successful network over the country and increasing resources will be able to play a considerable role in the portfolio of development. During the course of my practical orientation I have tried to learn the practical banking activities to realize it with my theoretical knowledge, which I have greathearted and going to acquire from various courses of my BBA program. I have tried my best to complete this report. I hope this report will help to improve the company development.

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Appendix:

- 1) Attendance Sheet for the student of Internship Program Fall' 2011