

# Macroeconomic Determinants of Remittances and Implications for Economic Growth: Evidence from Bangladesh

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## 14.1 INTRODUCTION

International remittance has become the most reliable source of foreign exchange in many developing countries. In Bangladesh, flows of remittances have been the most influential component for balance of payment (BOP) management and building up foreign exchange reserves. Even during the recent global financial crisis, remittances remained the most robust source of foreign finance. Moreover, remittance is directly linked with the well-being of households in recipient countries. Empirical evidence shows that remittance is an effective tool for reducing poverty and increasing consumption level of the recipient households.

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