

SENSITIVITY OF REMITTANCE FLOW TOWARDS GNP & FOREIGN RESERVE: A CRITICAL APPRAISAL IN CONTEXT OF BANGLADESH

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ABSTRACT

The importance of foreign remittances in the economy of Bangladesh is widely recognized and requires little reiteration. Here data about remittance and GNP is taken from 1990-91 to 2009-10. The sensitivity analysis has been run to find relationship between GNP and remittance flows. Here the hypothesis testing of this study indicate that the sensitivity of the GNP or available foreign reserve total to the yearly remittance flow volatile in case of Bangladesh. Yearly flow of remittance and GNP in Bangladesh are not independent. Very limited empirical works had been done in relation to the actual impact of remittances on incomes. This paper has used to explore the actual impacts of remittance on GNP through scientific analysis. The recommendation part represents different constraints about remittance flow and the role of government in that respects. Finally conclusion is made by summarizing the empirical verification as well as results and potentiality of such flows of remittance on GNP and economic growth of Bangladesh.

KEYWORDS: Foreign reserve, Hypothesis testing, Remittance, Sensitivity.