



## Determinants of Remittance: A Case of Bangladesh

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### Abstract

This paper investigates relationship between inward remittance to Bangladesh and some macro variables along with economic/political unrest (captured from newspaper). Following past studies, this paper takes into account interest rate, inflation, exchange rate and oil price in explaining the inflow of remittance and in addition, focuses on the influence of news coverage of economic/political events on remittance, supported by theory and past empirical findings - suggesting influence of media coverage on sentiments of economic agents and their decision making. Monthly data from January 2013 to August 2018 is considered to check for short and long run relationship between remittance and the explanatory variables using Johansen cointegration test and VECM. Results indicate the presence of long run relationship between the variables, where interest rate and exchange rate are found to be statistically significant indicating a positive relation with remittance and socio-political unrest is found to be negatively related to the inflow of remittance to Bangladesh as per expectation.

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