

BPO can make banks cost-smart

Local banks yet to explore the avenue, finds discussion

STAR BUSINESS REPORT

Banks could widen their digital financial services to customers manifold by way of taking support from outsourcing companies, experts and industry insiders said yesterday.

Operational cost of banks will go down significantly and the standard of financial services will strengthen in tandem if they could use the service of business process outsourcing (BPO) companies properly, they said at a discussion on Outsourcing in Financial Service Sector.

The event was jointly organised by the Bangladesh Institute of Bank Management (BIBM), the Leveraging ICT for Growth (LICT), a project of Bangladesh Computer Council under the ICT division, and Bangladesh Association of Call Centre and Outsourcing (BACCO).

Banks are still facing a lack of trust to get service from BPO companies, but many well-reputed foreign companies have already kept their faith on them, they said at the discussion held at the BIBM office in the capital.

The business volume of the local BPO companies is now close to \$400 million per year, but they have set a target to increase the market size to \$1 billion within 2021,

said Wahidur Rahman Sharif, president of BACCO.

About 50,000 employees are doing their job in the outsourcing industry, but the number will increase to 1 lakh if the business volume of BPO companies can be achieved as expected.

"Outsourcing in the banking sector of India, Philippines and other peer nations of Bangladesh is much larger than our industry."

The business volume of the local outsourcing sector will increase at least 40 per cent from the existing size if banks get services from BPO companies full-fledged, Sharif added.

Well-reputed companies from across the globe hardly produces any product by using their own components as such policy help them reduce their production costs, said Zunaid Ahmed Palak, state minister for Information and Communication Technology (ICT).

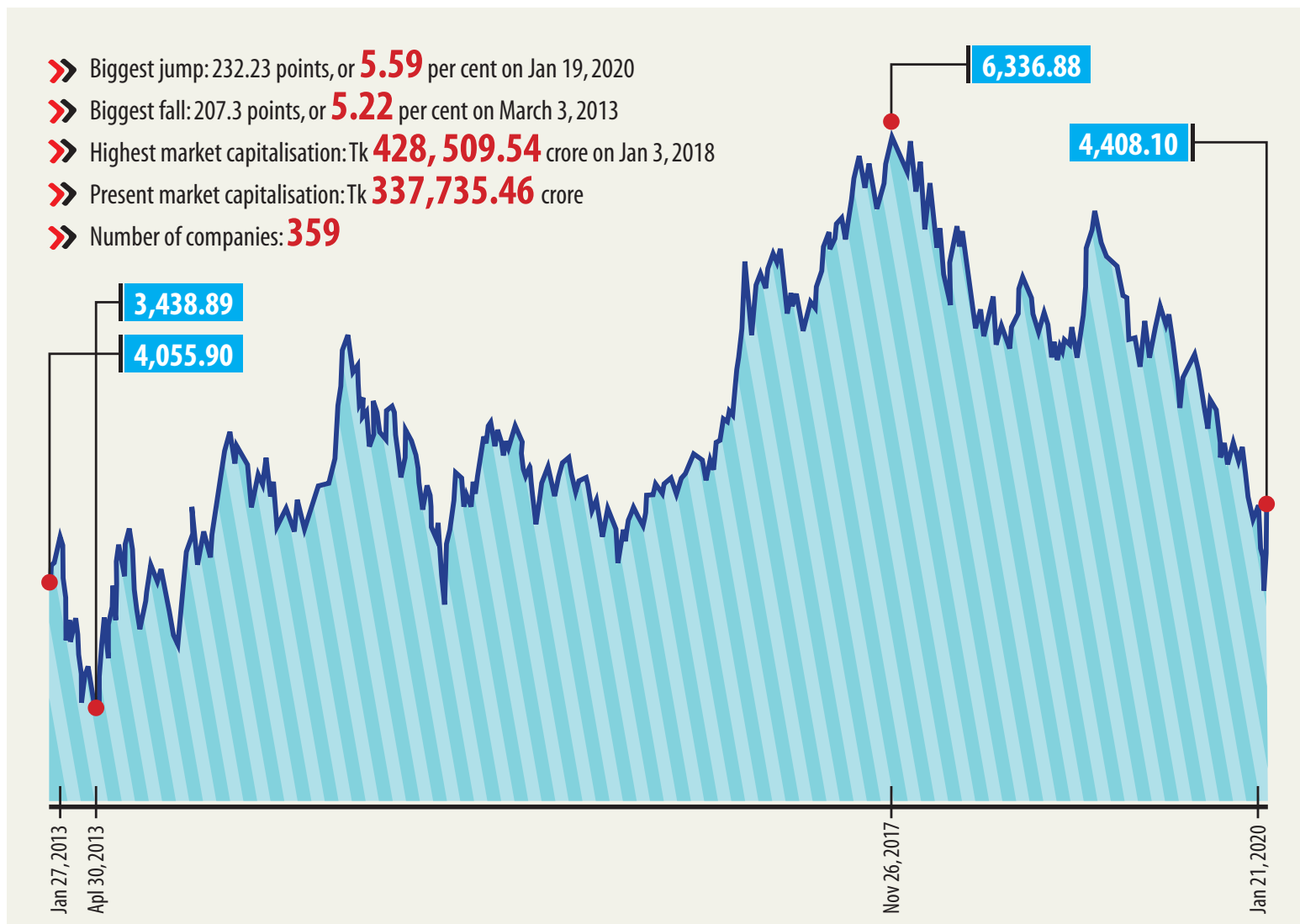
"We want to establish a paperless office to ensure a cashless society. And outsourcing companies can play a vital role in implementing the roadmap."

The member organisations of BACCO will have to enhance their capacity to give a boost to the digital Bangladesh programme, Palak said.

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Bird's eye view of DSEX

- Biggest jump: 232.23 points, or **5.59** per cent on Jan 19, 2020
- Biggest fall: 207.3 points, or **5.22** per cent on March 3, 2013
- Highest market capitalisation: Tk **428,509.54** crore on Jan 3, 2018
- Present market capitalisation: Tk **337,735.46** crore
- Number of companies: **359**



BSCIC park will now cost twice as much as originally thought

STAR BUSINESS REPORT

The government has revised upwards the cost for the much-delayed BSCIC Industrial Park in Sirajganj for the third time and pushed back its construction deadline -- a development that has now become a regular feature for public works.

The project began its journey in December 1999 with an estimated budget of Tk 197 crore with a view to creating 1 lakh jobs, spurring economic activities and reducing poverty in the poverty-prone northern districts. The completion date was set at June 2004.

But the plan had altogether been scrapped in April 2004 before its revival in August 2010 with a revised budget of Tk 379 crore and a completion date of June 2014.

Following several revisions, the cost has risen to Tk 719 crore, up 14.5 per cent from the last revision of Tk 628 crore. The new deadline is June 2021.

The Executive Committee of the National Economic Council (Ecne) yesterday approved the revision during a meeting, chaired by Prime Minister Sheikh Hasina, at the NEC conference room in Dhaka's Sher-e-Bangla Nagar.

The acquisition of land for the project proved to be a lengthy process, the planning ministry said in a report. In addition, combating erosion along the banks of the Jamuna led to further delays.

TIMELINE OF BSCIC INDUSTRIAL PARK PROJECT

PROJECT FIRST TAKEN UP IN 1999

- Completion date: Jun 2004
- Total cost: Tk **197** cr

PLAN SCRAPPED IN APR 2004

PROJECT TAKEN UP AGAIN IN AUG 2010

- Completion date: Jun 2014
- Total cost: Tk **379** cr

PROJECT REVISED IN FEB 2013

- Completion date: Jun 2015
- Revised cost: Tk **490** cr

COMPLETION DATE PUSHED BACK TO 2016

PROJECT REVISED AGAIN ON NOV 2016

- Completion date: Jun 2019
- New cost: Tk **628** cr

LATEST REVISION IN JAN 2020

- New deadline: Jun 2021
- Most recent cost: Tk **719** cr

After the meeting, Planning Minister MA Mannan told reporters that while the main culprit behind the deferrals was land acquisition, the second issue was having to coordinate with various government bodies on a range of issues related to the project.

The cost of raw materials has gone up since the plan's inception, so the budget has increased, he said.

The project sits on 400 acres of land and the number of industrial plots is 829.

Between 2010 and June 2019, about Tk 143 crore, or 22.07 per cent of the overall budget, had been spent on its development.

Also at yesterday's meeting, the project cost of Sheikh Hasina Medical College and Hospital and Nursing College in Jamalpur was revised upwards.

The original budget was Tk 716 crore and the construction was supposed to last from June 2016 to June 2019.

However, the new plan set the budget at Tk 950 crore, with Tk 280 crore coming from India, and reset the completion date at December 2021.

The cost went up and the completion date was pushed back as it took long to get the loan, the planning minister said.

Yesterday, a total of eight projects amounting Tk 22,945 crore was given the green light.

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Bangladesh needs better air connectivity to boost tourism

Says Novoair MD

MAHMUDUL HASAN, back from Cox's Bazar

Air connectivity in Bangladesh should be more accessible and developed to expand domestic tourism, said the chief of a private carrier.

"Worldwide trend of mass tourism started with the inception of the airline industry," said Mofizur Rahman, managing director of Novoair, one of the three private carriers in the country.

He gave the example of the Saidpur Airport in Nilphamari that was set up in 1979. The airport was the stepping stone for industrialisation in Nilphamari, which is now one of the most developed industrial areas in Bangladesh.

Nilphamari is home to the Uttara Export Processing Zone, one of the eight government-run industrial parks. Set up in 2001, the EPZ has 180 industrial plots and is located 16 kilometres off the Saidpur Airport.

"The town is now one of the key communications hubs for the adjoining districts in the northern part of Bangladesh just for the airport."

Rahman's comment came at a seminar styled 'air connectivity to enhance tourism' organised by the airline at the Praasad Paradise hotel in Cox's Bazar.



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Mofizur Rahman, managing director of Novoair, speaks at a seminar on 'air connectivity to enhance tourism' at the Praasad Paradise hotel in Cox's Bazar recently.

He demanded the government take initiatives to build an airport in an adjacent district of the Sundarbans, the largest mangrove forest in the world.

"Despite having huge potential, tourism hasn't developed in the area due to a lack of proper transport

system." The number of tourists remains relatively low due to the difficulty in access and arranging transport and a lack of facilities, including suitable accommodation, according to the Unesco's World Heritage Centre.

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Rajuk begins demolition of BGMEA building today

STAR BUSINESS REPORT

After nearly a year-long delay, Rajdhani Unnayan Kartripakkha (Rajuk), the capital development authority, is set to begin demolition of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) building today.

"It may take six months to complete the demolition of the building in Hatirjheel of Dhaka," said Md Sayeed Noor Alam, chairman of Rajuk.

Four Star, a local company, has been awarded the rights to complete the work, Alam told The Daily Star by phone.

Ahmed also said that modern equipment would be used rather than any explosive as predicted.

However, Alam could not immediately comment on how much the demolition will cost.

Last year in April, Rajuk took the responsibility to demolish the building, which used to be the BGMEA headquarters, following a court order.

However, Rajuk was forced to delay the project as the bidding process for the rights to demolish the building was lengthy.

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ONLINE TRANSACTIONS

Lack of digital literacy main barrier

Finds Women's World Banking, Rocket pilot project

STAR BUSINESS REPORT

Lack of digital literacy and failure to understand the benefits of mobile financial services are the main obstacles to popularising online transactions, found a study by Women's World Banking and Rocket, Dutch-Bangla Bank's mobile wallet.

However, use of brand promoters and peer-to-peer sharing of experiences are effective ways of overcoming the barriers, according to the pilot project, which concluded in the middle of December last year.

The project aimed to understand how to get more garment workers to use digital wallets through Rocket.

The test made use of brand promoters stationed at the bank's ATM booths outside a number of factories and taught women on how to use the app and share their experiences with peers.

The findings were shared at a discussion titled "Beyond Wage Digitisation: Increasing Account Usage by Women" organised at The Westin Dhaka yesterday by the non-profit working for financial inclusion for low income women in developing economies.

Though mobile phones and the internet have accelerated financial inclusion, gains have been uneven in Bangladesh.

Overall financial inclusion has increased to 50 per cent while mobile wallet usage jumped from 3 to 21 per cent, as per Global Findex, a World Bank database on how people in 144 economies use financial services.

However, growth for women users has not seen the same upward trajectory and the gender gap with regard to access to financial services has grown from 9 per cent to nearly 30 per cent.

Women seemingly find it difficult to access mobile technology due to a lack of digital and financial literacy and a low level of trust and familiarity with digital payments.

Boosting access to, and usage of, mobile wallets in the garment worker sector can accelerate the growing trend of



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From right, Diana Gooley, manager for digital financial services at Women's World Banking; Mohammad Abdul Momen, a director of the BGMEA; Salahuddin Mahmud, a Bangladesh Bank deputy director; Abedur Rahman Sikder, chief retail business officer of Dutch-Bangla Bank; and Md Tohurul Hasan, programme manager at DFS Lab, attend a discussion titled "Beyond Wage Digitisation: Increasing Account Usage by Women" organised at The Westin Dhaka yesterday.

wage digitisation and aid women's financial inclusion.

The government plans to reach digital wage systems to as many as 90 percent of the population by 2021 as part of its push towards build a cashless society and facilitating financial inclusion of millions of garment workers.

In addition, wage digitisation offers factory owners

enhanced efficiency in payroll systems.

"Wage digitisation is an on-ramp to offering a broader range of financial services to low income women," said Diana Gooley, manager of Digital Financial Services at Women's World Banking.

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