

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.26%	▲ 0.50%	\$1,579.70 (per ounce)	\$58.39 (per barrel)	▼ 0.69%	▼ 1.72%	▼ 0.37%	Closed	83.95	92.31	110.23	11.85
4,481.51	8,277.47			40,913.82	22,977.75	3,170.68		84.95	96.11	114.03	12.46

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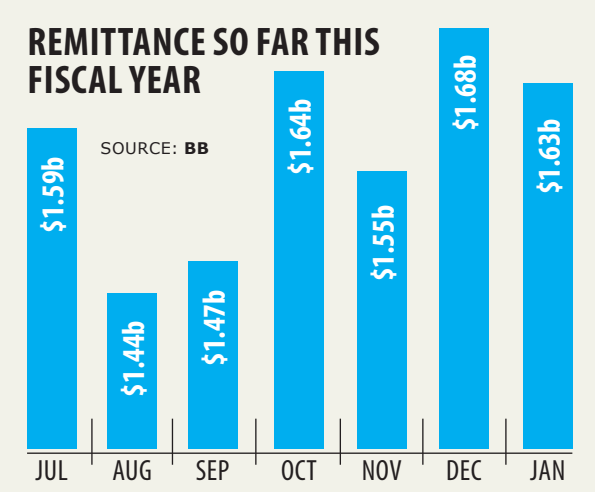
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Remittance floating uphill



STAR BUSINESS REPORT

Remittance continued its upward trend last month, with migrant workers sending home 3 per cent more than they did a year earlier, in what can be viewed as the perfect foil to the sliding exports, the other source of foreign exchange for the government.

Export earnings fell 5.84 per cent year-on-year to \$19.3 billion in the first six months of the fiscal year, according to data from the Export Promotion Bureau.

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MUHAMMAD ZAHIDUL ISLAM

Mobile financial service, the great hope for financial inclusion, appears to be faltering.

Last year, about 3 crore users transacted Tk 434,489.92 crore through the platform by, up 14.68 per cent year-on-year, according to data from the Bangladesh Bank.

It is decent growth but, it pales in comparison to those experienced in previous years.

The growth rate seems to be good in general but in a country like Bangladesh, which is moving towards digitalisation, the transaction volume should be far greater, said industry insiders.

A lack of confidence and proper knowledge on online payment platforms is a major challenge faced by the market, said Md Mahbubur Rahman Alam, an associate professor of the Bangladesh Institute of Bank Management (BIBM).

At the end of last year, the total number of MFS accounts stood at 7.96 crore. But just 3.48 were active, in a testament of the cooling interest on MFS.

Another reason behind the dip in usage is that in recent times other digital payment channels have come up, while regular banks have also come up with convenient application-based platforms in a bid to make online transactions more appealing.

"That is why MFS users have migrated away," Alam added.

But, bKash, the market leader for

online payment systems, maintains that their growth rate is steady.

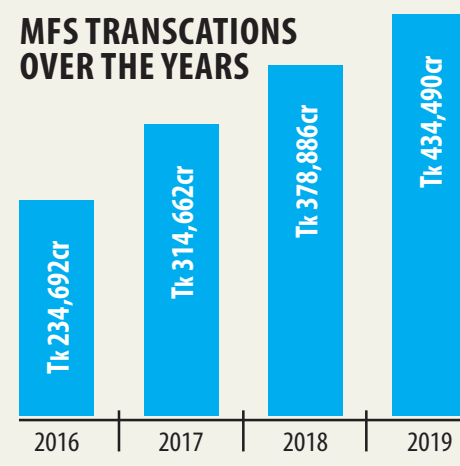
The transaction volume has increased manifold thanks to customers signing up in droves and roll out of various MFS products, said Sheikh Md Monirul Islam, chief external and corporate affairs officer of bKash.

The market is still widely dominated by vanilla transactions like deposits and withdrawals, which accounts for about 72.60 per cent of the total MFS transaction volume.

For bKash, innovation seems to be the key to its survival. bKash account holders can now pay utility bills, make payments at registered bKash merchant outlets as well as top up their mobile phone numbers seamlessly.

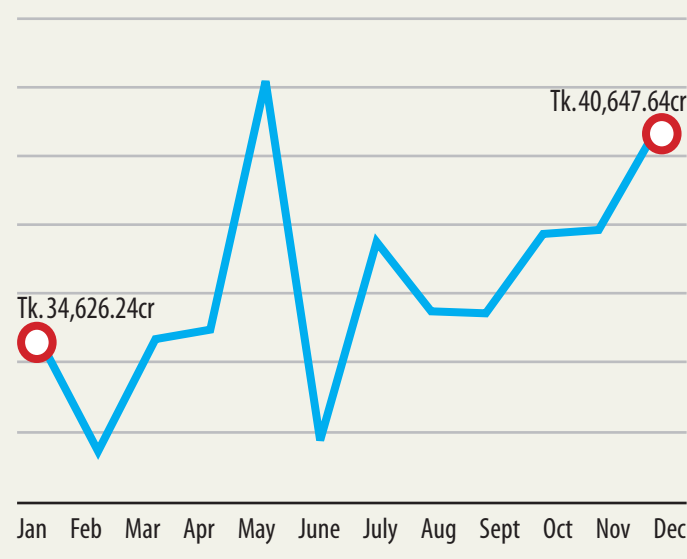
Having micro merchants on board will help bKash reach its target to have customers make payments for their daily needs on the platform, Islam said, adding that the 2 per cent cash incentive against remittance has also boosted its transaction volume.

MFS needs to improve their services and collaborate with



MFS losing steam

MFS transactions in 2019



other online service providers, said Alam of BIBM, while citing the option of salary disbursement through the platform as a case in point.

Only a few hundred companies are utilising the platform to pay their workers' salaries. Only Tk 10,188.83 crore has been disbursed as salaries, which is just 2 per cent of MFS's total transaction value.

"This is not at all satisfactory," he added.

Currently, about 3.61 lakh garment workers are paid through bKash. In 2018, only 1.60 lakh workers were paid through the platform, while the number of merchant points, which is now 1.19 lakh, was only 73,599, according to bKash.

Payments for educational institutions and utility bills can also be done through the

MFS. However, the net worth of transactions is just Tk 5,023.45 crore, industry insiders said.

Merchant payments could be a major sector for MFS transactions as that value was only Tk 5,465.27 crore last year.

People do not trust most of the e-commerce platforms, which is why they hold off from making payments for the products before getting the products in their hands.

"This is why the number of payments made through MFS are not increasing at a satisfactory rate," Alam said.

Last year, the government launched a new platform called 'Nagad' under the postal act. The platform is run by a separate organisation and holds a significant share of the market.

After launching the service on March 26 last year, transactions worth a few hundred crore taka were completed. Currently, they

have a transaction value of about Tk 100 crore a day.

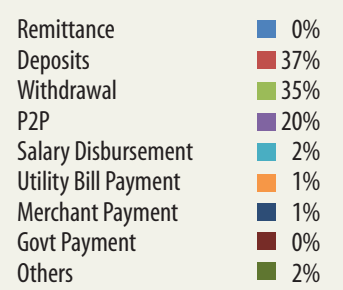
Since Nagad is being run under the postal act, the central bank does not have any control on the transaction system, which is enjoying a far greater transaction volume than the other traditional MFS operators.

A Nagad user can make transactions worth up to Tk 2.5 lakh on any given day but the monthly limit is set at Tk 5 lakh. Other MFS operators can transact only Tk 30,000 a day while their monthly limit is Tk 2 lakh.

However, according to the market insiders, MFS users are still unable to make payments across platforms, which is a major challenge faced when making online payments.

In a recent meeting with the e-Commerce Association of Bangladesh's (e-CAB), the state minister for ICT Zunaid Ahmed Palak said that they are working on including this benefit by the end of this year.

BY SEGMENT



Donors commit \$4.25b in this year's BDF: Kamal



STAR BUSINESS REPORT

Three foreign donors made commitments of \$4.25 billion of new funds in Bangladesh Development Forum this year, in what was a first for the ten-year-old biennial gathering.

They came up with the funds in honour of the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, Finance Minister AHM Mustafa Kamal told a press briefing in his office yesterday.

"This year's BDF has been very fruitful," he said.

The two-day event, which was

COMMITTED FOREIGN FUND

Donor	Commitment
GREEN CLIMATE FUND	\$1.2b
THE WORLD BANK	\$350m
JICA	\$2.7b

organised by the Economic Relations Division at the capital's Bangabandhu International Conference Centre, wrapped up on January 30.

At a meeting, Javier Manzanares, deputy executive director of Green Climate Fund (GCF), expressed a willingness to extend \$1.2 billion to Bangladesh for a period of four years, Kamal said.

Manzanares reiterated the interest in a separate meeting with Prime Minister Sheikh Hasina.

Bangladesh has never received any fund from GCF, which was mainly formed to provide financial assistance

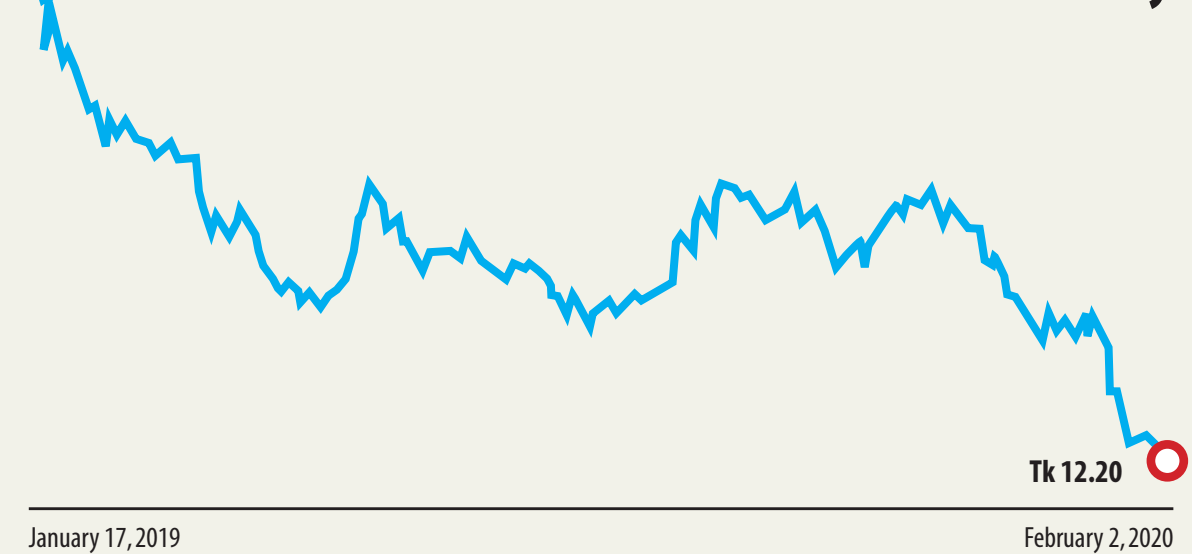
to countries badly hit by climate change.

Set up in 2010 by the United Nations Framework Convention on Climate Change, GCF is the world's largest dedicated fund helping developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change.

GCF launched its initial resource mobilisation in 2014, and rapidly gathered pledges amounting to \$10.3 billion mainly from developed countries.

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SS Steel ebbs away



SS Steel continued to nosedive even though the overall market sentiment remains upbeat. The stock made its debut on the premier bourse on January 17 last year and touched the Tk 50-mark that day. It has been on a downward trend since, much to the frustration of investors. Yesterday, it closed at Tk 12.20.

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