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Real time remittance inflow from Malaysia soon

Deal between bKash, StanChart and Valyou to power cross-border transactions

AKM ZAMIR UDDIN

Expatriate Bangladeshis in Malaysia, the fifth highest source of remittance for the country, would soon be able to send in money to their near and dear ones at home on a real time basis thanks to a novel arrangement between Malaysian fintech firm Valyou, British bank Standard Chartered and local mobile financial service platform bKash.

As per the arrangement, the terms of which has not been hammered out yet, remitters will be able to send in their hard-earned money in real time by opening a mobile wallet with Valyou, a subsidiary of Telenor Group.

The amount from Valyou would then be wired through Standard Chartered's operations in Malaysia and Bangladesh. Once in Bangladesh, bKash would distribute the funds, ending the chain of cross-border transaction that harnesses the power of technology.

This means migrant workers in Malaysia would be able to settle their cross-boundary transactions in real time with just a few clicks on their mobile phone, in an arrangement not seen before in Bangladesh.











REMITTANCE FROM MALAYSIA IN REAL TIME



is 7.25 per cent of the amount that migrant workers sent home that year. The amount is an to data from the central bank.

Thanks to this arrangement, remitters will feel comfortable about sending in money through the formal channel and shy away from the illegal digital hundi system, said a Bangladesh Bank official requesting anonymity.

Standard Chartered has managed approval from the central bank on December 19 last year to run the

billion in remittance from Malaysia, which service, he said, adding that the lender has been asked to roll out the service within six months of the approval date.

The Daily Star has obtained a copy of the BB

Expatriate Bangladeshis would be allowed to send any amount of money to their near and dear ones of the country through this arrangement, said Azmal Huda, chief product and technology officer of bKash.

Clients, however, are permitted to remit a maximum of Tk 150,000 per transaction in the form of foreign currency as per the central bank directive, he said.

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Onion acreage blows up to a new high

Dependency on India poised to be less

Onion acreage has gone skyward this season as farmers have raised their game buoyed by high prices that resulted from a supply crunch brought on by a curb on exports of the key cooking ingredient by India, the country's main source.

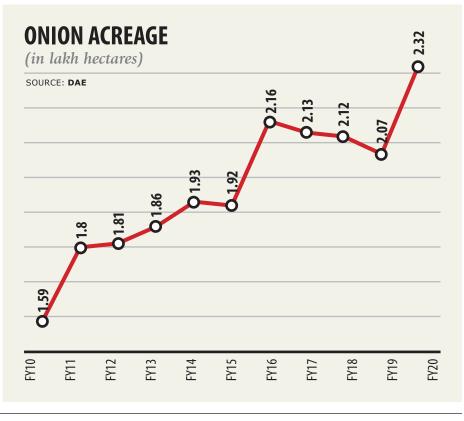
Growers cultivated the tuber on 2.32 lakh hectares this time, the highest in a decade and up 12 per cent year-on-year, according to preliminary estimates by the

Department of Agricultural Extension

"This shows farmers respond when they get good prices," said DAE Director General Md Abdul Muveed.

Onion prices, which usually hover between Tk 20-40 a kg throughout the year, escalated to Tk 250 a kilogram in Dhaka soon after India slapped a ban on shipment in September last year amid a dearth in domestic yield.

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Soaring post office deposits to come crashing down

REJAUL KARIM BYRON and SOHEL PARVEZ

Savings accounts in post offices saw Ordinary accounts soaring deposits in recent years thanks to high interest rates offered by the government to tempt people in the suburbs and rural areas to use formal channels for parking their funds.

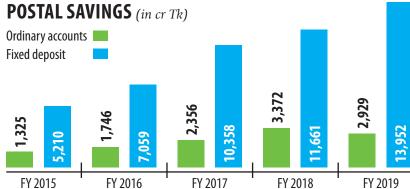
Deposits in ordinary accounts in post offices more than doubled to Tk 2,930 crore in fiscal 2018-19 from Tk 1,325 crore four years earlier, according to data from the Department of National Savings (DNS).

A similar trend has been seen in cases of fixed deposit accounts in post

Savers deposited Tk 13,950 crore in fiscal 2018-19 in fixed deposit accounts in post offices, which was more than two and half times the deposits received in fiscal 2014-15. "High interest rate appears to be

one of the reasons behind the rising deposits," said Khandker Shahnur Sabbir, deputy postmaster general of Bangladesh Post Office.

Due to the government's crackdown over the last several years, there has been almost no presence of multilevel marketing (MLM) firms that used to offer exorbitantly high interest



rates to attract deposits. The absence of these informal

channels might be another reason behind people's interest in depositing money in post offices.

"And a huge number of small savers in the rural and suburban areas deposited their money in post offices," said Sabbir, also a senior postmaster of Dhaka GPO.

Until February 12, the finance ministry offered as high as 11.28 per cent interest on a three-year fixed deposit account with post offices, which is higher than the interest rates given by banks.

In case of ordinary accounts in

post offices, the interest rate was 7.5 per cent, which is also higher than the rates offered by banks for savings accounts.

However, the government's latest move to cut interest rates on savings in post offices has created frustration among savers and is likely to bring down savings and encourage the return of illegal MLMs.

For example, interest rate on threeyear term fixed deposits was reduced to 6 per cent from 11.28 per cent as the government aims to bring down interest rates in bank deposit and lending.

The interest rate on ordinary and

fixed deposit accounts in post offices unchanged. was almost close to the interest rates

suddenly while the interest rates official. savings certificates remained

offered by national savings certificates accounts and fixed deposit accounts DNS saw a gap in interest rates. in post offices have been reduced in But the interest rates on deposit line with the banks in a bid to create accounts in post offices were halved a balance, said a finance ministry

This is the first time the interest

rates of deposit accounts in post The interest rates on ordinary offices and savings certificates of the

> Khondker Ibrahim Khaled, a former deputy governor of Bangladesh Bank, said the latest move would discourage

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Interest rate cuts for postal savings accounts only

Clarifies the finance ministry

STAR BUSINESS REPORT

The government has cut the interest rate for postal savings accounts and kept the existing rates unchanged for national savings certificates, clarified the finance ministry yesterday.

On Thursday the Internal Resources Division of the finance

one-year savings to 5 per cent from national savings instruments too 10.20 per cent with immediate and was left panic-stricken thinking effect.

For two-year schemes, the rate was cut to 5.50 per cent from 10.70 per cent. For three-year schemes it was slashed to 6 per cent from 11.28 per cent.

Many construed the notice ministry issued a notice informing on Thursday as the government

the lowering of interest rate on slashing the interest rates on their sole source of income has suddenly contracted.

Now, the finance ministry has calmed their nerves: the rate cuts were only for savings accounts maintained with the postal department.

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