

Forex brokers fall victim to coronavirus scare

School banking getting traction

Deposits up 8pc last year

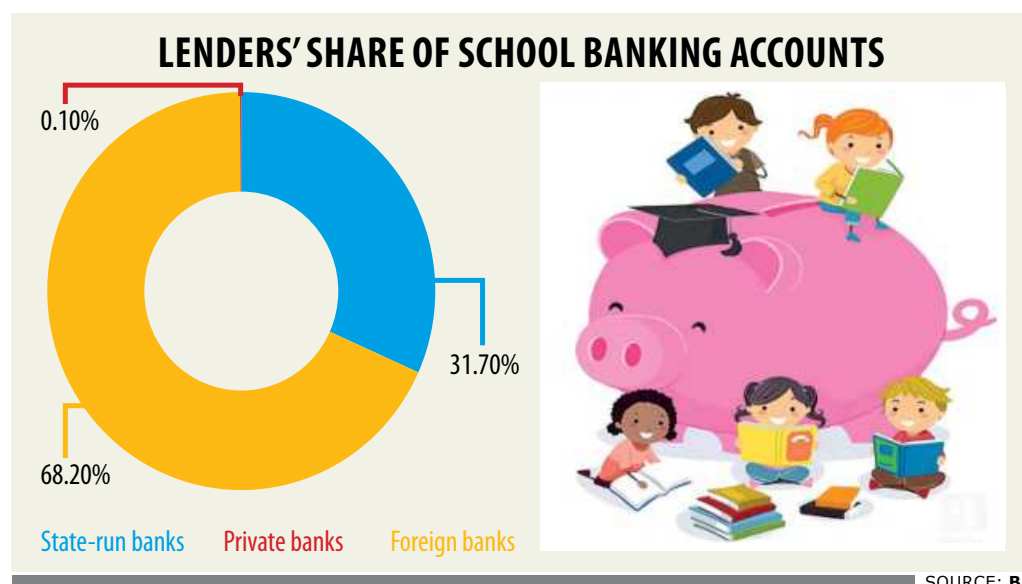
JAGARAN CHAKMA
Dark clouds are brewing on the horizon for money exchangers in Dhaka as coronavirus-induced international flight postponement has led to a drastic decrease in their customer numbers, causing exchange rates to fall.
Travel deferrals, notably those involving China, Italy and the US, led to lesser demand for various currencies, especially the US dollar. Lower demand naturally causes exchange rates to fall.
All these spell trouble for foreign currency brokers as they profit adjusting the exchange rates.
The rate of the US dollar fell by Tk 0.60 to Tk 0.70 in the past week. Yesterday, one US dollar sold for Tk 87.20 and was bought at Tk 86.20 in the open market, down respectively from Tk 87.80 and Tk 86.80 just a couple of weeks ago, market players say.

However, the fluctuations are yet to reach banks. The Bangladesh Bank website showed that the buying and selling rates were the same at Tk 84.95 yesterday.
The sales and purchases of the US dollar declined drastically for the flight suspensions, said Safat Al Islam, manager of Talukder Money Exchange House in the Bashundhara City Shopping Complex.
Its daily customer numbers dropped by around 60 per cent in the last one week although it is one of the top service providers and the teller station is situated at a prime location in the city, he said.
Just 10 days ago, hundreds of people had been seeking services daily but that reduced significantly, he said.
However, he held back from disclosing the amount of US dollar traded at the exchange house on an average every day, citing business policies.

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AKM ZAMIR UDDIN
School banking is increasingly getting popular among students as the deposits in their accounts crossed Tk 1,600 crore in 2019.

As of December last year, students deposited Tk 1,626 crore in the accounts, up 8 per cent from a year ago, according to data from the central bank.
The number of accounts under school banking rose 10 per cent to 19.92 lakh last year.
A number of banks earlier took a set of measures to widen the banking operation among students as per instruction of the central bank, giving a boost to financial inclusion, bankers say.
The number of accounts and the outstanding balance under school banking would rise many folds if lenders initiate measures in keeping with the time, a central banker said.
The central bank introduced the school banking in 2010 as part of its efforts to widen financial inclusion and make students financially literate. The scheme aims to instill the habit of savings into students and make them more efficient in money management.
So far, 55 banks have rolled out school banking operations, allowing students aged 11 to 17 to open accounts.
The accounts come with a number of advantages, such as waiver on fees and charges, free internet banking, lower minimum balance requirement and debit card availability at lower costs.
Accounts can be opened with a minimum deposit of Tk 100.
Dhaka Bank, one of the top five banks in terms of mobilising deposits under school banking, arranges programmes at schools on a regular basis in order to raise awareness on building savings habit, said its Managing Director Emranul Huq.
The lender rolled out two savings products – Students' Ledger and Edu Savings Plan – to attract students. Guardians initially operate the accounts and the students are allowed to run them once they turn 18.
Edu Savings Plan is a long-term deposit scheme where students park a certain amount



SOURCE: BB



A deserted exit point for arrivals at Hazrat Shahjalal International Airport in Dhaka yesterday. Bangladesh's flight connectivity is currently limited to London, Manchester, Dubai, Abu Dhabi, Singapore and Bangkok.

PALASH KHAN

every month and the deposit is insured by MetLife Bangladesh.
Students with such accounts will receive insurance coverage for health treatments along with benefits that come with an insurance product.
Dhaka Bank mobilised deposits to the amount of Tk 89 crore from students in 2019.
Islamic Bank Bangladesh Ltd also achieved success in popularising school banking products.
The bank ranked third in terms of opening accounts and pooling deposits, said IBBL Deputy Managing Director Abu Reza Mohd Yeahia.
"Islami Bank arranges workshops for its staff on how to encourage students for savings. This has helped us pull off success in school banking," he said.
The bank runs awareness campaigns among the proprietors of its agent banking outlets so that they can open accounts for students in an efficient manner.
The number of accounts and deposits at IBBL stood at 1.93 lakh and Tk 92 crore respectively at the end of last year.

State-run Agrani Bank, which came second among all banks in terms of opening accounts, plans to mobilise deposits from students, said its Managing Director Mohammad Shams-Ul Islam.

The bank has opened 2.30 lakh student accounts but is yet to mobilise deposits as expected due to a lack of digitalisation, he said.
"We are not sitting idle. We have taken a number of measures to digitalise the banking operation," he said.
He went on to hope that deposit collection would accelerate once the lender completes digitalisation.
The central bank organises annual school banking conference in every district to draw students to school banking as it ultimately helps build savings habit, said Md Anwarul Islam, general manager of the financial inclusion department at the central bank.
The central bank has submitted a proposal to the National Curriculum and Textbook Board to include a chapter in textbooks so that primary and secondary-level students can gather knowledge on financial literacy, he said.

Info on govt's savings scheme just a few clicks away

STAR BUSINESS REPORT

The government yesterday rolled out a mobile app for savers to know about government's savings schemes and other procedures without going through the hassle of paying a visit to banks for the information, in yet another manifestation of the current ruling party's Digital Bangladesh agenda.
Called the Sanchoy app, the tool offers information regarding all 11 savings schemes, interest rates, tenure, investment ceiling and investment eligibility to a saver.
It also provides information about the offices from where one can buy the desired savings certificates and the application procedure for purchasing the instruments, according to Shamsunnahar Begum, director general of Directorate of National Savings (DNS).

DNS, an office under the Internal Resources Division of the finance ministry, introduced the app, which was inaugurated by IRD Senior Secretary Abu Hena Md Rahmatul Muneem at an event organised to celebrate Bangabandhu Sheikh Mujibur Rahman's birth centenary at the National Board of Revenue headquarters yesterday.
The app has a calculator to enable a saver to compute profits from various savings instruments based on investment duration.
It will also allow investors to know about the net profit and the amount of withholding tax to be deducted when cashing out the scheme.
"It is a very good side of the app," Begum said, while presenting the features at the event.
The app will also inform on the results of the government's prize bond draws.

The government introduced automation of the savings instrument machinery in July last year with the objective to ensuring transparency in investment and curb the scope to breach the investment ceiling.
"Because of automation, we can monitor the investment amount of a person. By using his/her national identification number, we can know the total amount of investment in savings schemes even if the person keeps certain amount in Dhaka and a portion outside of Dhaka," Begum said.
At present, there are nearly 2 crore registered investors in the state-sponsored savings instruments.
The interest rates on the three-month profit-bearing savings certificate offering is the lowest at 11.04 per cent interest, while pensioner savings certificate offer the highest rate of 11.76 per cent.

Grameen Bank gets new chairman

STAR BUSINESS REPORT

The government has appointed AKM Saiful Majid, a professor of the Institute of Business Administration of Dhaka University, chairman of Grameen Bank for two years.
Prof Majid will be a director and the chairman of the board of the Nobel Peace Prize-winning organisation, the financial institutions division under the finance ministry said in a circular on Sunday.
The post of the chairman of the microlender fell vacant after government-appointed chairman Khandaker Mozammel Haque died in August last year. He had been serving the board since 2011.
Grameen Bank has a 12-member board, with the



AKM Saiful Majid

government appointing three directors, including the chairman, and the borrower-shareholders elect nine directors.
The government owns 25 per cent stakes in the bank and the borrower-shareholders hold 75 per cent.
Prof Majid served IBA as professor, associate professor and assistant professor along with several administrative positions in the last 25 years. He also served the institute as the director.
He served Eastern University as the vice-chancellor and chairman of the trustee board and worked as a visiting teacher of the University of Kassel in Germany.
He is a recipient of the Senior Fulbright Fellowship awarded by the US Department of State in 2010.

ICT sector should get ready for the fourth industrial revolution



RASHAD KABIR

There is no doubt that we have completed a long journey towards the implementation of the Digital Bangladesh vision and our industry has also become much more stable while some IT companies are doing really good in the local and foreign markets.

The country has already hit the landmark of earning an export revenue of \$1 billion from the ICT sector and is getting big projects from the international market, which highlight the industry's spiralling growth.

Now the industry is on the verge of facing the impacts of the fourth industrial revolution or 4IR and it will be a major challenge for the industry.

During the 4IR, there will be dominance of technologies like artificial intelligence (AI), machine learning, internet of things (IoT), robotics, big data, augmented reality and others.

These developments beg the question: how much is our industry prepared to adopt these technologies? A developed country like South

Korea is now fighting the novel coronavirus by relying on its technological forte in AI and machine learning.

If we want to be a real digitalised country, we also need to take the challenge to solve local problems with the help of ICT following the footprint of Korea. And the opportunity is huge here. But we still lag behind others

to do everything for us. Yes, the government should definitely play a vital role in terms of policy support and providing other strategic facilities. But the government can never run fast like the private sector.

In fact, no government in the world can run at the same pace as the private sector. So, the industry should take steps themselves to prepare the

month internships for each student so that they can gain some practical knowledge from the industry and prepare themselves before coming to the job market.

To achieve the target of \$5 billion export earnings by 2025, we should focus more on the market and industry. We also need to find out which technologies we are really good

at. The country can definitely utilise the power of the youths to achieve more growth.

The positive thing is that Bangladesh has been seriously considering the Japanese market since 2014 and some of the companies are doing really good in this market.

But we are falling behind others due to the language barrier, while Vietnam has done very good.

It has been reported that most of the Japanese companies prefer Vietnam over Bangladesh, as Vietnamese engineers can speak Japanese fluently because of learning the language from the school level.

That's why Bangladesh is lagging behind Vietnam despite providing more quality work. Time has come for the industry and the government to address this issue.

The government has introduced a project called BJET (Bangladesh-Japan ICT Engineers' Training Programme), where we teach them Japanese language and etiquettes. But the number of students we are producing per batch is not even close to the demand we have in our market.

Another point is that we also need to produce adequate number of graduates skilled in emerging technologies.

Like Japan, countries like the Netherlands, Denmark, Sweden and Switzerland are also going to witness negative population growth, which is why they are also looking for skilled

engineers and outsource partners.

But the European market has been very difficult for Bangladesh in the recent years because of the rise of Ukraine and Poland in the tech sector. Most European countries are now preferring to go to Ukraine and Poland rather than coming to Southeast Asia.

We have another big market we have always ignored: Africa. In the next 10 to 15 years, it will be a great market for the ICT companies.

Some African countries like Ethiopia, Rwanda, Kenya and Ghana are now thinking to digitalise their countries, a journey that Bangladesh began 10 years ago.

So, the time is ripe for Bangladesh ICT companies to focus on that market. As more than 100 Bangladeshi companies have the experience of completing large-scale ICT projects, they will have an edge over others if they become the first movers.

In a nutshell, it's today that will decide where we will go tomorrow. If we can't take the right step today, our industry will lose a great opportunity.

All the parties, including the government, private sector and academia, should sit together and make a masterplan to be the leader in the ICT sector in the next decade and become the next ICT destination.

The author is the managing director of Dream71 Bangladesh Ltd and a director of Bangladesh Association of Software and Information Services.



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