

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
Closed	Closed	\$1,714.50 (per ounce)	\$21.44 (per barrel)	1.68%	0.86%	0.95%	1.06%	83.95	89.71	102.63	11.69
				31,327.22	19,262.00	2,518.16	2,808.53	84.95	93.51	106.43	12.29

এসআইবিএল-এর সম্মানিত মুদ্রাবা
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Star BUSINESS

DHAKA SUNDAY APRIL 26, 2020, BAISHAKH 13, 1427 BS starbusiness@thedailystar.net

TAMING CORONAVIRUS RAMPAGE

Time for MFS providers to shine

Social safety nets, farm economy to take centre stage in fiscal 2020-21 budget

ROUNDTABLE

The Daily Star

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DIGITAL PAYMENT SOLUTIONS DURING CORONAVIRUS PANDEMIC

STAR BUSINESS REPORT

The coronavirus pandemic has proved a stroke of luck for mobile financial service providers as people are increasingly opting for digital payment in a bid to steer clear of the health risks the lethal pathogen poses, experts said.

The expansion of MFS in recent times will also help the government advance a step closer to a cashless society, they said at a virtual discussion on 'Digital Payment Solutions during Coronavirus Pandemic', organised by The Daily Star yesterday.

"The coronavirus pandemic has given a strong message to all that there remains scope to embrace the digital financial tools to run the economy under any circumstances," said Mustafa Jabbar, posts and telecommunication minister.

Banks hardly run their financial activities in rural backwaters, but the MFS providers have brought the underprivileged people of these territories to the formal financial sector, he said.

"A difficult situation would have been created if we had not taken adequate preparations to widen the base of the mobile financial services on time."

dbi CERAMICS

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The strong foundation of MFS will now make the government's fight against coronavirus easier.

"We have already brought the workers of the garment sector under the MFS platform. The necessity of traditional banking has already diminished as we have entered a digital era."

The banks' cash counters will not be required soon due to the rapid expansion of digital banking and the strong base of the MFS, Jabbar added.

"Economic activities should remain vibrant during the ongoing shutdown such that the wheel of the economy keeps moving," said Tanvir Ahmed Mishuk, managing director of Nagad, an MFS provider of the Bangladesh Post Office and a private entity.

The benefits of the stimulus package offered by the government should reach the marginalised people, including farmers, and small entrepreneurs, he said.

Half the country's population has been benefitted by financial inclusion and efforts should remain underway to bring the rest on board, he said, adding that the ongoing measures taken by the MFS providers will deepen financial inclusion further.

The popularity of MFS has increased significantly in the last one month as the pandemic has forced people from all walks of life to take the service, said Kamal Quadir, chief executive officer of bKash, a leading MFS provider.

But the volume of transaction plunged 28 per cent at one point as the central bank reduced the extent of banking operations.

The Bangladesh Bank has recently increased the banking hours to four hours from two/three hours, which has helped boost MFS transactions gradually.

If the MFS agents cannot deposit or withdraw money from banks smoothly, they will be unable to run the service properly, Quadir added.

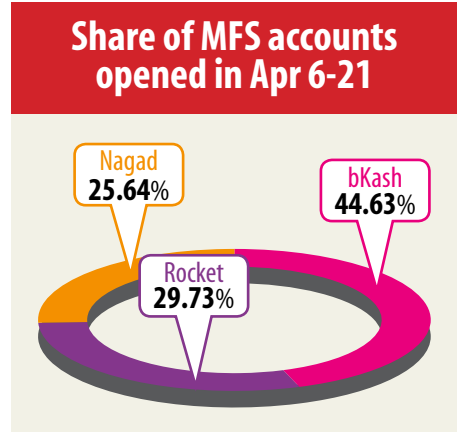
bKash, the country's largest MFS provider, has 225,000 agents and 60,000 digital e-KYC centres across the country.

MFS operators opened 30 lakh new accounts from April 6 to April 25 to help disburse funds from the government's stimulus package of Tk 5,000 crore for export-oriented industries,

said Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank.

Some 16 lakh MFS accountholders in the garment sector used to receive their wages through the digital platform earlier, but the pandemic has played a role in expanding the service further.

Clients usually withdraw Tk 7,000 crore via cash machines of DBBL per month, but Rocket, the bank's MFS platform, witnesses a total transaction of Tk 10,000 crore a month.



"This is a very good sign. But we should ensure that clients can also use the money to purchase goods and pay their house rents through the MFS platform."

The government should take measures to this end, Shirin added.

"Social distancing cannot be maintained among the economically vulnerable people if we fail to give them social protection," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

The government should prepare a list of vulnerable people to offer them the required support with cash and food.

As distributing food among them will create a risk of virus infection, the government could start a programme to provide cash support to them during the ongoing lockdown, and MFS providers can offer support in this regard, Hussain added.

Previously, only 5 per cent of the electricity bills were paid through digital platforms, but the ratio has now reached 60 per cent, said Abul Kalam Azad, former principal coordinator for SDG affairs at the Prime Minister's Office.

"We have to play a bigger role in the post-coronavirus period. MFS cash-out should be brought down as part of our journey towards a cashless society."

Initiatives should be taken to offer trade licences to small businesses through the digital tools, Azad added.

The coronavirus pandemic is leaving a positive impact on widening the digital payment services as people now try to avoid cash transaction as a health precaution, said Rahel Ahmed, managing director of Prime Bank.

Nagad can open 1-2 million accounts a day, said Mohammad Aminul Haque, the MFS provider's chief financial officer.

"So, we can help disburse funds quickly from the government's stimulus package."

Nagad can also support in developing an eco-system for e-money to promote the country's digital financial programme as it has the adequate technical capability as well as the experience of handling a huge amount of transactions every day, Haque added.

Many workers in different sectors, as well as a good number of general people, have just started using MFS to settle their transactions as part of the social distancing measure to fight the coronavirus, said Sheikh Monirul Islam, chief operating officer of bKash.

"We are also taking awareness campaigns to protect our users from fraudulence."

As the owners of the export-oriented industrial units will soon start paying salaries from the government's stimulus package, the law enforcement agencies should help the MFS agents run their outlets in the areas put under lockdown.

If the owners of grocery shops, who are yet to manage trade licences, are allowed to use the point of sale (PoS) terminals, transaction through e-money will increase manifold.

"The authorities concerned should take measures to this end as getting trade licences is hard in our country," Islam added.

SSL Wireless had taken an initiative to deliver groceries to clients even before the lockdown was imposed, said its Chief Operating Officer Ashish Chakraborty.

"There has been a trust deficit for the settlement of e-commerce transactions. In most cases, clients make payments after receiving their products. This means delivery persons have to receive cash."

The MFS providers will play a big role in this regard such that clients can settle the transactions through their MFS accounts, which will help create a full-fledged cashless society, Chakraborty added.

Factories need to be opened soon, but in phases

STAR BUSINESS DESK

Factories in the export-oriented industries should be allowed to reopen gradually for the sake of the economy, said business leaders and experts yesterday.

They called for a quick decision in this regard, if necessary, by forming sector-wise taskforce, according to a statement from the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

In a discussion organised by the FBCCI in Dhaka, the leaders from Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Knitwear Manufacturers and Exporters Association, and other chambers and trade bodies said the industrial units should be opened gradually considering the lives and livelihoods of millions of workers.

Bangladesh's rivals like China, Vietnam,

India and Cambodia have already opened their export-oriented industrial sector, they said, while welcoming Prime Minister Sheikh Hasina for announcing a stimulus package for the sector.

Salman F Rahman, adviser to the prime minister on private industry and investment, echoed the views. He, however, said the factories should be opened carefully and by following the health and safety measures.

Countries like Germany and France have restarted their production lines, he said, adding that Bangladesh should follow suit through discussion with the FBCCI.

FBCCI President Sheikh Fazle Fahim said they have been working from the very beginning with the finance and commerce ministries, Prime Minister's Office and Bangladesh Bank on how to offset the fallout of the pandemic.



Some 865 factories have so far expressed intention to resume production, said BCGMEA President Rubana Huq.

Work orders worth more than \$3 billion have been cancelled by the international retailers so far, she said, while seeking cooperation from all for opening factories in phases. If the work orders are shifted to other countries for Bangladesh's continued closure of factories, it would be very difficult

to bring them back, she added.

Ahsan H Mansur, executive director of Policy Research Institute, also gave his opinion in favour of opening the factories, but he called for taking appropriate safety measures. Mahbubul Alam, president of Chittagong Chamber of Commerce and Industry, urged the government to allow importers to release all imported goods from the port without any compensation up to this month.

Mir Nasir Hossain, Abdul Matlub Ahmad and AK Azad, three former FBCCI presidents; Mahfuz Anam, editor of The Daily Star; Matur Rahman, editor of the daily Prothom Alo; Mozammel Babu, editor-in-chief of Ekattor Television; Manjurul Islam, chief editor of DBC News; Dewan Hanif Mahmud, editor of Bonik Barta; Shyamal Dutta, editor of the daily Bhoorer Kagoj, also spoke among others.

REFAYET ULLAH MIRDHA

The Department of Inspection for Factories and Establishments (DIFE) has launched an investigation to find out whether the garment factories that are going for temporary closures following mass order cancellations are doing so by the book.

The trend of temporary shuttering is a matter of concern as the government on March 25 announced a Tk 5,000 crore package for export-oriented factories to help them pay their workers' salaries for three months, which usually tend to be their major overheads.

"So, we will mainly find out whether the factories laid off the workers following the rules of Bangladesh Labour Act or not," said Shibnath Roy, inspector general of the DIFE, which published a notice in this connection on April 17 seeking information from factory management.

The Deputy Inspector Generals of the DIFE have been investigating the

factories since April 17 and a report is expected this week.

If any factory wants to temporarily close it must inform the DIFE and fill in a specific form, popularly known as form 10. But very few have informed the DIFE or filled in the form so far.

The full list of factories that have abandoned production without following the rules will be sent to the labour ministry for punitive action.

The Bangladesh Garment Manufacturers and Exporters Association last week said the factories that have no work because of the pandemic are within their rights to temporarily shutter as per provisions in the labour law.

"Laying off a worker during such a critical moment is illegal and unjust," said Amirul Haque Amin, president of National Garment Workers Federation.

The reason being, workers will not get their full remuneration but 53 per cent of their gross salary.

If the management sees their

problems prolonging, they can choose Article 16 of the labour law that will allow 45 days of closure.

"If any factory has gone out of

production for such a long time, the management can easily terminate the workers," Amin also said.

Nearly 50 per cent of the garment



A worker at a garment factory in Ashulia checks whether her name is on the list of employees terminated by the management. The photo was taken yesterday.

factories have temporarily shuttered, Amin said, adding that the number would have been a lot higher had the government not warned the factory management.

The finance ministry in a notice on April 19 said the factories that have temporarily shuttered would not be eligible to enjoy the stimulus package to pay the workers' salaries.

So, many are now forfeiting their plans, Amin said.

But a good portion is sticking to their plan. "It is not free money. The factory owners will have to pay it back," he added.

The management cannot announce temporary closure during the general holiday, said Nazma Akter, president of Sammito Garment Sramik Federation.

Jafrul Hasan Sharif, a labour law expert, supported Akter's view.

"It is not covered by the law." The constitution of Bangladesh in Section 152 said any notice of the government during any emergency is

a law.

The government announced a general holiday in the notice, so the workers are also under the general holidays.

"The factory management cannot run the production units, cannot temporarily shutter them and cannot terminate the workers," Shatif added.

Utam Kumar Das, an advocate of the Bangladesh Supreme Court, termed the move as immoral and illogical considering the current situation.

"The factory management should not go for temporary suspension although they have the right to do so as private property."

There is a lot of ambiguity in the government notice on general holidays.

"All those should have been cleared and explained," he said, adding that issues like workers' payments, layoffs and positions of the factory management should have been clearly defined in the notice.