

Mohammed Saiful Alam, chairman of First Security Islami Bank, presides over the 21st annual general meeting of the bank organised through a digital platform yesterday. Syed Waseque Md Ali, managing director, also took part in the meeting. The bank approved 10 per cent stock dividend for 2019.

Contactless payment for Uber rides now possible thanks to bKash

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Bangladeshi cardholders travelling abroad are unable to pay for Uber with their credit cards as local banks have suspended all kinds of payment to the ride-hailing platform because their system is incapable of distinguishing between domestic and foreign rides. This has put Bangladeshi tourists in an inconvenient position as Uber does not accept cash in many countries. But to avail the new service for rides taken in Dhaka, Chattogram, Sylhet and Cox's Bazar, customers have to go to Uber's app payment option and tap on "wallet" or "payment" and then "Add Payment Method" before selecting bKash and adding their account information. A notification will inform of a successful linking of bKash to Uber. For automatic payments, customers need to ensure that bKash is set as the default payment method on the app. The amount of money in the account needs to be slightly higher than the charge shown before the ride. "With this partnership, we hope to promote more digital transactions, reduce cash dependency on the

platform and improve the country's digital financial infrastructure," said Nandini Maheshwari, director for business development for APAC at Uber. During an ongoing global pandemic and especially as cities start moving again, the importance of safer, cashless transactions to help maintain physical distancing cannot be overstated, she added. "Facilitated through our partnership with Alipay, the automatic payment options provided to Uber rides by bKash will bring more relief to customers during this pandemic," said Mizanur Rashid, the chief commercial officer of bKash. The customers of ride-sharing platforms Pathao and Shohoz can also make their payment through bKash. However, only Uber users have the option of automatic payment from the mobile financial service. Launched in 2011, bKash, a joint venture of BRAC Bank, US-based Money in Motion, International Finance Corporation, Bill and Melinda Gates Foundation and Ant Group, operates as a payment service

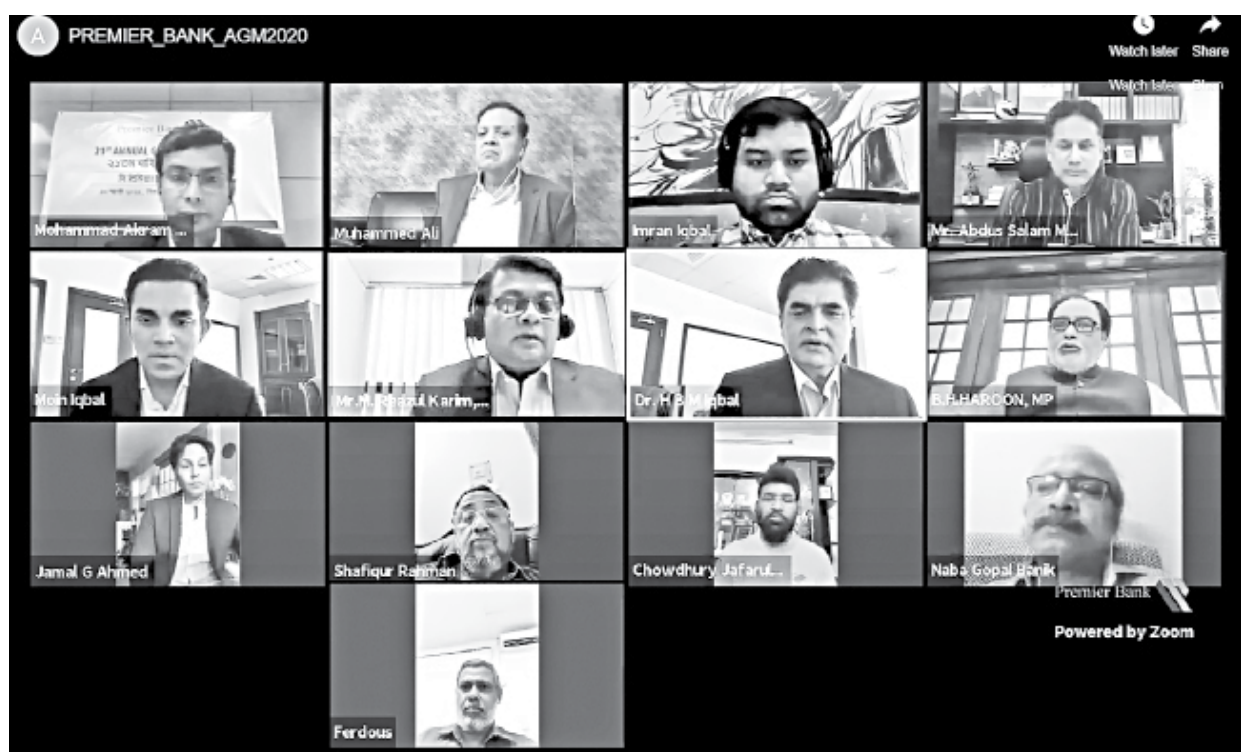
provider offering a broad range of digital financial services under the regulation of the BB. The partnership with Uber comes on the heels of its announcement last month of introducing digital loans to Bangladesh in partnership with City Bank. After a three-month-long suspension of operations due to the coronavirus, Uber has resumed services with an on-demand "Uber X" car service in Dhaka earlier in June after a hectic battle with the Bangladesh Road Transport Authority (BRTA) over enlisting vehicles under the authority. According to a BRTA notice issued on 1 July, only 6,846 cars, minibuses and ambulances affiliated with various ridesharing services are allowed to resume operations as they got enlisted with the regulatory body. Of the permitted vehicles, Uber topped the list with 6,365, suppressing rivals by a massive margin. Currently, four services of Uber are available for customers: Uber X, Intercity, rental and connect and a package delivery service.

Appetite for loan rescheduling shrinks dramatically

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"The central bank could not but go for the moratorium as it was the best option to protect the financial sector from the ongoing economic meltdown," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh. In addition, banks have to continue to give out loans such that businesses could remain afloat amid the worst-ever recession in the country's history. Both rescheduled and default loans will go up exponentially when the central bank will lift the moratorium facility, Mansur said. "In times of recession, this is a common phenomenon for the banking sector of all nations. But the question is, how they will tackle the crisis skillfully." Lenders should bear in mind that the required down payment might not be easy to come by when they would start to reschedule the defaulted loans after the pandemic.

Businesses are now gradually losing their financial strength because of the ongoing crisis. And this will eventually erode their capacity to give the down payment. As per the central bank's rules, clients have to give down payment between 10 per cent and 50 per cent of their defaulted loans. Against the backdrop, banks should extend the repayment tenure of the stressed loans for the time being replacing the existing rescheduling model. "This will help businesses bounce back from the crisis," said Mansur, also a former senior official of the International Monetary Fund. None could fathom the gravity of the recession as the pandemic has spread across the globe like a wildfire putting the banks on their toes. Banks have to deal with the situation with caution and keeping adequate provision is key to running their operations smoothly in the days ahead, said Mansur, also the chairman

of Brac Bank. Banks around the world have already adopted the model to keep unexpected shocks at bay: three of the largest American lenders -- Wells Fargo, JPMorgan Chase and Citigroup -- have set aside a total of \$28 billion to tackle both the ongoing and future loan losses. "The ongoing lull in economic activities is the prelude to a full-blown storm," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank. He, however, said the central bank might extend the existing moratorium support until December. "Whatever happens, both the rescheduled and default loans will increase significantly due to the economic meltdown," said Rahman, also a former chairman of the Association of Bankers, Bangladesh, a forum of private banks' chief executive officers. "So, we have to pull out all the stops to get us prepared," he said.



Premier Bank Chairman HBM Iqbal presides over the 21st annual general meeting of the bank organised through a digital platform yesterday. Managing Director and CEO M Reazul Karim also took part in the event. The bank announced 5 per cent cash and 5 per cent stock dividends for 2019.

Staff still shun London's 'ghost town' finance hubs

AFP, London
Deserted streets, empty restaurants, shuttered stores: London's financial districts remain largely abandoned by workers still worried about the pandemic and reluctant to return to office life. The City, a square mile in the heart of the British capital traditionally home to the finance industry, was eerily quiet over the past week, with just a smattering of tourists strolling the streets around St. Paul's Cathedral. In Canary Wharf in east London's Docklands, known for its skyscrapers housing the headquarters of major banks and related firms, it is a similar story. The picture has not changed much despite the government encouraging employees to begin returning to workplaces since August 1 in a bid to boost the struggling British economy. It is up to individual companies to decide how forcefully to urge their staff back and many are opting for a more relaxed approach. "Many of our clients, particularly in finance and insurance, are not coming back to work until next year," said Pablo Shah of the CEBR economic consultancy. Although London's business districts are typically more empty at the peak of summer, the city has looked like "a ghost town" recently, he added. Part of the reason is companies have adopted remote working successfully. Many employees have become comfortable holding meetings via videoconferencing and appear more than happy to do without the long and costly daily commutes to offices. Fears over using public transport and childcare issues remain the prime obstacles to office returns, according to business lobby London First. But it expects things to change more significantly in September, when children are set to return to school. Only 34 per cent of executives in Britain

-- 31 per cent in London -- are back in the office, a study by US bank Morgan Stanley reported this week. The country, which has the highest death toll in Europe from the coronavirus, lags behind its continental neighbours, which have seen a majority of white-collar employees return to workplaces. The divide between those working from home and others who have returned to offices is showing signs of causing friction within some companies, according to human resources analysts. Katie Jacobs, from the Chartered Institute of Personnel and Development, wrote in the Daily Telegraph that it had "fractured" some work environments and anecdotally even sparked "resentment" towards those staying away. Some tabloids have chosen their side, with the Daily Mail -- whose parent company owns two free commuter newspapers hard-hit by the new work-from-home culture -- running several front page and opinion articles demanding a return to offices. "We've had our lunch, now let's get back to work!" screamed the paper's front page Tuesday, the day after the government launched a restaurant support scheme paying a chunk of diners' bills. However, it may be disappointed with the response. Large companies like NatWest Bank have recommended that the majority of their employees continue to work remotely until next year. Google, which has restarted building its huge headquarters next to King's Cross station, is even encouraging working-from-home until next July. A change in tone is noticeable among some firms, with Barclays bank boss James Staley leading the shift. He noted 60,000 staff are working "from their kitchen tables" and said the company wants "our people back together". "We also have a responsibility to places like Canary Wharf, (cities) like Manchester, like Glasgow," he added.



Ahsanur Rahman appointed as CEO (acting) of Brac EPL Stock Brokerage

STAR BUSINESS DESK
Ahsanur Rahman was appointed as the CEO (acting) of Brac EPL Stock Brokerage Ltd on August 6. Prior to the appointment, he was the head of international trade and sales and head of institutional business unit of the company. He has 13 years of experience in Bangladesh's capital market, Brac EPL said in a statement. Before joining Brac EPL in November 2009, Rahman worked as a trader at AM Securities and also gained experience of operations and settlement at Union Capital Ltd. Rahman graduated Summa Cum Laude from East West University in Finance, according to the statement. During his career, he attended numerous trainings, seminars and workshops on different aspects of stock broking and investment banking held in the country and abroad.



Faruq Mainuddin, managing director and CEO of Trust Bank, opens the Payra port branch of the bank in Patuakhali through video conference yesterday.

Air travel to become costlier from next week

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Four domestic airlines and 33 foreign carriers operate in Bangladesh, mainly from Dhaka's Hazrat Shahjalal International Airport, the country's premier airport that handled about 20,000 passengers daily before coronavirus outbreak began. A majority of the travellers are migrant workers who collectively sent home \$18.2 billion last fiscal year, providing much-needed support for the coronavirus-ravaged economy of Bangladesh. The aviation authority allowed air travel to resume on 16 June on the condition that airlines maintain a minimum seat vacancy of 25 per cent to ensure adequate social distancing between passengers in a bid to curb the spread of the deadly pathogen that has sent the global economy into recession. The vacancy restriction is not applicable for business and first-class cabin passengers of wide-body aircraft. However, one row of seats in each class will be reserved for potentially infected travellers, the CAAB said. Since then, some carriers resumed passenger flights on select domestic and international routes, according to several airline operators. Still, though, air traffic is considerably below what it was until February, before coronavirus arrived on these shores, they added.

The average load factor on domestic routes dropped to 25-3 per cent while it was 80 per cent in the pre-COVID-19 era, said Rahman, also the secretary-general of the Aviation Operators Association of Bangladesh. "There has been some improvement in passenger flow but it is happening very slowly," he said, adding that the number of flights had also declined significantly as a result. The Hazrat Shahjalal International Airport (HSIA) currently hosts about 100 local and international flights daily, down 60 per cent from what it was before March, said AHM Touhidul Ahsan, HSIA director. Meanwhile, an executive body member of the Board of Airline Representatives (BAR) in Bangladesh, said that not all carriers have resumed flights while the ones that have are operating in a reduced capacity. For instance, Emirates used to operate 21 flights each week before COVID-19 was detected in the country. Now though, the Dubai-based airline conducts just six flights weekly, he said. The airline executive also said that foreign carriers are paying additional ground handling charges as the sole ground handling operator in Bangladesh, Biman, slapped an additional \$120 charge for each turnaround flight in a bid to fund some of its expenses related to the purchase

of personal protective equipment for ground staff to reduce the risk infection. The state carrier also imposed a charge termed 'escort' for providing security. The official said airlines will levy the additional expenses and fees on fares. "This will impact the user in the end. Ultimately, passengers will have to pay more," he said. The cost of air travel had already increased 10-50 per cent depending on routes following a reduction in demand for outbound flights while ticket prices will increase by a further 5-10 per cent because of the new fees and taxes, he added. Various airports worldwide are offering incentives and discounts in a bid to help carriers survive the coronavirus fallout. "But here, expenses are only increasing," the official said. All else aside, the fees were imposed mainly to fund airport development and increase passenger facilities, said CAAB Chairman M Mafidur Rahman. Such fees also exist in other countries while the process to implement them here had been ongoing for the past two years. The coronavirus outbreak caused some delays in finalisation and approval but now, the relevant authorities can begin collecting the fees to support the developmental activities taken by the government, Rahman added.

Digital financial services must expand

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BKash Chairman Shameran Abed said that mobile financial services help those with low incomes handle day-to-day transactions online. However, this does not include formal banking. "We need financial inclusion for digital transactions," he said. BKash manages the transactions for around 750,000 micro-finance clients of Brac Bank and this number is expected to double in about one year, Abed added. Bangladesh's capital market is transforming in line with global standards in regards to digital transactions, said Asif Ibrahim, chairman of the Chattogram Stock

Exchange. Although mobile applications encourage the use of digital transactions in the capital market, completing transactions through such services is challenging for brokerage houses, the entrepreneur said. Masrur Reaz, chairman of the Policy Exchange of Bangladesh, said that the Covid-19 pandemic sped up the country's shift towards DFS, which was already making strides in regards to improving financial inclusion. Embracing digital finance at a faster pace will help address recent challenges faced by the banking sector and improve financial inclusion, he added.

Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry, conducted the programme. Syed Nasim Manzur, managing director of Apex Group; Syed Mahbubur Rahman, CEO of Mutual Trust Bank; Mehmod Husain, CEO of NRB Bank; Tarique Afzal, managing director of AB Bank; John Smith-Sreen, USAID Director for the Economic Growth Office; Abul Kasem Khan, chairman of the BUILD; Shams Mahmud, president of the Dhaka Chamber of Commerce and Industry, and Arijit Chowdhury, additional secretary of the finance ministry, also spoke.