

MFS transactions rebound strongly

AKM ZAMIR UDDIN

Transactions through mobile financial services (MFS) rebounded strongly in September as people are preferring digital banking over the traditional one to adapt to running their life smoothly amid the coronavirus pandemic.

The MFS transactions, however, narrowed in August due to the hangover post binge-spending in Eid, but September's trend gave an indication that this cashless mode will gain more popularity in the months ahead.

September's MFS transaction amount stood at Tk 49,121 crore, up 18.6 per cent from that one month ago and 38.63 per cent from that one year earlier, data from Bangladesh Bank showed.

This is the second highest amount since July when the country's 15 MFS providers posted a record amount of Tk 62,999 crore. Bangladesh introduced MFS nearly a decade ago.

Digital banking is gaining popularity day by day and the recent transaction records have reflected clients' attitude, said industry insiders.

When the government declared the lockdown from the last week of March to May to keep the deadly coronavirus at bay, people initially faced difficulty in adopting the digital tools for availing banking services.

But use of the digital banking tools is gradually becoming a habit for clients, pushing up transactions through MFS.

The MFS are one of the largest digital banking methods in different countries which discourage branch-led banking.

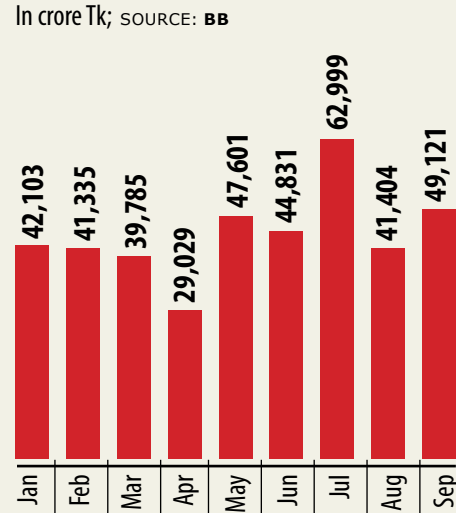
During the ongoing pandemic, people to a large extent opted for the MFS, signified by the third highest transaction amount worth Tk 47,601 crore being recorded in May.

Between January and June this year, the number of loss-making branches of banks grew at a faster rate. Preference for the digital tools is one of the major reasons for the upward trend of the number of loss-making branches.

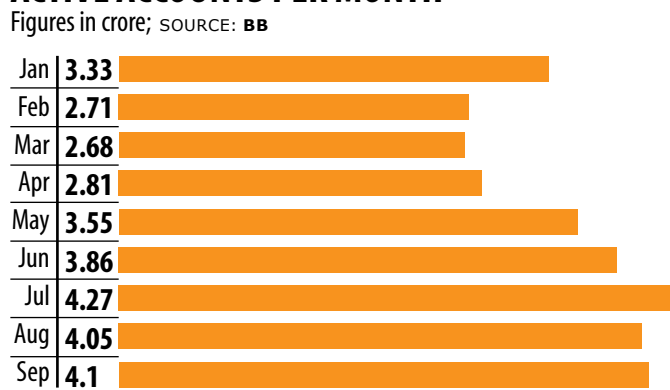
The number of loss-making branches rose 36 per cent year-on-year to 1,907 in June, data



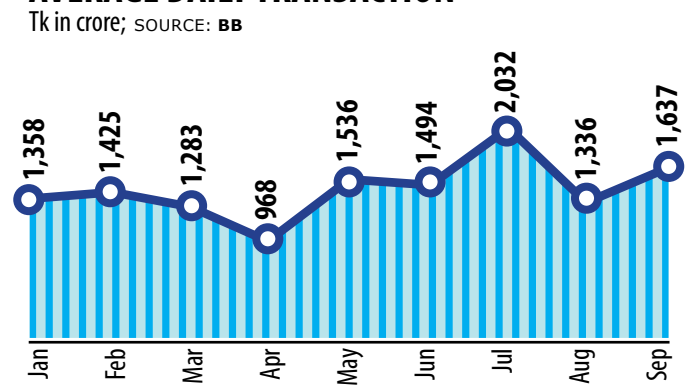
MONTHLY TRANSACTION THROUGH MFS
In crore Tk; SOURCE: BB



ACTIVE ACCOUNTS PER MONTH
Figures in crore; SOURCE: BB



AVERAGE DAILY TRANSACTION
Tk in crore; SOURCE: BB



from the central bank showed.

The number may increase more in the days ahead as digital banking including MFS gains more popularity.

Banks in countries of Europe and North

America have already started to close their branches.

The latest upward trend of the MFS transaction is a reflection of peoples' attitude to embracing branchless banking, said Kamal

Qadir, chief executive officer of bKash, the country's largest MFS provider in terms of transaction and number of accounts.

Transactions through the MFS will go up more and more beyond doubt in the years to

come, he said.

The magnificent transaction record has also given an indication that the economy is gradually recovering from the slowdown in business caused by the coronavirus pandemic, he said.

The number of active accounts rose 19.32 per cent year-on-year to 4.10 crore in September as people are now preferring the digital financial tools more than ever to carry out banking from home.

The daily average transaction amount stood at Tk 1,637.37 crore in September, up 38.2 per cent year-on-year. Meanwhile the number of total transactions went up 28.55 per cent to 27.30 crore.

People in urban areas now largely avoid going to branches to settle retail transactions, such as payment of utility and credit card bills, tuition fees and so on, said Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, which owns Rocket, one of the country's largest MFS providers.

People from low-income groups earlier took the financial service from the MFS providers, but the middle-and-higher-income segments have also come to choose the service, he said.

People now use their MFS accounts to purchase goods and services from the domestic market instead of using credit cards, he said.

The expatriate Bangladeshis now send remittance in real time by way of using the window.

Salary disbursement from businesses to persons advanced 148.19 per cent year-on-year to Tk 1,954.85 crore in September.

"We have been observing in recent months that people are showing an immense interest in settling their transaction by way of using the cashless modes," said Tanvir A Mishuk, managing director of Nagad, the second-largest MFS carrier in the country.

"The reflection is being noticed on our network as well," he said.

The upward trend of the transactions through MFS means clients are carrying out banking without going to branches, he said.

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Pandemic derailed countries like Bangladesh off dev trajectory

CPD researcher says at an event of Citizen's Platform for SDGs, Bangladesh

STAR BUSINESS REPORT

The Covid-19 pandemic has derailed countries off development trajectories and the impact on least developed ones like Bangladesh will be worse given their structural disadvantages and multiple, compounding challenges, says the Centre for Policy Dialogue (CPD).

The pandemic disrupted the pursuit of the United Nations Sustainable Development Goals (SDGs) and the transformative promise to "leave no one behind" of the 2030 Agenda for Sustainable Development, said Sarah Sabin Khan, a senior research associate of the think tank.

Within the country, marginalised and vulnerable population groups

will face bigger adversities with regard to safeguarding their lives, as well as livelihoods, she said.

New groups of vulnerable populations are also getting pushed behind, on being subject to old and new forms of vulnerabilities, she added.

Khan said two challenges were pertinent -- the pre-existing vulnerabilities that were becoming more accentuated due to the pandemic and new vulnerabilities that were pushing the marginalised groups further behind.

She said these groups would be in dire need of policy support for resumption and recovery.

The researcher was addressing a webinar on Tuesday evening, giving

a presentation which bore an outline of survey questionnaires focusing an upcoming research outreach programme.

The Citizen's Platform for SDGs, Bangladesh, which comprises more than 100 non-state actors and their networks and associates, organised the event titled "The Covid-19 discourse: Are we asking the right question?"

The discussion made public the platform's aim to play a substantive role in addressing the situation through the outreach programme titled "Strengthening Citizen's Engagement in Delivering SDGs in view of Covid-19 Pandemic" with focus on vulnerable groups.

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Within the country, marginalised and vulnerable population groups will face bigger adversities with regard to safeguarding their lives as well as livelihoods.

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Questions remain over the accuracy of Bangladesh's official data on the number of Covid-19 infections and deaths, says Prof Rounaq Jahan, a distinguished fellow at the CPD

It's time to upskill youths for a better Bangladesh



YASIR AZMAN

As we move forward while tackling a global pandemic, things which we were accustomed to shall not remain the same. The pandemic has brought a shift in our socio-economic lives - our behaviours significantly shifted from traditional to digital.

Innovative ways of connecting people and businesses have leapfrogged breaking all forecasts, which many compare to somewhat a 'giant leap towards our readiness for the upcoming fourth industrial revolution'.

Now, digital transformation is not only just a possibility but also a much-needed action for many industries

sectors will generate 4 million new jobs, including - pharmaceuticals, information communication and technology (ICT), e-commerce, healthcare services, agro-food, and creative media.

I believe that the people of Bangladesh, especially the youth, need to embrace digital innovation and the transformation that is already taking place across the globe.

To keep pace with the job market's changing scenario, the youth needs to upskill and reskill digitally to match the job market's newfound demands.

Organisations will not be sustainable without embracing new technology and investment in new tech will demand new-normal skill sets.

Technology is a pressing shift in the operating model, core and noncore are interchanging their positions, and people are losing jobs.

However, tech evolution is creating new opportunities that are not being filled in immediately. Business models are changing too.

ShopUp is a good example of end to end retailing, wholesaling, logistics, distribution, and financing.

Organisations will not be sustainable without embracing new technology and investment in new tech will demand new-normal skill sets.

customer-facing IT, artificial intelligence, cybersecurity and robotic process automation and coding are in demand here in Bangladesh and the global markets.

Organisations like Grameenphone are facing a challenge to retain 4IR



The large youth base in Bangladesh can fill in the skill gap, go beyond borders to meet the global skill requirements and bring in remittance.

PHOTO: COLLECTED

DCCI chief urges Vietnam to invest more in Bangladesh

STAR BUSINESS REPORT

Bangladesh's regional trade and commerce will grow manifold if the country could gain the observer status in the Association of Southeast Asian Nations (Asean), said Shams Mahmud, president of Dhaka Chamber of Commerce and Industry (DCCI).

Mahmud also urged the Vietnamese businesses to invest in Bangladesh.

He made the call during a meeting with Vietnamese Ambassador to Bangladesh, Pham Viet Chien, at the former's office in Dhaka on November 3.

Countries outside Southeast Asia cannot directly become a member of Asean but they can attain the observer status in the bloc to enjoy some trade

privileges.

Mahmud also requested the ambassador to take steps to sign a memorandum of understanding between the chamber and the embassy to boost trade and investment, according to a statement of the chamber.

For trade facilitation, a Vietnam Desk can be set up at the DCCI office, the Dhaka Chamber president said.

He said textiles, tourism, blue economy, construction, light engineering and leather are some of the potential sectors where Vietnam can go for direct investment or joint ventures.

He also emphasised the need for launching a direct flight between Dhaka and Hanoi as well as easing

business visa rules for Bangladeshi nationals.

Chien said bilateral trade volume between Vietnam and Bangladesh in 2019-20 was \$742.16 million.

Of the amount, Bangladesh's export to Vietnam was only \$48.16 million and Vietnam's export to Bangladesh was \$694 million.

The envoy also underscored the need for increasing know-how, interactions, business to business match-making, exchange of trade delegations and arranging both-way trade fairs.

He requested the DCCI chief to send a trade delegation to Vietnam.

"There are many opportunities to explore. Now we should reap the benefits through a win-win initiative."

and economies to sustain growth and, to some extent, to exist.

In the third quarter this year, Facebook grew by more than 22 per cent in revenue, indicating that the businesses are turning online at an accelerated pace.

A change in customer needs and behaviours has led to a global shift, which ultimately started to reshape the job market.

According to a report from a2i, by the end of 2021, people may lose an estimated 33 million jobs due to Covid-19.

However, some significant emerging

In hindsight, the idea might not be new, but the approach is.

A group of people with unique skillsets are operating in the same old trade differently and digitally. That is how the connectivity and tech platforms are cashing in with new business model and are demanding new skills.

When it becomes difficult to sustain with the use of conventional ways, these startups then also need resources with relevant skills.

New skills like personalised marketing, data analytics, product management, cloud, virtualisation,

(Fourth Industrial Revolution) relevant skilled resources. A young talented resource has the freedom to make his/her own choice.

For Bangladesh, to keep the leading positions in the apparel sector, investment in new tech is a must and these require a new set of skilled resources and upskilling of existing resources.

Agriculture will give multifold output. The demand and supply gap are not only in the fourth tier of skill requirement but are also equally applicable in the primary, secondary and tertiary skill levels.

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