

An official checks the servers at the General Post Office in Dhaka. The government will soon introduce the 'mobile wallet', a banking service that enables people to transact money or buy anything across Bangladesh by cell phone.

SK ENAMUL HUQ

Postal department brings mobile wallet

Clients have to open an account with a minimum of Tk 10 to a maximum of Tk 1 lakh at any outlet and they will be able to transact money to any of the registered clients. To withdraw Tk 20,000, a client has to go to the upazila post office where an ordinary mobile phone is good enough to get the service

ABDULLAH MAMUN

THE country's archaic postal department is redefining itself by introducing the 'mobile wallet', a banking service that would enable people to transact money or buy anything across Bangladesh with a cell phone.

The Directorate of Bangladesh Post Office (BPO) will introduce the service -- post e-pay -- in September, said M Mobasherur Rahman, director general of the directorate.

The mobile wallet is a technology that allows users to transfer money or pay for goods by simply swiping or tapping their mobile phones against a special reader. But both parties have to register first at a postal outlet.

The oldest postal carrier launched electronic and mobile money payment services last year at 1,759 outlets across the country. The department is entitled to transact money for more than 100 years as per the Postal Act of 1898.

The service will be launched in all the 9,800 branches of the post office

in phases with the help of the mobile operators' countrywide network.

"All preparations have been completed. A local company is giving us technical solutions to set up equipment and develop software to run the system. The company will maintain the server and set up another mirror server at the head office of the department," Rahman said.

"Clients can get the service without going to a post office and the charge for each transaction will be only Tk 3."

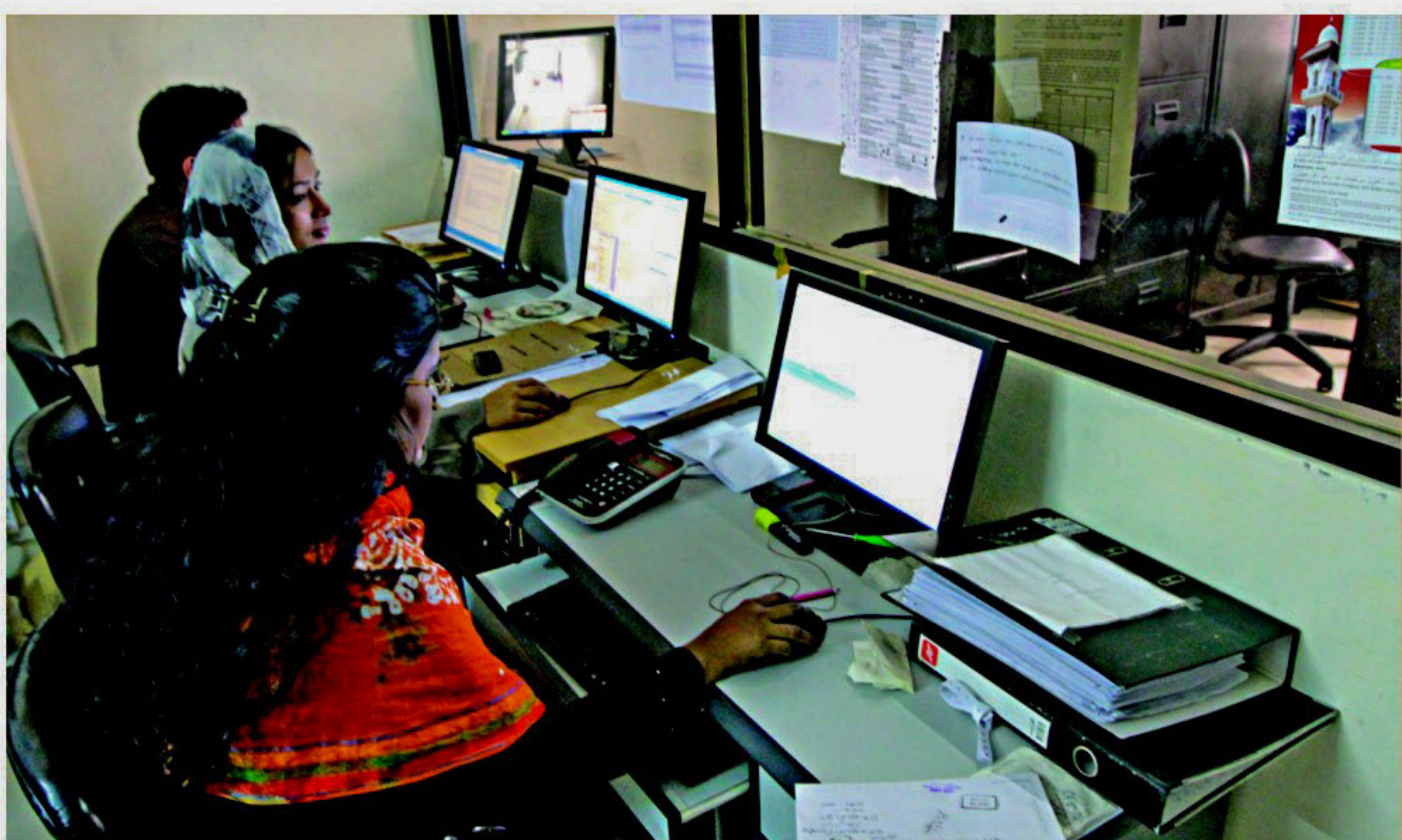
He said any kind of bill could also be paid through the service. The government could pay salaries to its employees by a single click.

"Withdrawing money from banks is not required for this."

Some private banks had previously launched mobile money services in the country. But the BPO will be a bit ahead of the race, as it will introduce a "person to person" (P to P) transaction, said an official.

The private banks are yet to get permission from Bangladesh Bank to launch the P to P service.

Rahman said clients have to open



an account with a minimum of Tk 10 to a maximum of Tk 1 lakh at any outlet and they will be able to transact money to any of the registered clients.

To withdraw Tk 20,000, a client has to go to the upazila post office where an ordinary mobile phone is good enough to get the service, he said.

Initially, 50 post offices in the capital have been developed for the service and four new districts will be prepared each month for the service.

The department targets to put together 30 lakh clients in the first year and one crore in the second year.

Rahman said two types of technologies will be used for the service: SMS and internet.

"Officials of the postal department are capable enough to run

the system." For example, he said, the electronic money transfer service (money order) launched in May 5, 2010 has successfully transferred more than Tk 710 crore a year and the department has made a profit of more than Tk 9 crore. "The department's own staff members are delivering the whole system."

"Moreover the department is also working on full automation. We are initiating training for our staff," said the postal boss.

The whole system is supported by a local firm, Commlink Infotech Ltd, that is a sister concern of the fixed phone operator Bangla Phone.

Amjad H Khan, managing director of Commlink Infotech Ltd, said the system is ready for operation. Khan said his firm exports software to vari-

ous countries and innovated some hardware.

"We have developed the software locally and the servers have already been installed," he added.

In the first phase, the mobile money transfer and payment system will be introduced. After three to four months, some more services will be introduced including electronic commerce, Khan said.

"Now the country is really turning into a digital nation."

The government's losing concern postal department is trying hard to reduce its losses by providing various modern services, said Sunil Kanti Bose, post and telecom secretary. "The automation of the postal service will omit scope for corruption."

abdullah.mamun@thedailystar.net



Banking on m-banking

ABDULLAH MAMUN

LIKE in many other countries, people in Bangladesh started believing in mobile banking, which was introduced on May 15 by Dutch Bangla Bank Ltd (DBBL).

BRAC Bank introduced the service on July 21. Mercantile Bank and Trust Bank are also going to introduce m-banking throughout the country with the help of the government union information centres.

A total of 12 banks are in the race to introduce the service, while two are in the final lap of implementation. It was possi-

ble for approval from Bangladesh Bank and the telecom operators have also come forward to help the banks.

Basic mobile handsets are being used as bank accounts and will serve as a wallet for the transaction of money, especially for the un-banked people.

As 99 percent of the people of Bangladesh are under the mobile phone network, almost all will have access to the formal financial channel.

On the other hand, more than 7.5 crore people are using mobile phones. If the banks can reach out to the un-banked people, the dream of more people having

bank accounts can be fulfilled.

In Bangladesh, banks are responsible for being the main operator of the service while in some countries, telecom operators are entitled to the same. The mobile operators are working as subordinate groups with their huge network to run the financial system.

So far DBBL has bagged around 20,000 customers under the new system. The bank started the service initially in Dhaka city and its 6 surrounding districts with 150 to 200 field offices, said an official of the bank.

He said from this month, they will start the service in Chittagong, Noakhali, Sylhet,

Comilla and Mymensingh districts.

The DBBL official said the bank has targeted people with low-income to enjoy the service. It has already signed agreements with two mobile operators -- Banglalink and Citycell. The bank also plans to sign a similar deal with Airtel.

BRAC Bank also started its journey under the brand name 'bKash'. It targets to register at least 10 lakh people under the system by year-end. The bank has tied up with mobile operator Robi but it will be involved with other operators in phases.

Syed Mahbubur Rahman, managing director and chief executive of BRAC Bank,

said they already have almost 3,000 customers with bKash. It has developed 400 service delivery points and expects 3,000 points by year-end.

He said the m-banking service is confined to one mobile operator, which is a challenge. The bank is looking for opportunities to work with non-government organisations as well, he added.

"We want a stable environment for the mobile financial service, as we have introduced a total payment system," he said.

abdullah.mamun@thedailystar.net