

Bangladesh: a bright spot in m-banking

bKash Chairman Rume Ali says such banking has created huge opportunities for unbanked people

SUMAN SAHA

BANGLADESH has become a success story for mobile phone-based financial services globally as the sector is adding around five lakh new customers a month, said a leading operator, bKash.

"Mobile financial services are now at an evolving stage in the country as an increased number of unbanked population is signing up for these services," said Muhammad A (Rume) Ali, chairman of bKash, a Brac Bank subsidiary.

Around 60 percent of Bangladesh's population is still unbanked, while the number of mobile phone users is around 11 crore. "So, mobile phone banking has a huge potential."

The number of mobile banking accounts has nearly doubled to 72.1 lakh in September compared to that in March, according to Bangladesh Bank.

A lot of enthusiasm has been created centring mobile banking as the BB is promoting the bank-led model to roll out such services, said Ali, also a former deputy governor of the central bank.

Launched in 2011 by two private banks, mobile phone-based financial services have already outpaced Pakistan, where it was introduced in 2009, BB Governor Atiur Rahman said at a meeting in Malaysia recently.

Using a mobile phone and without making a visit to a bank branch, a customer can transfer money, receive salary or pay bills



Muhammad A (Rume) Ali

from his/her account through mobile banking.

bKash has more than 50 lakh accountholders and around 70,000 agents, Ali said.

Around Tk 112 crore is being transacted every day, according to industry insiders.

Mobile banking is becoming popular as a customer can open account easily and he/she does not need to maintain the minimum balance that is required in conventional banking, Ali said.

Most banks do not want to go

rural as it involves various costs such as for setting up branches, maintaining communication and complying with regulatory requirements, he said.

"But mobile banking requires low operating costs," he said.

"This is the opportunity."

It is important to include the vulnerable group in the formal economy for achieving inclusive growth, Ali said.

For a country's economy, quality of growth is more important than quantity. Otherwise, it will

create trickle-up impacts on the economy, he said.

"Divided society is the recipe of the future unrest. Access to finance, therefore, is very important," said Ali, who has more than 40 years of banking experiences.

He said mobile banking has created a new window of opportunities, especially for the unbanked population, as they can now send money, receive international remittances, pay school fees and collect money easily at low costs.

The company does not charge for "Cash In". But a customer will have to pay 1.85 percent of the total amount for the "Cash Out" service. Of the total service charge, the distribution channels receive 85 percent, mobile operators 7 percent and bKash the rest.

Mobile banking requires higher investment, especially in technology, Ali said. "So bKash is yet to reach the break-even."

"Currently, mobile banking customers do not save money in their accounts, but in near future, they will," he said. "We are planning to give interest on savings."

Banks are in a better position compared with other entities to lead the financial inclusion goal in Bangladesh, he said.

"So I strongly feel the model should always be bank-led for ensuring safety."

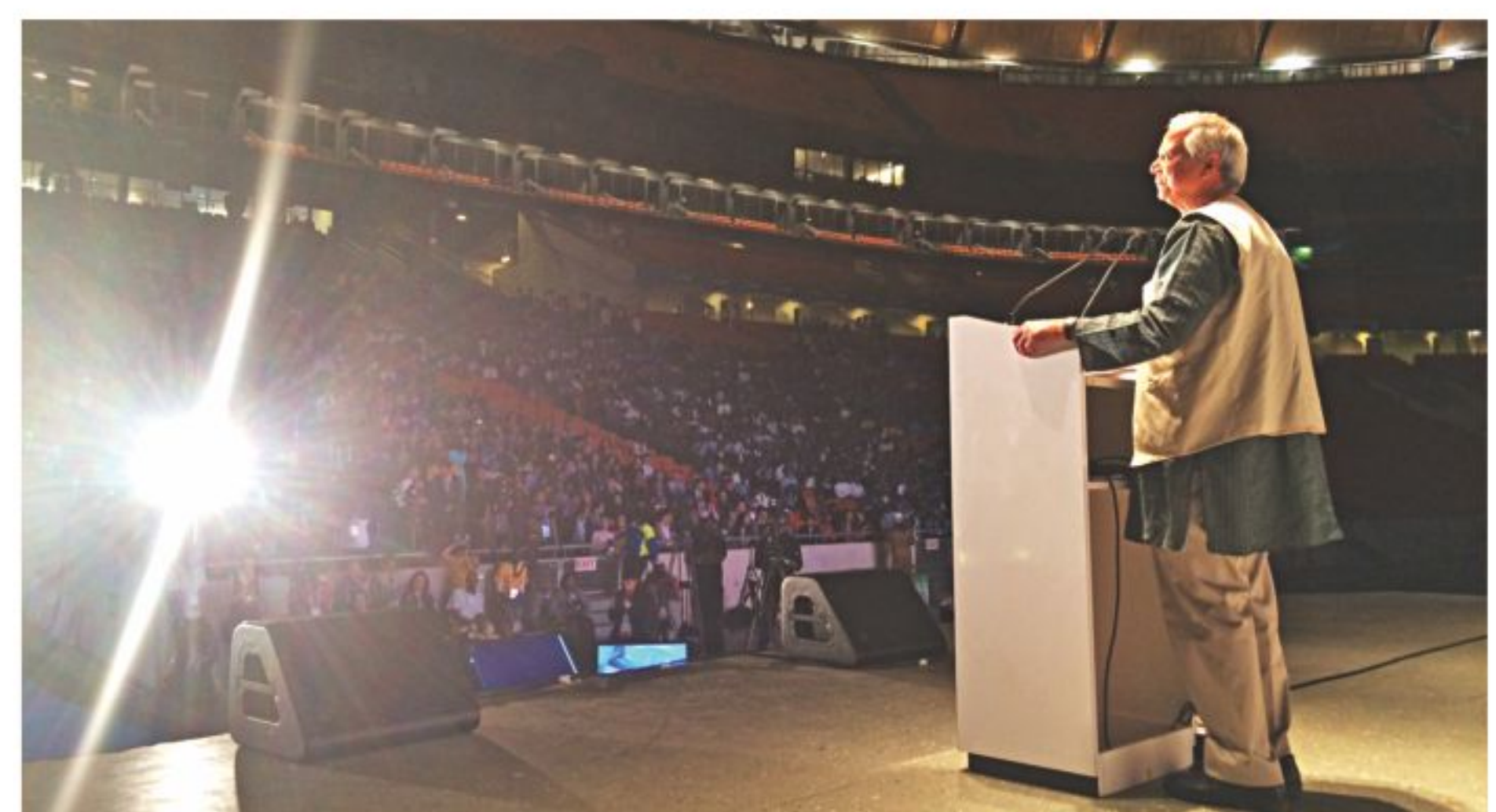
It does not mean the telcos will remain out of the orbit. The mobile operators are partners in the bank-led model, Ali said.

"I must thank the mobile operators and the central bank for their support."

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Yunus sets deadline for an end to poverty

The Nobel laureate joins One Young World Summit 2013 in South Africa



YUNUS CENTRE

Nobel peace laureate Prof Muhammad Yunus speaks at an international event—One Young World Summit 2013—at Soccer City in South Africa on Wednesday.

STAR BUSINESS REPORT

NOBEL peace laureate Prof Muhammad Yunus has said the international community should set a new deadline for 2030 to eradicate global poverty.

The pioneer of microcredit and social business made the call at the opening ceremony of the One Young World Summit 2013, at Soccer City in Johannesburg in South Africa on Wednesday.

Dubbed as the world's largest youth summit, the event kicked off in the presence of 8,000 young people, Yunus Centre said in a statement yesterday.

More than 1,300 youth young leaders from 190 countries, including a 10-member delegation from Bangladesh, took part in the four-day gathering.

At the opening ceremony, Prof Yunus, former UN Secretary General Kofi Annan and singer and anti-poverty activist Sir Bob Geldof delivered keynote speeches.

The Nobel laureate described the present generation of young people as the most powerful generation in his-

tory because of their grip on communication and information technology.

"When Kofi Annan and the UN declared the millennium development goals in 2000 - people laughed and said they were crazy, they didn't believe you can reduce poverty, but when Bangladesh announced it had achieved the number one goal to reduce poverty by half in 2013, you know it has been serious goal after all."

This was significant news because Bangladesh was labelled as a basket case at its birth, said the founder of Grameen Bank.

Business leaders and celebrities like Ahmed Kathrada, lifelong comrade of Nelson Mandela, Sir Richard Branson and German tennis super star Boris Becker also took part.

The summit ended yesterday after a whirlwind of panels, plenary sessions and workshops that addressed education; global business; human rights; leadership and government; sustainable development, and youth unemployment.

The One Young World Summit 2013 aims to tackle social issues such as education, youth unemployment and role of global business.

This year the summit was held for the first time in Africa, following previous years in London, Zurich and Pittsburgh. Dublin has been announced as host city of the summit for 2014.

Wedding photographers in India beat economic gloom

ADITYA KALRA

RISING costs and a slowing economy haven't darkened the mood of wedding photographers in India. More couples than ever are willing to spend thousands of rupees on photo albums, pre-wedding shoots and videos, allowing photographers to take a bigger slice of India's \$30 billion weddings business.

"People are willing to spend more money now compared to what they were spending three years back," said Delhi-based photographer Vijay Tonk, who charges around 100,000 rupees for clicking pictures at a two-day function, 10 times more than what he charged in 2010. "It's a status symbol now to spend money and have good (pictures)."

Professional photographers, some of whom charge as much as 100,000 to 300,000 rupees (\$1,600 - \$4,800) for a single day, have not seen any slowdown in client queries. With 20 confirmed wedding assignments in the next three months, 26-year-old Tonk has been forced to say no to some couples.

People increasingly are looking to pay premium prices for photographers who can capture the essence on their subjects through candid shots. Sonal Kalra, who hired Tonk for her December wedding functions, said such pictures "help capture the mood better".

Some of the price rise comes as photography supply costs increase. Much of it, however, comes from an increasing willingness on the part of Indian families to not only spend big on weddings as they have always done, but to spend even more on higher-quality photos and other aspects of the ceremonies.

As a result, more people appear to be choosing wedding photography as a career option, despite graduating from India's best business schools and working for top private companies. This is happening as India's economy grows at its slowest pace in a decade, automobiles become more expensive, inflation accelerates and interest rates rise.

Sharik Verma, who quit India's third-largest IT services provider Wipro in 2010 and became a wedding photographer, works for six



REUTERS

Delhi-based photographer Vijay Tonk is taking a picture in a wedding.

months a year and takes 15 assignments, something that generates enough money for him to travel the world during the rest of the year.

"The idea to quit the job was to not work and live, it was to live and work ... I didn't want to be like my boss at 40," said Verma, 26, who charges 90,000-100,000 rupees for a one-day function. "Finding 14-15 like-minded clients is not a problem ... there's a lot of money involved."

Joseph Radhik, who graduated from India's prestigious Indian Institute of Management in 2007, worked at Colgate Palmolive for more than two years before starting his wedding photography business in 2010.

His client base has grown by 20-25 percent annually in the last three years, and he charges at least 200,000 rupees for pictures and 150,000 rupees for video, which he prefers calling "cinema", for a single-day event.

"The propensity to spend in weddings has never decreased ... You spend all that money and make the event look good, and the living proof of how that event lives is what we do," said the 30-year-old Radhik, co-founder of Stories in Motion Pvt. Ltd. Radhik's brother Joshua Karthik, an MBA graduate, quit Asian Paints in 2012 to join the company as a partner.

Weddings in India are grand

celebrations. Families usually start saving early and end up spending millions of rupees on gold jewellery, decoration, gifts, catering and sometimes dowry.

India's wedding market is a \$30 billion industry, growing at 15 to 20 percent annually, according to matrimonial website shaadi.com. With 13 million registered marriages annually, it is a huge market for wedding planners, photographers and sectors such as hospitality.

Canvera, a Bangalore-based photography supplies company, gets 70-80 percent of its business from weddings. The company's chief executive, Dhiraj Kacker, estimates that there are at least 250,000 active wedding photographers in the country.

"Wedding photography as a business is growing at phenomenal pace," he said. "We are growing by 40-50 percent year-on-year."

Eastman Kodak considers wedding photography as one of its most important segments for digital printing in India. In the next three years, the company expects 25 percent annual growth in that, said Evandro Matteucci, vice president marketing for Asia Pacific at Kodak.

The writer is the deputy editor of the India Online team based out of New Delhi, and he drives the content strategy for the Reuters India website.

Obama calls on Congress to stop farce, end shutdown

AFP, Washington, United States

US President Barack Obama on Saturday called on the lower chamber of Congress to "stop this farce" and end the US government shutdown by unconditionally approving a federal budget.

"Take that vote. Stop this farce. End this shutdown now," Obama said in his weekly radio and video address. The US government closed all but its essential operations earlier in the week when Republican lawmakers refused to approve money for government operations without first delaying or defunding the new health care law, commonly known as Obamacare.

The US Senate has already approved a budget, and "there are enough Republican and Democratic votes in the House of Representatives willing to do the same, and end this shutdown immediately," Obama said.

"But the far right of the Republican Party won't let Speaker John Boehner give that bill a yes-or-no vote." Obama said that he "won't pay a ransom in exchange for reopening the government. And I certainly won't pay a ransom in exchange for raising the debt ceiling."

Obama is refusing to negotiate with Republicans over the budget issues until they pass a temporary bill to open the government and agree to raise the \$16.7 trillion US statutory borrowing limit -- without which Washington could default on its debts for the first time ever starting on October 17.

"For as reckless as a government shutdown is, an economic shutdown that comes with default would be dramatically worse," Obama said.

Both the House and the Senate will convene rare Saturday sessions.

But some Republican pragmatists who have signaled they would vote to pass a fresh spending bill worried that such a resolution is no longer achievable.

"I think that ship has sailed," congressman Michael Grimm said on Friday.

"We're getting too close to the debt ceiling vote. It looks like the only thing that's going to work right now is a dialogue."

Boehner on Friday appeared to be equally frustrated. "This isn't some damn game," he said after a news report cited an unnamed official saying that the White House is benefiting from the shutdown.

"All we're asking for is to sit down and have a discussion, reopen the government and bring fairness to the American people under 'Obamacare,'" Boehner said.

Secretary of State John Kerry, traveling in Indonesia, warned Saturday the political standoff was "reckless" and threatened to weaken the US standing abroad.

"If it were prolonged, or repeated, people would begin to question the willingness of the United States to stay the course and its ability to," Kerry told reporters at the Asia-Pacific Economic Co-operation forum on the Indonesian island of Bali.

"But that's not the case and I don't think it will be the case."

Obama had been due to travel to Bali for an APEC



AFP

US President Barack Obama and Vice President Joe Biden (R) arrive to order lunch to go at Taylor Gourmet Deli on Pennsylvania Ave in Washington, DC on Friday.

leaders' summit starting Monday, but cancelled the trip -- which would have also taken in Brunei, Malaysia and the Philippines -- to deal with the government shutdown.

Kerry, who is filling in for Obama, made it clear that he believed that the Republicans blocking government spending were playing a dangerous game.

"I think it is reckless, personally, to even provide those moments where you have these risks that are exposed," Kerry said, referring to areas of spending on global security hotspots that have been suspended because of the shutdown.

Kerry also insisted that Obama's so-called strategic pivot to the Asia-Pacific had not been weakened by the president cancelling his trip.

Meanwhile Kerry's predecessor, former secretary of state and possible 2014 Democratic presidential candidate Hillary Clinton, decried the "scorched earth" tactics in the government shutdown.

"We watch what happens in Washington with a certain amount of bewilderment, even disgust," she said late Friday in a speech at Hamilton College in the town of Clinton, in upstate New York.

"The rest of the world watches it closely. When we let partisanship override citizenship, when we fail to make progress on the challenges facing our country, our standing in the world suffers," Clinton said.