

# Electronic money to usher in a fully digital economy

Official of Mahindra Comviva says Bangladesh is an important market for mobile financial services

MUHAMMAD ZAHIDUL ISLAM

DIGITAL or paperless money has the potential to change the whole ecosystem of the economy and help Bangladesh become a full-fledged digital country, said an official of Mahindra Comviva, a global leader in mobile finance, data and content.

"Paperless money can get beyond the reach of regular banking," Suresh Khosla, vice president for sales (Asia Pacific) of the company, said in an interview with The Daily Star.

The India-based company provides various solutions such as financial and value-added services to more than 130 mobile operators and financial institutions in around 90 countries, and affects over a billion people around the globe.

The company also considers Bangladesh a very prospective market for mobile financial services with proper guidelines and regulations.

Mahindra Comviva is already working with some banks and financial institutions involved in mobile financial services in Bangladesh.

The current regulations for the mobile financial market are smart enough when compared to those of African and Southeast Asian countries, Khosla said.

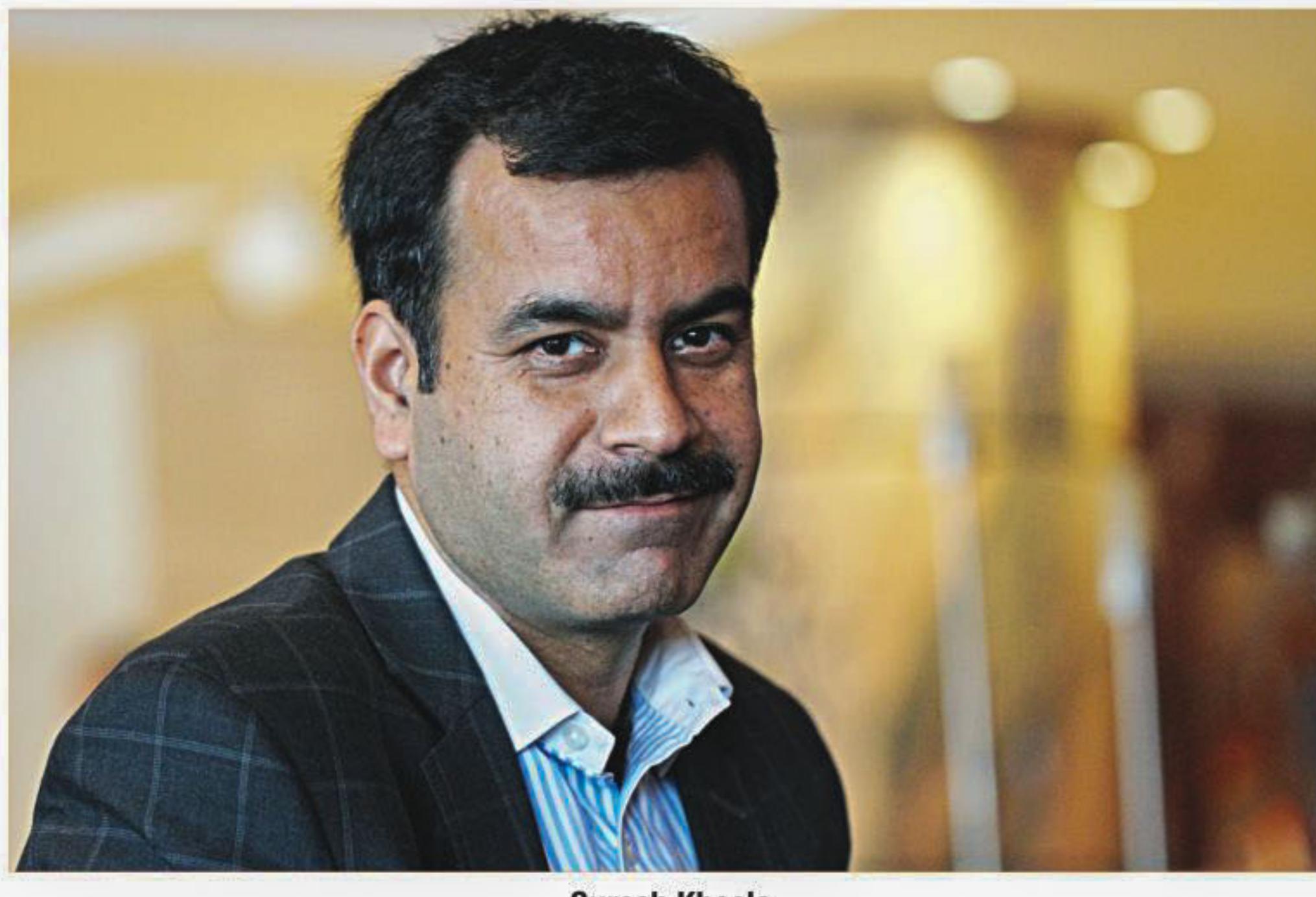
"Currently the concept of 'mobile wallet' is gaining popularity in the subcontinent as it saves the state costs associated with printing money, is resistant to counterfeiting, precludes any mistakes in counting, reduces security costs, and is environment friendly," he added.

However, along with regulations there is also a need for better awareness to help common people understand the benefits of the digital processes, Khosla said.

In Bangladesh the average monthly mobile transaction is worth around Tk 420 crore as of May.

Mahindra Comviva has launched "digital money" in Tanzania and is working to introduce similar services in Myanmar, Singapore and Malaysia soon.

"We have the solution readily available for Bangladesh, which should be a super hit with



Suresh Khosla

the consumers, and that is why we are talking with the mobile operators, banks and the regulators," Khosla added.

Mahindra Comviva is a subsidiary of Tech Mahindra under the Mahindra Group and began operations in Bangladesh in 2006 with the electronic recharge software.

Currently mobile users top up around Tk 60 crore in credit every day using Mahindra Comviva's software, which is more than 90 percent of the total daily recharge.

Before the launch of the electronic recharge system by Comviva, all local top-ups were voucher based, and the service at the time was revolutionary, said Reyal Hasnain, country manager of Mahindra Comviva, who was also present during the interview at the Westin Dhaka.

The company has grown manifold over the last few years in the top-up segment in Bangladesh and is now planning to diversify its focus into other areas, like data and value

added services, Khosla said.

The market for data services has huge potential in Bangladesh, but unfortunately there is no major local company in the sector, which has let foreign companies to grab most of it, the Comviva officials said.

"A few local companies focused on value added services and content are doing well, but if Bangladeshi companies want to tap the potential of data business, now is the time to start working on it," Khosla said.

He said Mahindra Comviva has added innovative mobility solutions to its portfolio over the years that enable operators to differentiate their brands, create and sustain new revenue streams, and drive average revenue per user.

"With our growing footprint in Bangladesh, we will continue to help regional operators and financial institutions achieve bottom line benefits, with solutions that drive operational efficiencies and optimise existing investment," he said.

# Takeaway for Tarana as new state minister

ABU SAEED KHAN

TARANA Halim is the new state minister for posts and telecommunications division under the posts, telecommunications and information technology ministry.

Born in 1966, this cultural celebrity-cum-lawmaker is 14 years senior to Zunaid Ahmed Palak, the state minister for information technology division under the same ministry.

Prime Minister Sheikh Hasina, who holds the telecom minister's portfolio, runs this gender-equal two-horse chariot of power.

Both the state ministers are law graduates.

Palak's ascending was lauded as the injection of youngest political blood in the cabinet. Tarana's rise has, however, received muted applause. Palak is deeply rooted to the village, where his political life was germinated.

Tarana, in contrast, is an urbanite who has been parachuted under the female legislators' quota. Critics in social media question her "competence" to govern the country's "highly technical" telecoms affairs. Tarana's stardom from her childhood to youth possibly overshadows the perception. She can, however, capture the illustrious past in her political wisdom.

Edi Rama, who is a few years older than Tarana, has been the prime minister of Albania since 2013. Basically an artist as well as a writer, Rama pleasantly surprised the visiting German Chancellor Angela Merkel in a joint press conference at Tirana early this month. He used the photograph of an unfinished painting by German artist Thomas Demand as the background of the stage. It symbolised the bilateral relations between Albania and Germany, which is still in progress.

Rama's artistic "eccentricity" is nothing new. In 2000, while mayor of Tirana, he ordered to paint the buildings of a neighborhood in bright colours instead of grey. It outraged the concerned official of European Commission, which was funding the project. Citizens of Tirana also laughed at the mayor's "crazy plan."

Eventually Rama has won and painting the buildings with bright colours became a



Tarana Halim

civic sensation. It prompted him to hold a survey. Residents were asked if they liked the colours, and if they wanted the project to continue. Sixty-three percent of the respondents liked the scheme; but a greater number, 85 percent, said that they wanted it to continue. Today Tirana boasts of brilliantly colourful neighborhoods.

The takeaway for State Minister Tarana Halim is: public consultation is the best way to shape and implement the public policy. Her to-do list for the initial 90 days in the office is an array of vague topics. Action points with results and timelines should be spelled out instead. She should consult the stakeholders while consumers must be central to this process. Her decisions should be guided by the telecom and competition laws, as her songs brilliantly followed the notes and the scripts dictated her plays on the stage. As a performer, she always left the technical issues up to the engineers. It should not be different in her current role.

Tarana Halim should spend her initial 90 days to protect competition, not the competitors. It will make her debut in the cabinet exceedingly successful.

The writer is senior policy fellow at LIRNEasia, a Colombo-based ICT think tank. The Daily Star does not necessarily subscribe to the views expressed here.

# WTO strikes landmark deal to cut tariffs on IT products

AFP, Geneva

MAJOR exporters of information technology on Friday agreed to cut global tariffs on more than 200 products, in the first such deal struck by the World Trade Organization in nearly two decades.

The pact which came after three years of frequently stalled negotiations, covers products ranging from video games to touch screens and GPS navigation systems.

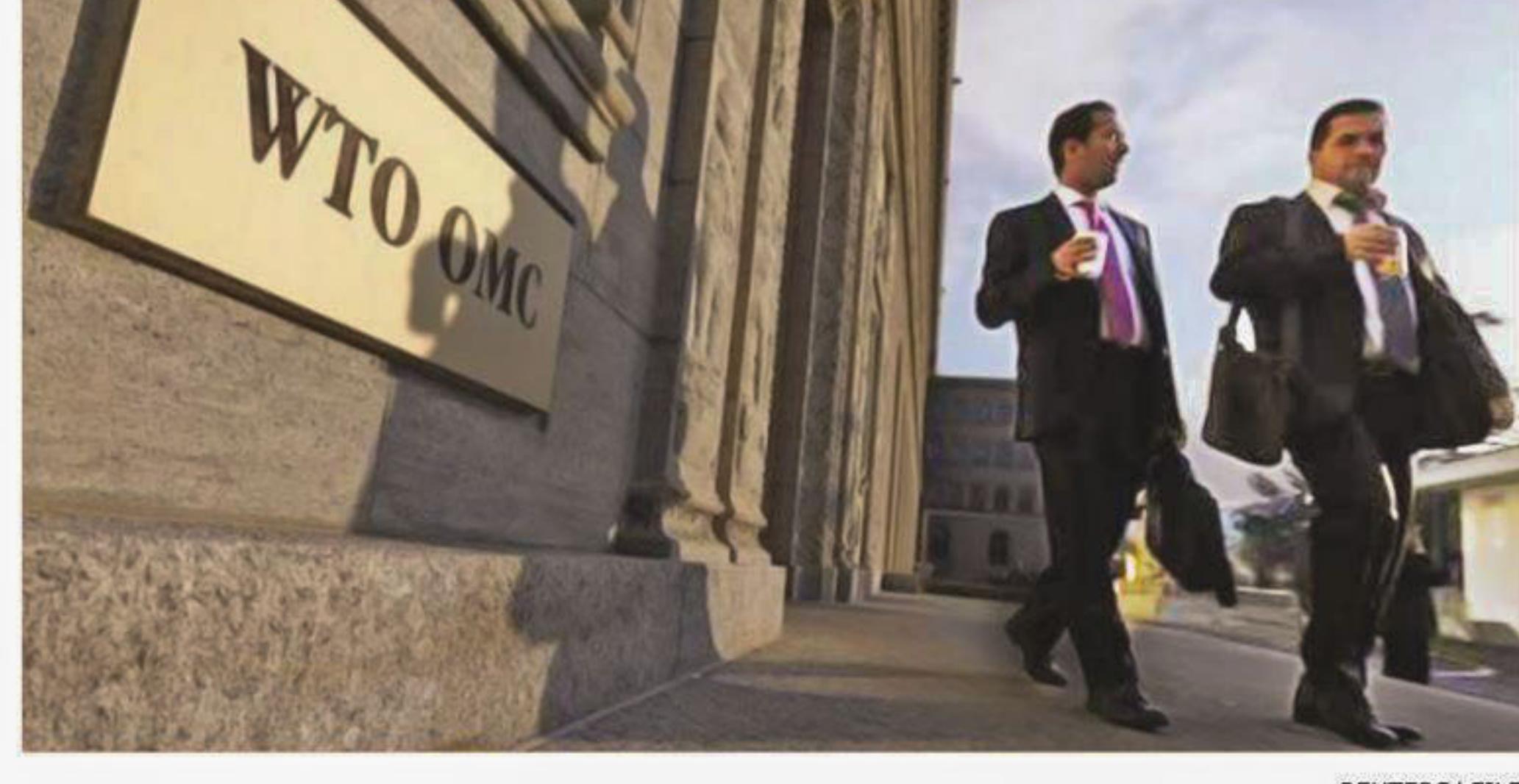
In all, the 201 products covered account for roughly \$1.3 trillion (1.18 trillion euros) or 7 percent of annual global trade.

"Today's agreement is a landmark," WTO Director General Roberto Azevedo said in a statement, describing the accord as "the first major tariff cutting deal" at the organisation in 18 years.

The European Union Trade Commissioner Cecilia Malmstrom described the deal -- which was initiated and brokered by the EU -- as "a great deal for consumers, and for companies big and small".

While the full terms of the agreement will not be released until next week, the WTO said the highlights include the elimination of "the majority of tariffs" on a diverse range of products within three years.

The trade value of the IT products covered amounts to more than the "trade in automo-



Delegates arrive for a special meeting of the General Council Preparatory Committee on Trade Facilitation at the World Trade Organization (WTO) headquarters in Geneva.

tive products - or trade in textiles, clothing, iron and steel combined," Azevedo.

While only 54 WTO member-states took part in the talks, all 161 nations that make up the organisation can benefit from the outcome, the WTO said.

The EU said an additional, "limited" number of countries is expected to confirm its

participation in the deal in the coming days.

The tariff reductions are set to start in 2016, but participating countries must by the end of October submit a draft schedule spelling out their plans to meet the terms of the deal.

The agreement is an expansion of a pact reached in 1996 by 81 WTO members, known as the Information Technology Agreement (ITA).

## China manufacturing hits 15-month low: survey

AFP, Beijing

A key gauge of Chinese manufacturing activity tumbled to a 15-month low in July, an independent survey showed, throwing a pall over growth in the world's second-largest economy.

The preliminary reading of Caixin's Purchasing Manager's Index (PMI) came in at 48.2 this month, the Chinese media group said in a joint statement with Markit, a financial information services provider that compiled the survey.

The figure was the weakest reading since 48.1 in April 2014, according to Markit's data.

The index, which tracks activity in factories and workshops, is seen as a key barometer of the country's economic health. A figure above 50 signals growth, while anything below indicates contraction.

Caixin took over sponsorship of the PMI survey from British banking giant HSBC this month.

July's flash PMI was worse than the market expected, Chen Xingdong, a Beijing-based economist with BNP Paribas told AFP.

## Next IMF boss likely to come from outside Europe

REUTERS, Athens

The next managing director of the International Monetary Fund is likely to come from outside Europe when current leader Christine Lagarde eventually leaves, the deputy head of the Washington-based fund said in an interview broadcast on Saturday.

IMF First Deputy Managing Director David Lipton told the BBC World Service the tradition by which a European heads the fund while an American leads the World Bank was coming under pressure and the next appointment would be "strictly merit-based".

Described on the same radio programme as an "incredible anachronism" by former IMF Chief Economist Kenneth Rogoff, the convention that has ensured that Europeans lead the fund has been increasingly challenged during the

euro zone crisis.

Lipton said that when Lagarde steps down, her successor would probably come from a non-European country.

"With candidates coming forward from around the world, I think it's much more likely the next time around than it has ever been," he said.

"There are more and more eminently qualified people from outside Europe and the United States and I think the fact that there's been so much focus on crisis in the United States right at the early stages of the global financial crisis and with Europe, and the next appointment would be to be a broader pool for the leadership role," Lipton said.

Lagarde, a former French finance minister, took over as head of the IMF in 2011 after her predecessor, Dominique Strauss-Kahn was forced to resign over a sex scandal.



REUTERS/FILE

People visit a Microsoft store in Paramus, New Jersey.

## Microsoft aims to reboot connections with Windows 10

AFP, San Francisco

Microsoft is aiming to build lasting relationships with Windows 10, the operating system to be launched on Wednesday and seen as critical to reviving the fortunes of the once-dominant tech giant.

For the first time, Microsoft is making a major new version of Windows available as an upgrade to anyone using either of the prior two generations of the system.

The goal is to swiftly have Windows 10 powering a billion devices, creating a gigantic audience to induce developers to crank out must-have apps for the platform.

Microsoft hopes to break the cycle in which consumers shun Windows for mobile because it lacks the large catalog of applications found on rival platforms, thus discouraging app makers from creating Windows versions.

Hit apps could ramp up popularity of Windows-driven hardware made by Microsoft and its partners, and increase opportunities for the company to make money from online activities such as search, shopping and software as services in the Internet cloud.

"This is all in the direction of building a relationship, being connected with you," Forrester Research analyst Frank Gillett said of Windows 10.

"They make it free so developers make good stuff. And then create an ongoing relationship instead of just a transaction, which is how Microsoft has operated in

the past."

Microsoft has built its empire on packaged software sold to computer users and makers.

Windows remains the leading operating system for personal computers but has failed to gain traction on mobile devices such as smartphones and tablets, dominated by Google's Android and Apple's iOS.

Special events are planned in 13 cities around the world in tribute to the more than five million "insiders" who took part in a Windows 10 test period.

The operating system will come as a free upgrade to people who already use Windows 7 or Windows 8.1 and will be available in 190 countries.

Microsoft is not making Windows 10 free to computer makers, which is where it has historically gotten the bulk of its revenue from the operating system.

"The piece that is given away free is a piece that nobody was buying anyway," Gartner analyst Stephen Kleynhans told AFP.

"You can think of the free upgrade almost as being a teaser -- a free sample of the new operating system."

Microsoft has also made Windows available free to makers of small-screen gadgets such as smartphones or tablets to gain traction in the mobile market.

Windows 10 will come pre-installed on Microsoft-compatible computers and tablets from July 29 and will be available for purchase later in the year.