

BB must open up mobile money policy: analysts

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THE central bank should open up its policy on mobile money services led by banks, and give such licences to other types of entities to expand financial inclusion in Bangladesh, said a top official of the Bill and Melinda Gates Foundation.

Lynn Eisenhart, a senior programme officer at the Foundation, said it will be a difficult task for the central bank to bring new entities under financial regulation, but it is needed to make the most of financial inclusion.

There is huge scope for growth of financial inclusion in Bangladesh and that is why they are working with the regulators and the government, said Eisenhart and Nat Kretchun, associate director of InterMedia, in a joint interview with The Daily Star last week.

"We think the central bank needs to find a way to potentially begin licensing other types of entities, not only banks," said Eisenhart, commenting on the central bank's draft policy on mobile financial services.

She said they have observed a level-playing field in licensing in different countries, but it is not an easy task.

The two leading experts said social barriers as well as educational and technical challenges have pushed Bangladeshi women away from being financially included, though the country achieved tremendous financial inclusion at around 43 percent.

"The largest number of low-income women lives in this subcontinent and a huge number of them are not financially included," said Eisenhart.

Men enjoy three times the growth in financial inclusion than women -- 13 percent of men use mobile money, while it is only 4 percent for women, according to a study based on statistics from 2015 and conducted by Washington-based research company InterMedia with funding from the Bill and Melinda Gates Foundation.

Launched in 2000, Bill and Melinda Gates Foundation is said to be the largest transparently operated private foundation in the world.

The internationally reputed organisation also gave feedback on the draft guideline prepared by Bangladesh Bank where it allowed a minimum of seven entities to form an MFS consortium.



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From left, Lynn Eisenhart and Nat Kretchun speak to The Daily Star in an interview on December 14.

In the urban segment, 13 percent of citizens were using mobile money in 2015 and 7 percent in the rural areas.

A gap in the ownership of technology, like mobile phones, has also created a barrier for people from being financially included, said Kretchun.

In the study, Kretchun said 79 percent of adult men in Bangladesh use mobile phones, while it is only 40 percent for women.

"When a person has a mobile, it creates an opportunity to use mobile money services and that might be the main reason for this gap," said Kretchun.

In India, the gap in the use of mobile phones between men and women is 31 percentage points, 40 percentage points in Pakistan and 39 percentage points in Bangladesh.

The gap is 10 percentage points in Kenya and 11 percentage points in Nigeria in 2015.

Overall, Bangladesh's financial inclusion expanded 8 percentage points year-on-year in 2015, driven by growth in mobile money, to 43 percent and the Bill and Melinda Gates Foundation expressed satis-

faction about it.

"We found a positive result in financial inclusion, mainly driven by mobile money, and there is huge room to grow as well," said Eisenhart.

There were 3.9 crore registered mobile financial service accounts in Bangladesh until October this year, with only 1.38 crore active ones. Transfers worth Tk 20,692.43 crore were made in 12.85 crore transactions in October alone, according to central bank statistics.

Of total transactions in 2015, 82 percent went through bKash; while 9 percent of users used other mobile money channels in addition to bKash, said the study -- Financial Inclusion Insights.

Eisenhart said they are working with the regulators and the government to break the monopoly in this segment.

"To potentially increase competition, we have already placed some recommendations with the Prime Minister's Office and the central bank."

Around 92 percent of adults were aware of mobile money in 2015 and 33 percent of them are using the service, and there lies the potential, they added.

On suspicious transactions, Eisenhart said both the operator and the regulator should work together and regularly monitor the transactions and take action.

Not only Bangladesh, but other countries are facing the same problems and they are taking action as well, Eisenhart added.

Industry leaders should also regularly run campaigns to make users register their own phones for mobile money and to educate them, instead of using agents for transactions, said Kretchun.

Eisenhart said: "Lower income people get access to financial services due to mobile banking. The cost of mobile banking in Bangladesh is among the lowest in the world that mainly attracted these low-income people to have accounts with these digital services."

Both the Bill and Melinda Gates Foundation and InterMedia ran the same study in India, Pakistan, Uganda, Kenya, Tanzania, Niagara and Indonesia as well.

For the survey in Bangladesh, they interviewed 6,000 people, which is a good representation out of an adult population of 13 crore.

Apple's new AirPods tough to recycle



REUTERS, San Francisco

APPLE Inc's new wireless headphones could be a problem for recyclers, according to an electronics firm that took apart the device to review its component parts.

Apple has been promoting a more environmentally conscious image for the company after having come under fire in the past for constructing its devices so tightly that their components can be difficult to cost-effectively disassemble for recycling.

But Apple's latest 4-gram wireless headphones, or AirPods, have glued-in tiny lithium batteries that make recycling difficult, said Kyle Wiens, chief executive of iFixit, the company which took apart the AirPods and has previously analyzed other Apple products.

"They're basically saying this is the future of headphones," said Wiens. He estimates Apple has sold 1.4 billion pairs of iPhone and iPod headphones, weighing about 31 million pounds. Given that the iPhone 7 ships without a traditional headphone jack, AirPods may signal Apple's future.

"There could easily be a billion of these things over the next 10 years," Wiens said.

Apple has said that the \$159 AirPods can be returned to the company for recycling. A spokesman declined to comment further on recycling the devices.

The headphones, which Apple released last week after a one-month delay, have garnered positive reviews.

The AirPods contain three lithium-ion batteries, one in each pod and one in an accompanying charging case.

Recyclers can shred wired headphones and send them to a smelter that will melt them down for the copper inside. But the lithium-ion batteries in AirPods cannot be shredded because they could catch fire while being destroyed.

The AirPods carry regulatory markings that say they are not intended to be thrown away in the trash and should be disposed of as electronics waste.

Willie Cade, CEO of Chicago-based PC Rebuilders & Recyclers, who was briefed on the AirPods' construction by iFixit, said the labor involved in removing the batteries would make it hard to cost-effectively recover any of the materials from the devices.

"I can't do it by hand. It's cost prohibitive," Cade said, adding that the AirPods would need to go into a shredder, but that "there's a relatively high risk of fire".

"There could easily be a billion of these things over the next 10 years," Wiens said.

Bitter battle roils India's biggest conglomerate

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India's Tata Group

\$103 billion steel-to-salt conglomerate

Established by Parsi industrialist Jamsetji Tata under British colonial rule in 1868

India's Headquarters

Holding company: Tata Sons (with at least 100 companies operating independently)

High-profile companies:

- Tata Motors
- Tata Consultancy Services
- Tata Steel
- Tata Global Beverages
- Tata Chemicals
- Tata Teleservices

Total employees: Around 660,000 in over 100 countries



Source: Tata/GoogleFinance/AFPPhoto

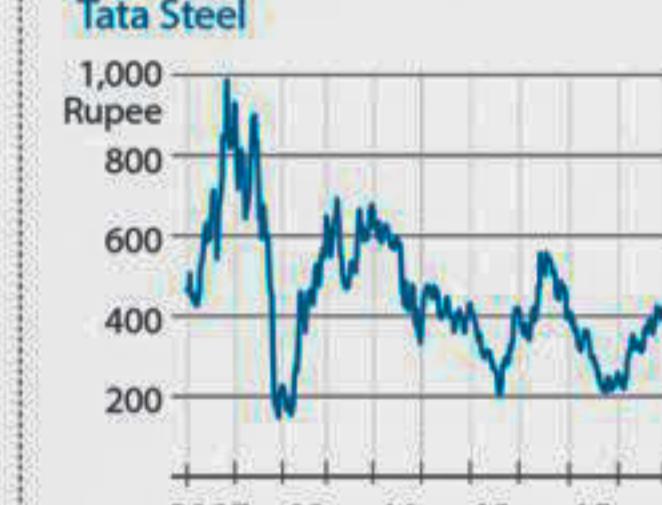
Ratan Tata
78 years old



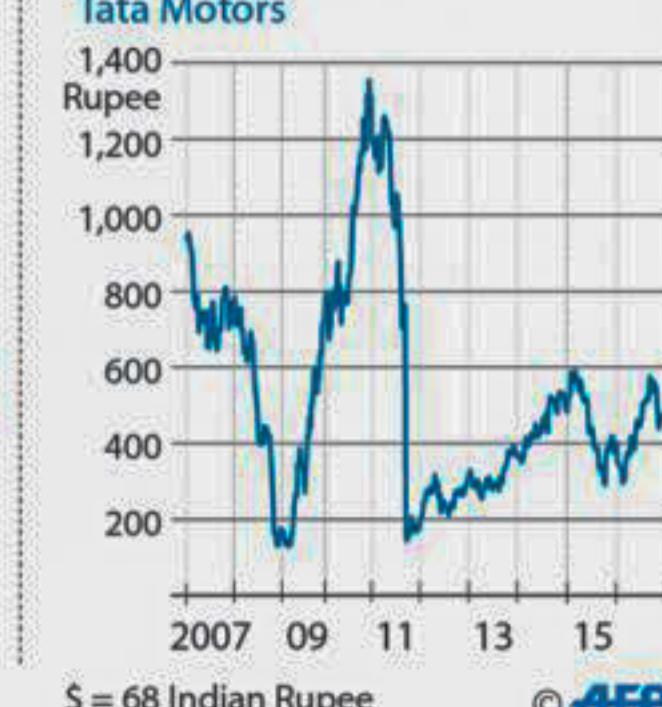
- Took the reigns of the group in 1991 and was credited with driving its expansion abroad in the 2000s
- Stepped down as chairman and replaced by Cyrus Mistry in 2012
- Appointed interim head after the sudden sacking of Mistry on October 24

Share price
Trading on Bombay Stock Exchange

Tata Steel



Tata Motors



and the Anglo-Dutch steel firm Corus in 2007 -- a major source of pride for a company founded under British colonial rule.

But parts of the business have been struggling, and the 50-year-old Mistry had tried to reduce its \$30 billion debts by selling underperforming assets.

That is said to have irritated Ratan. But Kavil Ramachandran, professor at the Indian School of Business, believes he should have given Mistry freer rein.

"When a person is retiring, he has to move out completely," he said. "It's like a relay race. The person handing over the baton has to know when and how to do it."

Both Mistry and Tata are from wealthy Parsi families -- followers of Zoroastrianism, one of the world's oldest religions. But executives who know both men say the similarity ends there.

"There's a stark difference in style and judgement and values between the two men,"

Brookfield buys Indian mobile tower business for \$1.6b

STAR

INDIAN internet and telecoms company Reliance Communications said Wednesday it had agreed to sell its mobile phone tower business to Canadian asset management giant Brookfield for \$1.6 billion.

Reliance Communications said the deal represented the largest investment by a foreign investor in Indian infrastructure and comes as Brookfield seeks to capitalise on liquidity constraints at major Indian firms.

Indian companies are struggling to acquire capital as the central bank puts pressure on lenders to address bad loans. Firms are choosing asset sales to boost coffers and reduce debt, Bloomberg has reported.

In a statement to the Bombay Stock Exchange (BSE), Reliance Communications said it was announcing the "signing of binding agreements" with Brookfield Infrastructure to sell its nationwide tower assets for 110 billion rupees.

"(Reliance Communications) will utilise the upfront cash payment of 11,000 crore rupees (\$1.6 billion) solely to reduce its debt," the firm, led by Indian billionaire tycoon Anil Ambani, said in the statement.

"The transaction will represent the largest ever investment by any overseas financial investor in the infrastructure sector in India," it added.

Reliance Communications said the sale, together with its recent merger with Aircel, would help reduce its overall debt by nearly 70 percent, sending its shares on the BSE's Sensex soaring by almost nine percent.

The Indian company said that while its tower business would be demerged into a separate company that would be 100 percent owned by Brookfield Infrastructure, it would benefit financially from non-voting shares.

"The company expects significant future value creation from these class B shares owing to the 4G rollout and the expected growth of the telecom industry," said the statement.

India's increasingly competitive telecoms market is undergoing a 4G revolution as major players including Vodafone, Idea, and Reliance Jio, which is owned by Anil Ambani's older brother Mukesh, and Bharti Airtel vie for dominance.

Bloomberg News reported earlier this month that Brookfield was in talks to take over Bharti Airtel's wireless tower business, Bharti Infratel, as it said the Canadian firm was looking to expand its Indian portfolio.

It comes as the Reserve Bank of India is forcing banks to clean up their balance sheets.

Brookfield signed a deal with the State Bank of India earlier this year and last month its South Asia head told Bloomberg that the asset management firm had struck a \$1 billion agreement with Indian commercial property firm Hiranandani Developers Pvt.

said the Mumbai executive, who worked with both at the company.

Mistry has pulled no punches since his sacking, alleging in a letter to the board that almost every aspect of the business was hampered by debt and poor management.

The European steel business, he said, faced potential write-downs of more than \$10 billion, only some of which had so far been taken into account.

Mistry had planned to sell off Tata Steel's loss-making British operations, but that decision has since been reversed.

He also questioned the wisdom of continuing with the Nano, a cheap, no-frills car that was a pet project of Ratan but failed to sell.

"Emotional reasons alone have kept us away from this crucial decision," Mistry wrote in the letter, which the company says contained "unsubstantiated claims and malicious allegations".