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Agent banking getting popular

JEBUN NESA ALO

Agent banking is gaining popularity, particularly among Bangladeshis living abroad, because of its convenient and cost-effective nature.

The business seems so attractive that some banks have dumped their mobile banking efforts and gone for agent banking.

Agent banking offers limited banking and financial services to the underserved population by engaging representatives under a valid agency agreement. It is the owner of an outlet who conducts banking transactions on behalf of a bank.

Agents provide services such as cash deposits, withdrawals, remittance disbursement, small value loan disbursement and recovery of loans, and cash payments under the government's social safety net programmes.

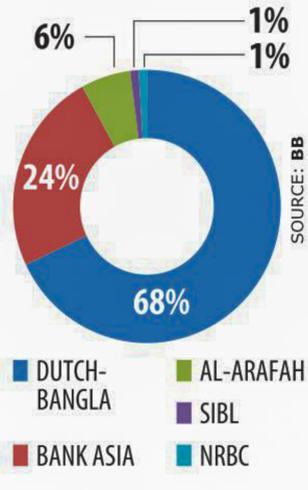
"Agent banking is increasingly getting popular because it is cost-effective," said Abul Kashem Mohammad Shirin, managing director of Dutch-Bangla Bank.

Remittance sent through agent banking was Tk 309.56 crore between October and December last year.

Comparable quarterly figure for remittance sent through mobile banking was not available but migrant workers sent home Tk 8.12 crore in December using mobile banking, according to data from the central bank.

The total money transacted via agent banking stood at Tk 380.68

BANKS' SHARE IN TOTAL AGENT BANKING ACCOUNTS



crore in December last year.

However, mobile banking is still the most popular service in Bangladesh when it comes to sending and receiving funds locally. In January alone, Tk 25,205 crore changed hands via the mobile banking platform.

Thirteen banks have so far received permission from the Bangladesh Bank to roll out agent banking ser-

vices.

Of them, 11 banks have already made a foray into the business. The number of agents is 1,646 and outlets 2,601, while the number of accounts is 544,536.

The banks that are providing agent banking services are: Dutch-Bangla, Bank Asia, Al-Arafah Islami, Social Islami, Modhumoti, Mutual Trust, NRB Commercial, Standard, Agrani, Midland, and First Security Islami Bank.

Trust Bank and South Bangla Agriculture and Commerce Bank have got the licences but have not launched the services yet.

The BB issued the agent banking guideline in 2013 but the licencees started full-fledged operation only last year.

Expatriates prefer agent banking to mobile banking as they are not charged for funds withdrawal, said Dasgupta Asim Kumar, an adviser of bKash, the largest mobile financial service provider in Bangladesh.

"Agent banking is complete banking," he said, adding that mobile banking is popular for small transactions.

Clients have to pay 2 percent as charges to withdraw money through mobile banking accounts whereas agent banking does not charge at all in most cases.

"We don't charge clients for money withdrawal from agent banking outlets," said Shirin of Dutch-Bangla.

Banglalink fined for helpline fraud

STAR BUSINESS REPORT

The Directorate of National Consumer Rights Protection (DNCRP) has fined mobile operator Banglalink Tk 25,000 for cheating a customer through its helpline call centre.

After a hearing on Sunday at the DNCRP office, its Deputy Director Md Abdul Jabbar in a verdict fined Banglalink following a complaint of Ahammad Ali Moon from Chapinawabganj district.

On February 20, Moon filed a complaint, saying he had called the operator's helpline around 8pm on January 27 but no one attended his call though it rang for 1 hour 29 minutes and 58 seconds.

However, the operator charged him Tk 54.79 for the call, the complainant said.

In his petition, Moon said customers are paying money for the service but the operator charges them without giving the service.

After hearing both sides, Jabbar ordered Banglalink to pay the customer 25 percent of the fine as compensation.

Drug prices may go up once Bangladesh leaves LDC club: UN

STAR BUSINESS REPORT

The common people's access to medicine at low cost will be impacted once Bangladesh comes out of the least-developed country bracket, said the United Nations.

"Hence, the health policy of the country may be required to be adjusted," according to a statement from the Permanent Mission of Bangladesh to the UN in New York after the visit of a Bangladesh delegation regarding graduation issues.

A delegation led by Kazi Shofiqul Azam, secretary-in-charge of the Economic Relations Division, visited New York to attend the meeting of the Committee on Development Policy (CDP) held at the UN headquarters on March 21.

Bangladesh is expected to graduate from the LDC status in 2024 and the country would have to bring in considerable changes in policies, particularly with regards to trade, drug and manufacturing policies.

The reason being, it would no longer be able to enjoy the TRIPS agreement waiver.

The TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement requires all the members of the World Trade Organisation to comply with minimum standards of intellectual property rights, but the least-developed countries are exempt from it.

The CDP experts recommended Bangladesh should consider initiating negotiations with its trading partners.

"Smooth transition must be ensured by Bangladesh in the wake of its graduation from the LDC category."

The Bangladesh delegation included

Shamsul Alam, member of General Economics Division, and Mohammad Amir Hossain, director general of the Bangladesh Bureau of Statistics.

The experts also opined that the graduation is likely to require the country to go for some policy adjustments, according to the statement.

The CDP experts stressed that a graduated country must not risk slipping back to this category.

They spoke highly of Bangladesh's success in socio-economic sectors, particularly in realising gender equality in the country. One expert enquired if the LDC status had helped Bangladesh in its economic progress.

Another asked if Bangladesh is concerned about other factors that may exist as the source of discrepancy in data.

For instance, Bangladesh mentioned that its inflation rates in fiscal years 2013-14, 2014-15, and 2015-16 stood at 7.35, 6.41 and 5.92 respectively.

One expert expressed his curiosity on how inflation was so accurately measured as the rates were reflected in decimal.

It was also pointed out that Bangladesh does not publish quarterly GDP account, which could have made the data on GDP more accurate.

Alam said Bangladesh will introduce quarterly GDP forecasts from 2018.

Mentioning that remittance plays a big role in the foreign reserve of Bangladesh, an expert also said that CDP was having a discussion on whether remittance and the role of diaspora should be included as an indicator under the Economic Vulnerability Index (EVI).

Monetary policy lacks steps to boost private investment: SANEM

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The central bank's monetary policy has failed to accelerate private investment, the South Asian Network on Economic Modelling (SANEM) said in its latest quarterly review on the Bangladesh economy.

"The monetary policy by Bangladesh Bank has been, in general, able to maintain a so-called stable 'status quo' but failed to generate a big push to accelerate private investment, which is much warranted at this moment," said Selim Raihan, executive director of SANEM. He presented a keynote paper on SANEM's quarterly review in Dhaka on Wednesday.

SANEM is a non-profit research network of economists and policymakers in South Asia with a special emphasis on economic modelling.

Raihan said the share of public and private investments in GDP shows that though the share of private investment in GDP has remained static, the share of public investment in GDP has risen.

The share of private investment in total investment fell whereas it was the opposite for public investment, he added.

To achieve 8 percent GDP growth by 2020; the required investment-GDP ratio would have to be 35.8 percent, he said.

Tycoon Moosa summoned for using luxury car evading tax

STAR BUSINESS REPORT

The Customs Intelligence yesterday summoned controversial businessman Moosa bin Shamsheer to appear before a committee which is looking into his alleged involvement in using a vehicle registered with fake documents.

The office under the National Board of Revenue asked Shamsheer to submit a statement and documents in self-defence on April 20. "We have issued a notice to give him the opportunity to defend him," said Moinul Khan, director-general of the Customs Intelligence and Investigation Directorate (CIID).

VAT system goes online

STAR BUSINESS REPORT

The National Board of Revenue yesterday launched the online value-added tax system to enable businesses to complete VAT-related tasks and deposit the tax online.

"We will pay VAT online," said Finance Minister AMA Muhith while inaugurating the online VAT system at the under construction headquarters of NBR at Agargaon in Dhaka.

The launch of the much talked-about online VAT system took place years after the NBR took the scheme to automate its VAT administration and implement a new VAT law by replacing the existing VAT Act 1991.

Revenue officials said firms would be able to pay the VAT online when the new VAT law, framed in 2012, gets implemented.

The NBR aims to put the law in force from July 1 in an automated environment and provide better services to the taxpayers, increase revenue collection and ensure transparency and accountability in revenue administration.

The online system will enable companies to obtain Business Identification Number online, submit returns and do

other tasks for which a trip to the VAT offices would have been required previously.

"This is a historic moment," said Commerce Minister Tofail Ahmed at the event.

Prior to the launch of the system, Muhith along with Ahmed sat with businessmen to listen to their concerns before implementation of the new VAT law.

Businesses have long been demanding multiple VAT rates instead of a single 15 percent VAT rate under the new law.

The meeting, however, ended without any decision over the demands of the businesses.

Another meeting is expected to take place with businesses.

Businesses at the meeting said there has been a lack of confidence as recommendations of a joint panel are yet to be implemented.

Under this scenario, it would be tough to implement the new law fruitfully.

Md Shafiqul Islam, first vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, and Nihad Kabir, president of Metropolitan Chamber of Commerce and Industry, also attended the meeting.

Brac Bank's profit surges 74pc in 2016

STAR BUSINESS REPORT

Brac Bank recorded a 74 percent year-on-year jump in profit to Tk 406.2 crore last year.

Selim RF Hussain, managing director, and AK Joaddar, chief financial officer, presented the financial results of the bank at a programme in Dhaka yesterday.

In a statement, the bank said it had consolidated after tax profit of Tk 233.9 crore in 2015. Operating profit stood at Tk 985.1 crore, which was Tk 808.4 crore in 2015.

The bank's consolidated earnings per share were Tk 5.47 in 2016, up from Tk 3.19 in the previous year.

Brac Bank's net asset value stood at Tk 30.18 per share at the end of 2016, compared to Tk 26.53 at the end of 2015.

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Evince textiles to expand capacity at a cost of Tk 21cr

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Evince Textiles plans to purchase 30 air-jet weaving looms and accessories for Tk 21.29 crore to increase its production capacity and improve quality of products.

"We need to expand our business and improve quality to meet customers' requirements," said Anwar-ul Alam Chowdhury, chairman of Evince Textiles.

He said his company currently produces around 1.2 crore yards of cotton-yarn a year.

The new looms and accessories will increase the company's production capacity by about 30 lakh yards.

The air-jet looms will cost Tk 10.56 crore, while the accessories Tk 10.73 crore, according to a posting on the Dhaka Stock Exchange website.

Based in Gazipur, Evince Textiles started commercial production in May 2003. It was listed on the stockmarket in 2016. Its net profit stood at Tk 2.38 crore with earnings-per share of Tk 2.25 at the end of June last year.

Each share of the company traded between Tk 22.8 and Tk 23.5 before closing at Tk 23.3 on the premier bourse yesterday. Sponsors hold a 36.67 percent stake in Evince Textiles, while institutional investors own 21.98 percent and retail investors 41.35 percent.

Currently, 47 companies are listed in the textile sector, which accounts for about 4 percent of DSE's market capitalisation.



Vehicles are on display at Dhaka Motor Show at International Convention City Bashundhara yesterday.

UK's e-commerce firm for real estate enters Bangladesh

STAR BUSINESS REPORT

UK-based e-commerce agency for the real estate sector -- bproperty.com -- rolled out its operations in Bangladesh yesterday to help people purchase flats and commercial space easily.

Bangladesh has seen a surge in e-commerce companies in the last few years particularly in the sectors such as food, transportation and shopping. There are popular apps to reserve seats at restaurants, buy bus tickets and shop online.

However, the real estate industry lacked a proper website that would have a centralised, trustworthy and large-scale database of property in major cities, said Tazrin Zinia, head of human resources at bproperty.com, at a launching ceremony at the Westin Dhaka hotel.

Rejbeen Ahsan, head of operations, said the website has the country's largest property database.

Before placing any property on the website, bproperty signs a legal agreement with landlords, apartment owners and developers and visits and verifies the property.

"Once a property is verified we upload that on our website and we call it unique listing."