**ASIAN MARKETS** 

**TOKYO** 

**1.17%** 

**0.12%** 

MUMBAI

**0.78%** 



DHAKA FRIDAY JULY 13, 2018, ASHAR 29, 1425 BS starbusiness@thedailystar.net

# Contactless credit cards near rollout

\$70.27

STAR BUSINESS REPORT

**STOCKS** 

**V** 0.37%

CSCX

**V** 0.73%

DSEX

COMMODITIES

Gold \_

The central bank yesterday gave the green light to the rollout of contactless credit cards, ushering in an exciting new era of payment system in Bangladesh.

Contactless cards allow payment just by waving at the point of sale terminal -- without the need for any signature or PIN verification.

The cards are embedded with the near field communication technology that allows secured payment.

The point-of-sale terminal would have a compatible reader where the card needs to be waved over for authenticating transactions. The compatible merchant terminals can be identified by the contactless logo.

Payments amounting up to Tk 3,000 can be made using the contactless method, and it is up to the volition of the customer if he/she wants to complete the payment through this mode or the regular method of signing or keying in the PIN number.

The contactless cards will also have the EMV chip and magnetic stripes, so for payments upwards of Tk 3,000, the regular signature or PIN verification method will be used to authenticate transactions.

As of now, five banks have applied

HOW THE CARD WORKS

- Merchant will enter the amount on the contactless Point of Sale (PoS) machine
- > While making payment, cardholder just needs to tap or hold the card within certain distance. S/he will make sure there is a little symbol )))) on the machine
- If the payment is successful, s/he will see a green light or beep sound from the PoS device
- Receipt will be generated on the spot. Cardholder will also get SMS/e-mail

and MasterCard have handed over the

technology to local banks to roll out

Bangladesh Bank.

#### **BENEFITS**

- > The card can be used in two ways: Tapping/waving (contactless way) and swiping/dipping and then entering PIN
- Transaction takes place faster than traditional method
- Security is high as the card is not required to be handed over to the merchant at the PoS
- Card skimming largely minimised

### RISKS

- If the card gets stolen, anyone can use it
- There is a maximum limit for each transaction. To prevent misuse, BB sets a cap of Tk 3,000 per transaction
- Merchants have to have contactless card machine

to the central bank for introducing NFC-enabled cards from August, according to Mohammad Ali, deputy contactless cards, said an official of the managing director of Pubali Bank. The global payment gateways Visa

"We have recently taken preparation to introduce the contactless cards by September this year," he added.

### Digital commerce policy awaits cabinet nod

**CURRENCIES** 

**BUY TK** 82.75

SHANGHAI

**2.16%** 

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The government plans to place the Digital Commerce Policy at the cabinet meeting next week as it strives to propel e-commerce and electronic payments.

.......

"It has been a longpending policy and will help e-commerce flourish," Telecom and ICT Minister Mustafa Jabbar said yesterday.

He said once approved the policy will help the ecommerce industry take a major step forward and this segment of business will be more mature.

He spoke at the inauguration of Smartphone and Tab Expo at Bangabandhu International Conference Centre in Dhaka.

The policy will give customers a platform to lodge complaints about any service, draft document The definition of e-

commerce will be clearer and all associated confusions be removed, said people who were involved in the policy formulation process.

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## Private banks made to work harder for deposits

JEBUN NESA ALO

Despite intense efforts to attract funds private banks are experiencing a slowdown in deposit growth due to a lack of confidence of depositors following a series of reports of loan scams.

The deposit growth of private banks dropped to 12.50 percent in April from 12.58 percent in December last year, according to data from the Bangladesh Bank.

However, the total deposit growth in the industry crept up to 10.91 percent from 10.62 percent during the period, suggesting greater confidence in state banks amongst the depositors. In the first four months of the year,

state banks saw their deposit growth accelerate to 8.45 percent from 6.46 percent in December last year. Various loan scams, especially the

ones at Farmers Bank, eroded the confidence of depositors in private banks, said Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh (ABB), a forum of banks' chief executives and managing directors. "People are giving preference to state

banks for parking their funds."

As a result, private banks are short of deposits despite offering higher interest rates than to state banks, said Rahman, also the managing director of Dhaka Bank.

**DEPOSIT GROWTH OF PRIVATE** BANKS IN % Dec'16 Mar'17 Jun'17 Oct'17 Dec'17 Apr'18

The high interest rate of savings instruments is also discouraging people from depositing money with banks. To exacerbate matters, the recent

rate on deposits to 6 percent has prompted depositors to withdraw their funds from banks. "There is long queue in banks and the

announcement of reducing the interest

Bangladesh Bank premises for buying savings instruments since the announcement came," he added. Earlier on June 20, the Bangladesh

Association of Banks, a platform of private banks' directors, announced cutting the interest rate on deposits to 6 percent and on lending to 9 percent from July 1.

Among the private banks, the scam-hit Farmers Bank and AB Bank are in severe crisis of deposits.

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## FTAs will steer the way in post-LDC era

REFAYET ULLAH MIRDHA

The government is working to sign both free trade agreements and preferential trade agreements with major trading partners to offset the probable bad impact on exports upon graduation from the least-developed country bracket in 2027.

"We have a lot of time in our hands to complete a lot of things to retain our trade privileges," said an official of the commerce ministry requesting anonymity.

Upon graduation, Bangladesh's exports will face an additional 6.7 percent tariff, which could result in an estimated export loss of about \$2.7 billion in a year, Mia Seppo, United Nations resident coordinator in Bangladesh, said in a recent meeting in Dhaka.

The amount of loss is equivalent to 8 percent of Bangladesh's export receipts in 2015, she said.

The United Nations Conference on

Trade and Development has estimated that exports may fall 5.5 percent to 7.5 percent after graduation.

In 2016, the value of exports from Bangladesh to preference granting countries was \$24.7 billion, which is 72 percent of total receipts.

Regional trade agreements and bilateral initiatives cover about 90 percent of Bangladesh exports.

STAR BUSINESS DESK

release.

corporate groups.

bookings."

Zayaan's founder, Ridwan Hafiz.

Go Zayaan merges

with Travel Booking

Travel websites gozayaan.com and travelbookingbd.com

largest company in the local travel industry," said Go

TBBD's founder, Kashef Rahman, said, "We will be

investing significantly into the technology platform as

we want to make the best customer experience for when

the local consumer moves from offline to online travel

"We are assessing our challenges and opportunities after graduation under the high-powered taskforce headed by the prime minister's office," said Kazi Shofiqul Azam, secretary of the Economic Relations Division.

The taskforce will recommend action plans for offsetting any probable bad impact on overseas trade. "We have until 2024," Azam said.

A recent survey by HSBC said a probable vulnerability for Bangladesh is that the country is not a member of any mega trade deals like the Trans-Pacific Partnership and China's Belt and Road Initiative. However, Vietnam's presence in the TPP

poses a threat to Bangladesh's future growth in the production of garments, it Last month, a team from the commerce ministry held talks in Beijing as a follow-up

to the preliminary agreement signed during Chinese President Xi Jinping's visit to Bangladesh in October in 2016 over an FTA with China. An FTA with Sri Lanka is in the final

stages, the commerce ministry official said.

The government's primary target though is to continue to be eligible for the GSP plus scheme of the European Union as it is the largest export destination of Bangladesh.

Last fiscal year, the EU accounted for 55 percent of Bangladesh's total shipments.

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June 16, or Eid day.

Licensing conditions stipulate that

Only state-run Teletalk complied

telecom operators disseminate any

information provided by the govern-

with the regulatory order, said Md

ment free of cost, said officials.

### LDC GRADUATION CHALLENGES

Upon graduation Bangladesh will lose 12.5 pc duty privilege in the EU market

> Exports will face an additional **6.7** pc tariff

Shipment to incur a loss of about \$2.7b a year in the global market

### STEPS TO MITIGATE CHALLENGES

Govt is lobbying to sign both FTAs and PTAs

The country aims to raise the 'doing business rank' to double digit from 177th in the next five years

Measures are underway to obtain the 'GSP Plus' status in the EU after 2027

Govt is trying to diversify both export products and markets

Telcos to explain why they failed

ond notice on July 10. The operators

voice SMS to carry the name of the

prime minister as the sender, which

two days, officials of the operators told

said they would soon reply to it.

to circulate PM's Eid greetings

For retaining the EU's 12.5 percent duty privilege, Bangladesh has been working to improve the overall business and governance conditions as per the recommendations by the EU and some other international organisations.

Bangladesh will have to ratify 27 UN conventions, including four core ones, in areas of human rights, labour rights, environment and good governance for gaining the GSP plus status to the EU.

"We are working under a taskforce for improving those areas."

The government is also working to improve the country's ease of doing business ranking so that both the business and investment climate improve substantially.

At present, Bangladesh comes in at 177 spot in the World Bank's Ease of Doing Business index, and the government has targeted a leap to double digits within the next five years.

Another important step is to diversify both the markets and products within next few years so that overdependence on some traditional markets including the EU, US and Canada is brought down.

"Product diversification has not been taking place despite a lot of efforts," the commerce ministry official added.

Apparel items contributed to about 83 percent of the export receipts last fiscal year.

## Caustic soda export to India comes to a halt

New Delhi tags new condition

SOHEL PARVEZ

The export of caustic soda to India has remained suspended for the last three months after New Delhi ruled the chemical will not be allowed to enter the country without the certification from its standards authority.

Three local companies have been exporting the chemical, used mainly in textile, water treatment, pharmaceuticals and food processing industries, to India and other South Asian counties for the last several years.

The exports to India came to a halt on April 3 when the country's Ministry of Chemicals and Fertilizers ordered that caustic soda should conform to the standards set by the Bureau of Indian Standard (BIS).

The chemical should bear the standard mark under a licence from the BIS, said the order.

"Our shipment to India has remained halted since then and we had to slash production," said Md Manirul Islam, deputy general manager for sales and marketing of Tasnim Chemical Complex Ltd, a concern of Meghna Group of

Industries. "Our production is now on the brink of suspension

because of the build-up of stocks." Tasnim Chemical Complex had orders for shipping 4,000 tonnes of the chemical worth \$27.60 lakh. The company had also received \$5.11 lakh in advance payment but it had to return the money to importers since it could not export the product.

"We have the certification from the Bangladesh Standards and Testing Institution (BSTI) and we had been exporting using the certification," said Islam.

Tasnim Chemical Complex produces 330 tonnes of caustic soda every year to cater domestic consumers.

Bangladesh consumes 1.60 lakh tonnes of caustic soda annually against the production of 1.90 lakh tonnes. The textile industry is the main consumer of the chemical.

Caustic soda is exported mainly to India, Pakistan, Sri Lanka and Nepal, with India accounting for half of the export earnings from the chemical.

"Our exports to India were rising gradually and we took an initiative to ramp up our production capacity in line with the export growth," said Mohammad Akramuzzaman, chief financial officer of Samuda Chemical Complex Ltd, a con-

Samuda Chemical Complex had to cancel an order for shipping 500 tonnes of caustic soda from Indian buyers.

এসি কিনুন ব্যাংগস তোশিবা থেকে

TOSHIBA TOSHIN Panasonic OGENERAL

আর উপভোগ করুন আকর্ষনীয় ছাড

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#### Rezaul Quader, acting chairman of The Daily Star requesting anonymity. have recently announced to have merged to operate as Go cern of Chittagong-based TK Group. E-mail correspondence between Zayaan under the former's domain. The telecom watchdog issued the the regulator and the operators to Moreover, Data Bird Limited, "a company dedicated The BTRC has issued two notices first notice last week and all three find the best possible way to dissemiwithin a span of seven days asking to building Bangladesh Internet ecosystem", is said to have invested in the merged company, as per a press Grameenphone, Robi and Banglalink operators replied to it on time. nate the SMS led to loss of valuable to explain why an Eid-ul-Fitr greeting Later, the regulator formed a fivetime, they said. member committee led by one of its They added that finally they got Go Zayaan opened in 2017 and says to be a "one-stop of Prime Minister Sheikh Hasina had director generals, Brigadier General only eight hours to circulate the voice travel solution" which accepts payments online whereas not been sent out to subscribers. RANGS TOSHIBA Travel Booking Bangladesh (TBBD) was established in Md Mustafa Kamal, to investigate the SMS to some 100 million subscribers. Bangladesh Telecommunication matter in five workdays and take "None of the operators have any 2014, specialising in exclusive services for families and Regulatory Commission (BTRC) sent the 44-second voice SMS to all four punitive measures if any of the three platforms capable of delivering anything close to this kind of service to were found guilty. "We are pleased...This merger will take Go Zayaan to telecom operators in the country on COOL অফার customers in Bangladesh," Michael the next level in terms of scale...(it is) soon to be the June 14, seeking its dissemination by The inquiry panel issued the sec-

The telecom watchdog wanted the Bangladesh, told The Daily Star.

"There was, and is, no physical way

for us to deliver on this request," he was quite impossible to materialise in said.

Foley, president of the Association of

Mobile Telecom Operators of

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