

Business and banking in the changing landscape of IT



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THE uses of different kinds of emerging information technology (IT) and automation are transforming the business world rapidly. Like money, rapid advancements of technology tend to make the world go “round”. Emerging technology helps companies of all sizes and types drive innovation, strategy and growth and gain competitive advantages. All deemed exciting for the business world, but there is a dark side too. In particular, the impacts of automation on businesses and society are uncertain. As Robert F Kennedy stated more than half-a-century ago, “Automation provides us with wondrous increases of production and information, but does it tell us what to do with the men the machines displace?” Advancements of technology and information are cheered by those who benefit from improving product quality, living standards and creation of new jobs requiring specialisation. But another group of people jeer it, who are deeply concerned for massive job displacements, dislocations and permanent job losses in the process of the so-called Schumpeterian “creative destruction”. But in light of the above, as technology keeps evolving, none in the business world can escape its timely adaptation.

The planet had experienced several revolutions relating to agriculture, commerce, industry and computing and is now facing digital revolution. In an increasingly digital world, manufacturing and service sectors have already started rapid transformations. Sectors like readymade garments, textile, leather and footwear, furniture, agro-foods, tourism, hospitality and banking are playing pivotal roles in Bangladesh’s economy. Garments and textiles are vulnerable to automation. It is known that Software Automation, a US company based in Atlanta, has built an entire assembly line

manned by robots that can pick a piece of garment, arrange it properly and then sew it. This technology is called Sewbot. The landscape of RMG and textile industry of Bangladesh is being threatened by this type of modern technology. Several agro-processing companies, namely Pran, Akij, Square, Ahmed, ACI, BD Foods and Bombay Sweets, in Bangladesh are selling products locally and internationally. Robotic automation is already deployed in some. The furniture sector employs about two million workers in Bangladesh.

and the entire credit process. These financial institutions need to focus on policy and compliance related issues, detect fraud and offer high quality services to customers. Invention of artificial and computational intelligence has given the opportunity to evaluate complex problems and provide solutions in no time. Use of these inventions is completely transforming the banking industry and giving birth to branchless banking. The perceived benefits of computational intelligence can be

Bangladesh is also in a leading position in using chatbots and exporting this AI software.

This is obvious that workplace in the near future will look nothing like the job market of 2019. It is true that although many jobs will disappear while other jobs take new shape. Jobs at high risk are those that are routine, repetitive and predictable and require high skill. But what might come as a shock for countries like Bangladesh is that job losses will be significantly worse as many organisations are labour-intensive and the working people are not apparently well-versed on technology.

Of course, the future will be brighter for the workers equipped with new skills, technical professionals and those who are tech savvy. The major new occupations that may emerge are computer-aided process planning professionals, quality control professionals and training professionals. To this effect, expertise in automated inspection, automated material handling devices; artificial neural network; numerical control system; robot operation and management; resource planning, big data analytics; blockchain management, mechanical engineering acumen of servicing sorting and harvesting machines among others will be in

keep consideration of the above. Accordingly, they should be work-ready with government policy support, training and innovative mindset.

The digital revolution will unleash a new wave of advanced machines and will automate complex tasks. In the increasingly digital business landscape, data, devices, algorithms, sensors and humans are the main players. These technologies are forcing workplaces to change dramatically at alarming speeds. To spur innovation, productivity and growth, we therefore need to ensure that everyone has the right skills for an increasingly digitised and globalised world. In this perspective, enterprises need to welcome digital revolution to remain globally competitive by ensuring that manpower will keep up with the accelerating pace of changes. They need to invest overwhelmingly in introducing new technology and utilising big data through the mining of information. ICT generic skills are required to be learned by all members of the society so that all can use digital technology. Those currently in employment need to be re-skilled. The ICT foundation and high-level skills are becoming increasingly important when it comes to benefitting from technological innovation in terms of better employment opportunities and higher salaries. Apart from these, the complementary ICT “soft skills” such as leadership, communication and teamwork are required to avail evolving opportunities in the digital era. The government and policymakers need to play a very effective role. Both need to make sure that everyone can participate in and learn new skills through extending regulatory and policy support. Sector-wise comprehensive policies are needed to allow workers to upgrade their skills and help them move between jobs avoiding skills mismatch. Public-private partnership may also play a greater role. Investment in R&D is imperative for inventions and innovations. The days of prototypes are over. Innovations in process, product and commercialisation can ensure success at a time when a new business paradigm is emerging.

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Rumours deflated stock market: finance minister

STAR BUSINESS REPORT

Rumours are the chief culprit behind the current ailing state of the stockmarket, so the government will be tough on implementing the related rules and regulations to put a stop to those, said Finance Minister AHM Mustafa Kamal yesterday.

“The stock market is now run completely on rumours and it cannot make a turnaround because of this,” he told journalists after a meeting with the Dhaka Stock Exchange’s (DSE) board members at the NEC building in the capital.

The meeting was on the 925 point-slide of the DSEX, the benchmark index of the DSE, in the past six months. The index closed at 4,459.29 yesterday.

The finance minister has instructed the stock market regulator to strictly implement the rules and regulations to curb rumours and to win back confidence of investors.

If needed, the Bangladesh Securities and Exchange Commission (BSEC) will amend the rules and regulations to address any lacking and make those stricter, he said, adding that one of the rumour is devaluation of the local currency.

“However, there is no possibility of a currency devaluation,” he said.

The DSE submitted in writing a set of demands, which includes encouraging entrepreneurs to raise funds from the stock market instead of taking bank loans and ensuring liquidity supply to the stock market through institutional investors.

The premier bourse also stressed on bringing state-run companies and multinational companies to the stock market, activating bond transactions, resolving the tussle between Grameenphone and the telecom regulator and forming a high powered co-ordination committee to develop the market.

The minister said the government was already working on it.

“However, it takes time. So, I cannot fix a timeframe. But I promised that we will work on bringing such companies to the market,” Kamal added.

The DSE also recommended cutting down on tax on share transactions to 0.015 percent.

Stockbrokers now pay 0.05 percent income tax at source, which is 0.013 percent in India, 0.02 percent in Pakistan and 0.0027 percent in Hong Kong.

The finance minister said he would give consideration to it.

BSEC Chairman M Khairul Hossain, DSE Chairman Abul Hashem and top officials of the bourse and regulators were present.

MOST IN-DEMAND SKILLS OF THE FUTURE			
▶ computer-aided process planning	▶ blockchain management		
▶ quality control	▶ mechanical engineering for sorting, harvesting		
▶ training	▶ sensors, wearables		
▶ automated inspection, material handling devices	▶ simulation, modeling		
▶ artificial neural network	▶ digital marketing, content, branding		
▶ numerical control system	▶ voice activated device, chatbot		
▶ robot operation, management	▶ revenue analysis		
▶ resource planning	▶ safety, environment		
▶ big data analytics	▶ computation		

Automation and computerisation through the introduction of robots, advanced software and artificial intelligence are substitutes for the routine and rule-based tasks in the furniture sector of Western countries. Because of product innovation and business model transformation, this sector may see a large number of unskilled and semi-skilled workers lose their jobs unless necessary steps are taken to upgrade their IT knowledge. The tourism and hospitality sector is being drastically changed. The ICT tools are providing new means for analysing the information. As a result, converting this valuable information to be incorporated into the knowledge system is a challenge for this industry. The growth of footwear industry is very much profound in Bangladesh. Already 51 foreign companies have shown interest in establishing footwear units in Bangladesh. Without rapid adoption of automation, the local footwear companies will face a bumpy transition ahead.

The banking and financial institutions need to control the credit and lending management

observed in many directions like cost savings, creation of efficient processes and enhancement of customer experiences. Very particularly, artificial intelligence (AI) based models will ensure that only worthy applications with low credit risk get through. Evolution of AI has now reached a level where machine learning can effectively identify fraudulent transactions. Financial firms are assisting governments trace laundered money, terrorism financing and other suspicious global transactions with the help of AI techniques. Questions automatically arise for countries like Bangladesh, Sri Lanka and India on whether banks are ready to adopt AI, how banks will collect data and will collection of these data invade privacy of clients. At present, the economic benefit of using chatbots for the financial services industry is enormous. As per Gartner research, chatbots will be dealing with more than 85 percent of all customer service interactions by the end of 2020. Further, Juniper’s report suggests that chatbot adoption will lead to the potential savings of \$8 billion annually by 2022.

“To spur innovation, productivity and growth, we therefore need to ensure that everyone has the right skills for an increasingly digitised and globalised world”

JOB AT HIGH RISK
routine, repetitive, predictable

high demand. Other jobs include professionals having expertise on sensors and wearables; simulation and modeling experts; digital marketing executives, digital content developers and brand managers; professionals for operating voice activated devices, chatbots and travel bots; revenue analysts; safety and environment experts; computation experts, etc. To remain competitive from the micro and macro perspectives in the 21st century, businesses, governments, policymakers, academicians, professionals and jobseekers should

Little effort for DITF makeover

JAGARAN CHAKMA

The Export Promotion Bureau and the commerce ministry, organisers of Dhaka International Trade Fair (DITF), have never carried out performance evaluation, which could have helped enhance the effectiveness of the annual event since its inception in 1995.

They do not even have any data on export orders it generated since 2017. There is only seven years’ data until 2016. The recording stopped when the assigned officer was transferred to another ministry.

Currently, there is no such outcome analysis team for the fair, Commerce Secretary Md Jafar Uddin, chairman of the DITF steering committee, told The Daily Star over the phone.

“It’s a good idea to have a team for that. We will work on it,” he said.

The organisers or professional analysts to find ways for making the show more effective and reap benefits from its outcome, said Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue.

Economic counsellors should be assigned at Bangladesh’s embassies around the world to encourage renowned businesses to take part in the DITF and enable it to reach international standards, Rahman said.

More concentration should be given to ensure continuous improvements to the month-long fair, which is an appreciable arrangement for establishing business to

business contact, he said.

Visitors have long been complaining about the poor quality of the products and falling standards of the annual fair.

Commerce Minister Tipu Munshi has also acknowledged at a press conference recently that the fair environment has lost its international flavour.

He said he was trying to shake up proceedings this year to bring back the event’s charm.

“This year we have left some open space in the fairground so that the visitors can walk easily without any human congestion like in previous years.”

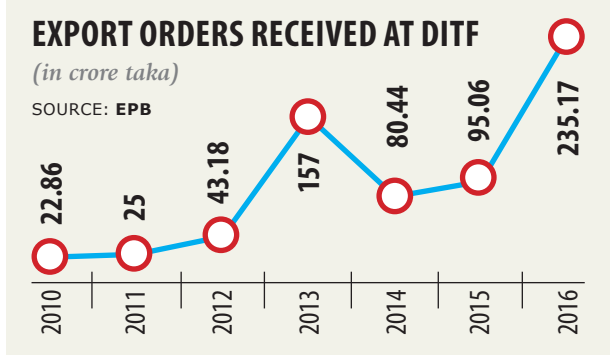
“It’s not an international fair anymore. It has become a national showcase,” said Ali Ahmed, CEO of Bangladesh Foreign Trade Institute.

Famous global firms and manufacturers do not take part in the show, he said.

Some foreign companies, which had been regular participants of the fair, have refrained from coming to Bangladesh because of hassles caused by customs, he said.

Prime Minister Sheikh Hasina opened the 25th edition of the fair on January 1 in the capital’s Sher-e-Bangla Nagar.

Some 55 foreign companies from 21 countries will take part in this year’s trade fair, the commerce ministry said in a statement.



Hyundai, Kia sales drop to 7-year low

REUTERS, Seoul

South Korea’s Hyundai Motor and affiliate Kia Motors turned in their lowest sales in seven years in 2019 as business in China slumped, missing their target for a fifth straight time, but forecast better numbers for 2020.

Weak 2019 sales underline the challenges Hyundai Motor Group has been facing, including a string

of annual profit declines at Hyundai and higher costs to develop future technologies even as the global auto market stagnates.

“The market environment is very uncertain and internal and external challenges will intensify,” Group heir apparent Euisun Chung said on Thursday. But he reiterated that the Group would continue to focus on profitability and technology investment.

Hyundai and Kia reported a 3 percent drop in their combined global sales to 7.19 million vehicles for 2019, falling short of their target to sell 7.6 million vehicles.

Their sales have slumped in China, the world’s biggest auto market, offsetting a recovery in the United States where demand for their new sport utility vehicles and a favourable currency exchange rate have helped.

NEXT STEP

Making a DIFFERENCE

Bangladesh is rapidly moving towards middle income status by 2021. Our businesses definitely offer immense opportunities for the growing economy and this diversity needs a stage for the stories untold. See Bangladesh make its mark on the global map as Making a Difference brings you our proudest success stories from across the country.

Workplace resolutions for 2020

CURB THE WHINING

Not everything went your way last year – this year won’t be any different. Instead of acting up on every little noise, learn to look past them. Unnecessary and excessive complaining will only add to the negative energy in your life. So do yourself a favour and learn to care less about things that aren’t killing you. You’ll be surprised at how this simple habit increases your productivity levels.

SAY NO TO GOSSIP

You know what they say – if they’re speaking ill about someone to you, they’ll be speaking ill about you to someone else. Refuse to contribute to this toxic cycle. The first step towards doing that is to be more open-minded. Grow empathy about why someone acted the way they did. If something they did really bothered you, go talk to them instead of talking behind their backs.

DON’T BLOCK CONSTRUCTIVE FEEDBACK

It’s understandable to be upset and demotivated when you are not getting the appreciation you think you deserve. However, it’s a bad attitude to always put yourself in a higher pedestal where you have internalised your work to



be impeccable, untouchable and divine. You’ll only be blotching your learning curve if you’re adamant about only doing things the way you deem fit.

DON’T BEAT YOURSELF UP

Everyone’s lives are marked by mistakes that exist on a spectrum – professional lives are no exception to this. You couldn’t deliver your assignment the way you visualised, or your performance evaluation didn’t roll out the way

you’d prefer, or something that you thought was a brilliant idea turned out to be counterproductive – don’t let all that consume your sanity. You’re more than your mistakes and let this new year be a testament to that.

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