

Agent banking going places

Transactions more than double in FY21



Collected: Bangladesh Bank has awarded 28 agent banking licences with the aim to provide a secure alternative delivery channel of banking services to the underprivileged and under-served population who live in remote locations.

MD FAZLUR RAHMAN

Transactions through agent banking more than doubled to Tk 393,932 crore in the last fiscal year as the new window has taken financial services to the doorsteps of people.

The volume rose 106 per cent in FY2020-21, data from the Bangladesh Bank showed, against Tk 191,225 crore in the previous fiscal year.

In June, transactions surged 75 per cent to Tk 38,672 crore, the highest on record. It stood at Tk 22,057 crore in June last year.

The volume of deposits was

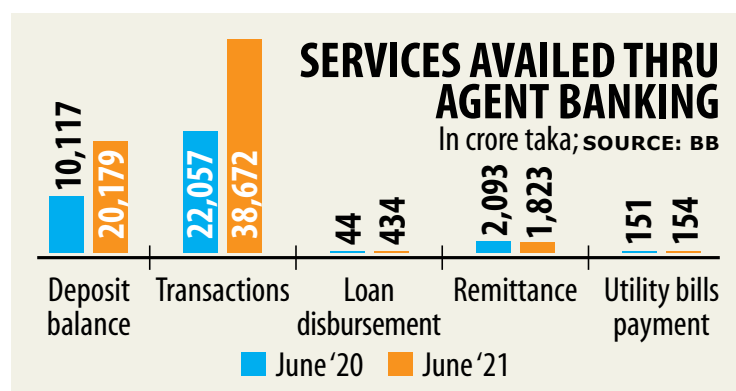
Tk 20,179 crore as of June, doubling from Tk 10,117 crore in the same month last year.

The central bank has awarded 28 agent banking licences since 2013.

The aim is to provide a secure alternative delivery channel of banking services to the underprivileged, under-served population who live in remote locations that are beyond the reach of the traditional banking network.

Twenty-four banks have rolled out the service as of September last year.

The banks with a notable presence include Bank Asia,



Islami Bank Bangladesh Ltd, Dutch-Bangla Bank Ltd, Brac Bank, City Bank, Mutual Trust Bank, Al-Arafah Islami Bank, Agrani Bank, NRB Commercial Bank, and Modhumoti Bank. Loan disbursement through the agent banking window rose

444 per cent to Tk 2,659 crore in FY21, which was Tk 488 crore in FY20.

Transfer of incoming foreign remittance rose 112 per cent to Tk 27,524 crore in the last fiscal year.

In Bangladesh, agent banking accounts totalled 1.22 crore at the end of FY21, up 65 per cent compared to 73.57 lakh at the end of FY20.

Male customers owned 65.98 lakh accounts and female clients 51.54 lakh accounts.

There were 12,995 agents at the end of June, up from 8,812 agents a year ago, an increase of 47.5 per cent, BB data showed. The number of outlets stood at 17,215.

Expert and bankers say agent banking has emerged as an alternative to the branch-based banking model in the areas where setting up full-fledged offices is not commercially viable because of lower business volume.

The window is allowing banks to mobilise deposits at lower costs, he said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said a significant portion of remittance was channelled through agent banking during the pandemic.

"This has given a boost to the transaction volume."

Agent banking is helping banks expand their reach in remote areas, he said.

"It costs a lot if we set up a full-fledged branch in remote areas in keeping with our standard. But agents are helping us expand the footprint and bring the costs down."

Agent banking is already playing a crucial role in accelerating financial inclusion in Bangladesh, said Zahid Hussain, an economist.

Invest in Bangladesh

Tipu Munshi urges foreign investors, NRBs at US event



Commerce Minister Tipu Munshi

STAR BUSINESS REPORT

Speakers at a seminar in the US called upon foreign investors and non-resident Bangladeshis (NRBs) to invest in Bangladesh.

Startup Bangladesh Limited hosted the seminar titled "Bangladesh the Next Investment Frontier for Foreign Investors and Expatriates" at Silicon Valley in California on Saturday morning.

The seminar was organised for US-based NRBs, potential investors and representatives from the business community in Los Angeles in collaboration with the commerce ministry of Bangladesh and the consulate general in LA.

Addressing the programme as chief guest, Commerce Minister Tipu Munshi called upon the NRBs to get involved in Bangladesh anyway they can, and to give back to the country.

The people of Bangladesh will benefit from the experience and engagement of the vast NRB talents, he said.

The programme was participated by numerous globally prominent business leaders in the US technology sector, startup founders, venture fund founders, distinguished professionals from globally prominent companies in Silicon Valley of the NRB community and government high-ups.

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GLOBAL BUSINESS

India will soon unveil \$1.35tr infrastructure plan



REUTERS

Indian Prime Minister Narendra Modi addresses the nation during Independence Day celebrations at the historic Red Fort in Delhi, India yesterday.

REUTERS, New Delhi

India will launch a 100 trillion rupee (\$1.35 trillion) national infrastructure plan that will help generate jobs and expand use of cleaner fuels to achieve the country's climate goals, Prime Minister Narendra Modi said on Sunday.

The infrastructure programme, called "Gati Shakti", will help boost productivity of industries and boost the economy, Modi said during his speech at the Independence Day celebrations in New Delhi.

"We will launch a masterplan for Gati Shakti, a big programme ... (it) will create job opportunities for hundreds of thousands," Modi said from the ramparts of the historic Red Fort in the capital city.

While Modi did not announce details of the plan, he said the plan will help local manufacturers compete globally and create new avenues of future economic growth.

Boosting infrastructure in Asia's third largest economy is at the heart of the Modi's plan to pull back the country from a sharp economic decline worsened by the Covid-19 pandemic.

In the last fiscal year, India's economic output fell by a record 7.3 per cent and a second wave of Covid-19 has delayed economic recovery.

"We will launch a masterplan for Gati Shakti, a big programme ... (it) will create job opportunities for hundreds of thousands," Narendra Modi said

The prime minister also set a target to become energy independent by 2047, saying the goal can be achieved through a mix of electric mobility, moving to a gas-based economy and making the country a hub for hydrogen production.

Modi said the country spends more than 12 trillion rupees annually on energy imports and becoming energy independent was critical, as he also announced the launch of a National Hydrogen Mission to boost the government's clean energy plans.

"India is moving fast towards achieving its climate goals," he said.

Taliban gains give investors cause for concern beyond Afghanistan

REUTERS, London

The Taliban's rapid advance towards Kabul is not only causing concern about Afghanistan's future but also about the impact on other countries in the region and their economies.

Iran and then Iraq lie to the west of Afghanistan. Tajikistan, Turkmenistan and Uzbekistan are to the north. But the immediate focus for financial markets and investors is Pakistan to the east.

Pakistan has a large public debt, a sizeable equity market and is dependent on a \$6-billion IMF programme. The prospect of years of violence and waves of refugees will add pressure to its fiscal repair plans. "It is a very troubling situation and unfortunately has set the region back many years," said Shamaila Khan, head of emerging market debt at AllianceBernstein.

"I think the neighbouring countries will have to deal with an influx of refugees in the coming months/years".

The United Nations refugee agency UNHCR estimates 400,000 Afghans have fled their homes this year. Only a few hundred of these displaced persons are known to have fled Afghanistan but the UNHCR estimates there are 2.6 million Afghan refugees worldwide, with 1.4 million in Pakistan and 1 million in Iran.

Pakistan's bond prices have already fallen nearly 8 per cent this year, though many financial analysts think this has probably

had more to do with delays in it obtaining its latest tranche of IMF money than with the security situation.

Nearly 10,000 Pakistani civilians were killed in attacks between 2010 and 2015 South Asia Terrorism Portal figures show. Those numbers have fallen since then but there are concerns they will now rise again.

"Another influx of refugees

and the spillover of violent groups motivated to destabilise urban areas and infrastructure, particularly, on the western side of Pakistan... could set Pakistan's recovery and reform story back," said Hasnain Malik, an analyst at research firm Tellimer.

He suggested risk might be reduced if the Taliban were included in the Afghan government.

Pakistan's IMF programme is its thirteenth in 30 years and is needed to help the government tackle a public debt of about 90 per cent of GDP. Any Taliban attacks inside Pakistan could raise security concerns and make it harder for Islamabad to meet targets set by the IMF. At the same time, some investors say, they could increase Pakistan's strategic importance for the West.



People wait to cross into Afghanistan, at the Friendship Gate crossing point at the Pakistan-Afghanistan border town of Chaman, Pakistan on August 13.

REUTERS/FILE

Fired Alibaba employee suspected of 'forcible indecency'

REUTERS, Shanghai

A former male employee of Chinese e-commerce giant Alibaba Group Holding Ltd is suspected of committing "forcible indecency" against a female colleague, but not rape, according to Chinese police probing the assault.

The investigation is still ongoing, the police bureau of eastern China's Jinan city, where the incident occurred, said in a statement via Weibo.

The police update came after a female

employee went public with an 11-page account on Alibaba's intranet saying her manager and a client sexually assaulted her during a business trip, and that superiors and human resources did not take her report seriously.

The scandal led to fierce public backlash against Alibaba, which later fired the male employee.

The male Alibaba employee, whom police only identify by his surname Wang, entered the hotel room of the victim, surnamed Zhou, four times while she was drunk after a business dinner on July 27 and committed

"forcible indecency" during one of these visits, according to the police statement.

The client had also committed the act against Zhou on two occasions during the trip, they said.

The police said that they had not found enough evidence that Zhou was forced to drink alcohol during a banquet that evening attended by the suspects, as she had claimed.

Alibaba did not immediately respond to a request for comment. Reuters was unable to reach the two suspects or Zhou for comment.