



As financial inclusion is important for alleviating poverty, the government should include the poor and women in digital financial services, an expert suggested.

PHOTO: STAR/FILE

Half of adult population still unbanked

Economists call for better infrastructure and policy support

STAR BUSINESS REPORT

Bangladesh lags far behind in financial inclusion as nearly half of its adult population still remains unbanked.

And the government will have to bring nearly 18 million adults under at least one regulated financial service account in the next four years in order to achieve its target of 100 per cent financial inclusion by 2025.

"The curve appears to be steep," said Bazdul H Khondaker, director of the Policy Research Institute (PRI).

Citing World Bank data, he said 50 per cent of the adult population had been covered up until 2017 and it at best stood at 60 per cent at present.

"We are lagging behind the Asian average," he added.

Khondaker mentioned that according to Economist Intelligence Unit's Global Microscope Finance Report 2020, Bangladesh ranks 44th out of 55 countries in overall financial inclusion.

He said financial inclusion was very important for alleviating poverty. "So, we should include the poor and women in digital financial services," he suggested.

He suggested developing associated infrastructure alongside government policy support for the advancement of financial inclusion.

Khondaker was giving a presentation on "National financial inclusion strategy: Key

issues and implementation" at the opening of a training on "Financial inclusion in Bangladesh: imperatives and practices".

The PRI and Economic Reporters Forum (ERF) jointly organised the programme at the latter's auditorium, presided over by Sharmin Rinvi, president of the ERF. "People are not saving money

and agent banking and mobile financial services (MFS).

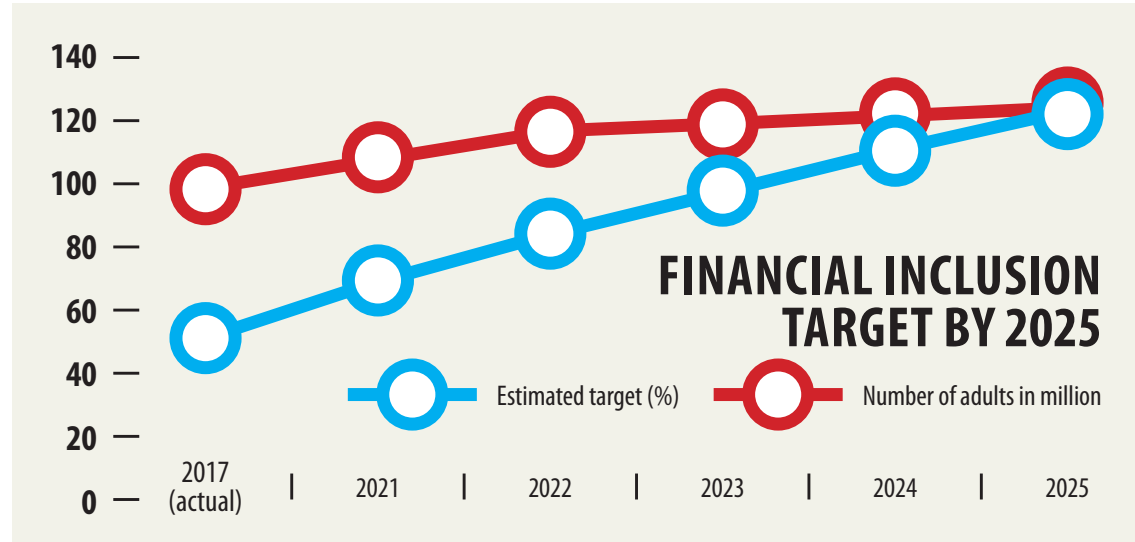
He said people should not be apprehensive of the upcoming 4th industrial revolution's challenges as artificial intelligence would be adopted in digital banking system.

Roy said government officials usually work within a set framework of regulations and

out to be very effective during the pandemic as it enabled continuation of transactions.

He also said digital services on the other hand helped people manage financial risks by making it easier for them to collect money from friends and relatives far away when times were going tough.

Mansur said the prime minister



in their accounts. Only 18 per cent of people save money in their accounts," said Debdul Roy, executive director at Bangladesh Bank.

"If people save money, they would deposit money into bank accounts which will increase financial inclusion," he said.

Roy emphasised on increasing the number of sub-branches

rules, for which there was none thinking out of the box that could have led to innovation.

SM Rashidul Islam, general secretary of the ERF, moderated the programme while Ahsan H Mansur, executive director of the PRI, and Abdur Razzak, research director, also presented keynote papers.

Mansur said the MFS turned

has not been able to provide cash assistance to 50 lakh people due to the low financial inclusion. People could not be brought under this service due to the absence of a proper database, he said.

Citing that there is a lack of policy support for the expansion of mobile banking services, he said, "Through MFS, we are now able to

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Learnings and takeaways from 2021



SAZZADUL HASSAN

Businesses went through an unprecedented rollercoaster ride in 2021. The year had started on a rather positive note as the coronavirus infection rate in Bangladesh remarkably came down to below 5 per cent.

To the surprise of many, a nationwide Covid-19 vaccination drive was launched in January, elevating hopes that the country was going in the right direction to contain the deadly virus.

As a result, economic activities slowly started to regain momentum and the situation was promising till mid-March.

But as things were returning to normalcy, the emergence of the Delta variant of Covid-19 brought dark clouds overhead once again.

It reminded us the famous saying, "man proposes, God disposes".

of Covid-19.

This variant has already been detected in 89 countries and is spreading rapidly. Many European nations are reimposing tougher measures to stem a new wave of infections. So, we will have to be absolutely watchful how things evolve here in our country.

The business environment was extremely volatile throughout the year. Under such difficult conditions, managing a business is extremely challenging. Some of the learnings that we gained from 2021 would help us get well prepared to face any such uncertain time in the future.

Organisations need to be ready for the unforeseen, unexpected events. They must remember that there could be bolt from the blue anytime, such as fires.

There are certain measures and processes which would enable organisations to be better equipped to survive during times of crisis.

It starts with forming a team often known as an "Emergency Response Team (ERT)", whose key responsibility is to steer the organisation in times of emergency.

This team will look into all potential risks that might impact the business. Once the risks are identified, the next step would be to define the plan often called "Business



In literally no time, this contagious variant spread all across the world with neighboring India being badly hit.

Delta did not take much time to cross the Indo-Bangla border either as Bangladesh was soon infected as well.

By mid-April, the infection rate went up to 22 per cent and after a slight decline for a few weeks, the infection rate started climbing again to reach around 33 per cent by first week of August.

Our medical facilities were not adequately equipped to handle such a huge number of patients as an acute shortage of ICU beds and inadequate supply of oxygen made the situation extremely inhumane.

In addition, the vaccination campaign was halted after April due to a lack of supply.

Against the backdrop of such a dire situation, the government reimposed restrictions to curb infections.

Consequently, businesses again faced huge disruptions in continuing their operations but after the infection rate rose for a few more months, it started to decline from mid-August.

As such, the situation had improved significantly since October as businesses have been slowly but surely getting back in their usual mood.

Lately there has been huge fanfare regarding Omicron, the most recent variant

Continuity Plan (BCP)" to mitigate those risks and ensure business continuity.

Organisations should also have a plan known as the "bare-bones plan" for the worst possible scenario.

Every now and then, companies must organise events like fire drills and other evacuations in case of any natural disaster or terrorist attack. Everyone has to be mobile and agile all the time to respond quickly to any crisis.

The most valuable asset for any organisation is its employees. Businesses must remember people come first, each and every time. It is during times of challenge that employees' roles become even more critical.

Therefore, organisations have to be empathetic, more engaged with their employees, support them and keep them motivated.

Research shows, empathy contributes positively to enhance innovation, productivity, and employee retention.

Organisations must have a safety net to manage working capital. They should have cash cushions as well as other sources of affordable financing to sustain themselves during an extended economic downturn.

In 2021, many companies had to close their doors as they struggled to ensure financing for their fixed costs for a prolonged period.

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Global economy rebounds, but for how long?

AFP, Paris

The world economy woke up from its pandemic-induced coma in 2021, but between the Omicron variant causing renewed disruptions and persistent inflation pushing central banks to pump the brakes, the outlook is uncertain.

Here is a look at the state of the global economy:

Countries have posted impressive growth figures as they clawed their way out of the depths of the 2020 Covid-induced recession, but some are faring better than others as wealthier countries have had better access to vaccines.

The United States has overcome its worst downturn since the Great Depression while the eurozone's economy could return to pre-pandemic levels by the end of the year.

But the rapid spread of the Omicron variant has prompted many countries to reimpose restrictions that are likely to hurt the travel and leisure sectors first and foremost.

With a single-digit vaccination rate, the economy of sub-Saharan Africa will grow at a slower click, according to the International Monetary Fund.

Most emerging and developing countries should remain far behind their pre-pandemic forecasts by 2024, the IMF says.

Central banks in Brazil, Russia and South Korea have raised interest rates to combat rising inflation, a move that could rein in growth.

China, the world's second-biggest economy and a driver of global growth, is facing a slew of risks: New coronavirus cases, an energy crunch and fears over the debt crisis at real estate giant Evergrande.

Inflation has accelerated to multi-year highs around the world, as consumers returned with a vengeance and industries faced shortages.

Prices have soared across the board, with oil, natural gas and raw materials such as wood, copper and steel going through the roof.



An aerial view shows a shopping mall shaped like a ship amid residential buildings in Hong Kong on December 27. China, the world's second-biggest economy and a driver of global growth, is facing a slew of risks: New coronavirus cases, an energy crunch and fears over the debt crisis at real estate giant Evergrande.

PHOTO: AFP

South Korea's exports hit all-time high

ANN/THE KOREA HERALD

South Korea's exports from the beginning of the year to Monday surpassed the record-high annual outbound shipments of \$604.9 billion, observed in 2018, setting a new all-time high.

According to data compiled by the Trade Ministry and Korea Customs Service, total outbound shipments surpassed the full-year export record at 11:36 pm Monday. It is projected to surpass \$640 billion on current trends, the Trade Ministry noted.

A Trade Ministry official pinpointed further development in Korea's key industries, successful exports of new items and heightened value of outbound shipment items as driving forces behind this year's robust growth.

"Our semiconductor, shipbuilding and auto industries were able to solidify their statuses in the global market, as the country minimized supply disruptions amid the pandemic," the official said.