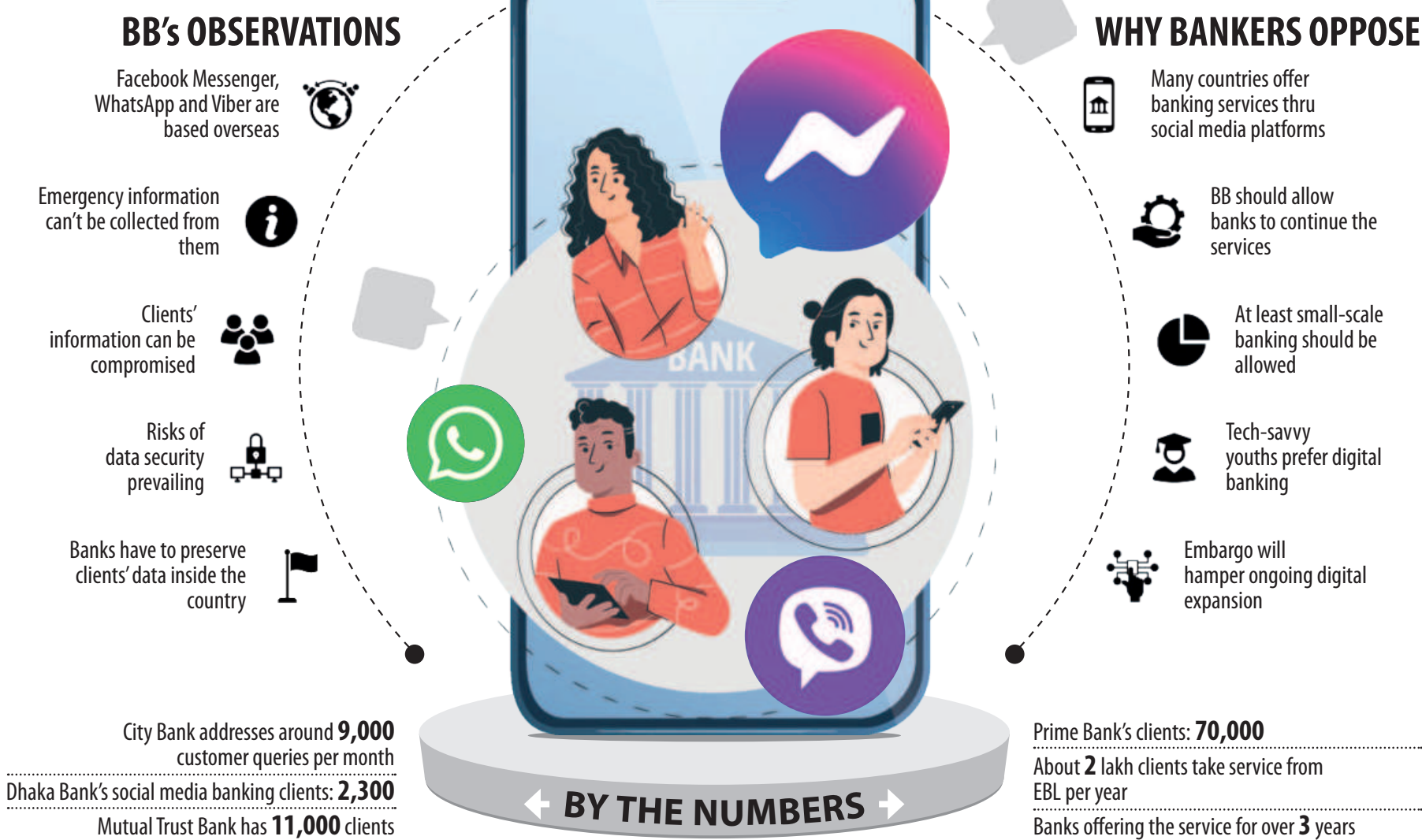


Star BUSINESS



Social media banking faces a setback

BB may order banks to stop providing services thru messaging platforms

AKM ZAMIR UDDIN

The Bangladesh Bank plans to bar banks from providing financial services through social media platforms as it poses data security risk, a move that may nip the initiative aimed at popularising digital banking in the bud.

The central bank has already rejected applications from two banks that had looked to roll out social media banking.

If banks offer services through Facebook Messenger, WhatsApp and Viber, it will be impossible for the central bank to collect required data from the companies as they are based outside of Bangladesh, said the BB in letters to banks recently.

As per the ICT Policy of Bangladesh, any manufactured, collected and processed data have to be stored inside the country in line with data localisation rules.

But the social media or messaging platforms don't have any data localisation system in the country needed to store the data inside the national

boundary, so clients' data can be compromised, the BB said. "There is a potential threat to clients' interest and the financial data security."

The central bank issued a letter to banks on January 12 asking them to provide information related to the banking services provided through social media sites.

The central bank might come up with another order asking them not to provide such banking services, said a BB official.

In Bangladesh, some banks are already providing financial services through messaging platforms, a trend that has been turbocharged by the coronavirus pandemic.

Among the services, clients can make balance inquiry, receive account statements, transfer funds from one bank to other, recharge mobile phones, and pay utility bills, largely through WhatsApp.

In order to cash in on the customers' growing preference for online banking, some banks have already invested hugely for

the creation of the platforms as part of their efforts to expand digital banking.

Mutual Trust Bank (MTB) rolled out social media banking in June last year and applied to the central bank a month later.



The BB rejected the proposal in October. In the meantime, 11,000 clients have registered with MTB's platform to avail services through WhatsApp.

Syed Mahbubur Rahman, managing director of MTB, said that the bank had already recruited people to run the social media banking operation.

Many countries have allowed

banks to provide services using social media platforms.

"We have launched the service following the global model," said Rahman, adding that young customers now prefer digital banking instead

of traditional one.

Dhaka Bank introduced WhatsApp banking in 2020.

"The central bank should allow banks to run social media banking at least on a small scale," said Emranul Huq, managing director of the bank.

Eastern Bank Ltd offered banking services through Facebook Messenger and Viber to more than two lakh

customers last year.

Prime Bank introduced WhatsApp banking four to five months ago and the platform has become popular quickly. Its registered clients with the platform has already reached 70,000.

Syed Almas Kabir, a former president of the Bangladesh Association of Software and Information Services, said that every entity would have to preserve their data inside the country as per the data localisation rule of the ICT Policy.

He pointed out India's example, where WhatsApp set up a server in 2019 so that data generated in the country can be stored locally.

"The government can request WhatsApp to set up a server in Bangladesh. This will resolve the problem," said Kabir.

A central banker said that the BB should not ban the use of social media as clients are increasingly embracing digital banking.

"So, we should follow India's

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Textile millers demand smooth gas supply

STAR BUSINESS REPORT

Textile millers yesterday urged the government to ensure an uninterrupted gas supply to keep the recovery of the apparel sector from pandemic fallout smooth.

The majority of the spinning, weaving, dyeing, finishing and printing industries in the textile sector are failing to run at full capacity due to the shortage of gas in the industrial belts of Dhaka, Gazipur, Narayanganj, Savar, Ashulia, Manikganj, Narsingdi and Chattogram.

"If gas is not supplied smoothly, textile millers face output losses of as high as 25 per cent," said Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association (BTMA), at a media briefing at the Pan Pacific Sonargaon Hotel in Dhaka.

Textile factories in Bangladesh face a severe gas crisis for at least three months a year.

BTMA's member mills supply \$28 billion worth of raw materials, and in those three months, the loss amounts to \$1.75 billion for the export-

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Lack of reliable data stymies dev efforts: experts

STAR BUSINESS REPORT

The lack of reliable data on poverty, employment and other key economic indicators in Bangladesh undermines the country's efforts to make proactive contributions towards its development, according to speakers at a webinar.

For example, the National Household Database was meant to help streamline the beneficiary selection process for social safety net programmes by gathering socioeconomic data on each household.

The initiative was initially taken up by the Bangladesh Bureau of Statistics (BBS) in collaboration with the Department of Disaster Management (DDM) in 2013.

The Tk 328 crore project financed by the government and the World Bank was supposed to be complete by 2017 but ultimately saw its deadline pushed back to June 2021, and costs balloon to Tk 727 crore.

After taking four years only to work out the modes of operation, the BBS collected socioeconomic information on 3.5 crore

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	STOCKS		WEEK-ON-WEEK
	DSEX ▼	CSGX ▼	
	1.10% 7,027.55	1.10% 12,366.38	

	COMMODITIES		AS OF FRIDAY
	Gold ▼	Oil ▲	
	\$1,792.11 (per ounce)	\$87.40 (per barrel)	

	CURRENCIES				AS ON THURSDAY STANDARD CHARTERED BANK
	BUY TK	USD	EUR	GBP	CNY
	85.05	94.80	113.46	13.16	
SELL TK	86.05	98.60	117.26	13.83	

	ASIAN MARKETS				FRIDAY CLOSINGS
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
	▼ 0.13% 57,200.23	▲ 2.09% 26,717.34	▼ 0.42% 3,246.33	▼ 0.97% 3,361.44	



Naz Garden, the first three-star hotel in northern Bangladesh, is incurring losses due to the pandemic, its owner said.

PHOTO: MOSTAFA SHABUJ

Bogura's Hotel Naz Garden up for sale

Talks ongoing with Akij Group

MOSTAFA SHABUJ, Bogura

The pandemic has ended up being the final nail in the coffin for Hotel Naz Garden in Bogura, the first three-star establishment of northern Bangladesh, with the owner putting it up for sale to end it from haemorrhaging money.

Recently Akij Group offered Tk 140 crore and sought a month's time to finalise the deal, owner Mohammad Shokrana, a veteran BNP leader who quit politics in 2019, told The Daily Star.

"Having continuously been incurring losses during the pandemic, I have decided to sell it. I wanted Tk 200 crore but did not get any buyer," he said.

That discussion was ongoing was confirmed by Dr Sheikh Mohiuddin, the eldest son of late Sheikh Akij Uddin, founding chairman of the group.

On the price offer, Mohiuddin said what Shokrana quoted was not correct.

"We will make everything public once it is final. We have plans to start a medical college and hospital along with running the hotel differently," said Mohiuddin, executive director of Ad-din Foundation, which runs eight hospitals and four medical colleges.

Akij Group is one of Bangladesh's largest business houses with diverse interests ranging from textiles, cement, ceramics, printing and packaging, hospitals, medical colleges,

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