



Fishermen set their nets in the Rupsha river of Khulna. While the catch varies from day to day, each fisherman can earn Tk 500 to Tk 600 daily. The photo was taken last week.

PHOTO: HABIBUR RAHMAN

BB for data sharing to further financial inclusion

STAR BUSINESS REPORT

Open banking, which allows sharing data among banks, financial institutions and fintech with customers' consent, can further enable financial inclusion and easier access to financing for small and medium enterprises (SMEs), experts said yesterday.

Open banking provides open access to consumer banking, transaction, and other financial data from banks and non-bank financial institutions using application programming interfaces (APIs).

"In the new ecosystem of open banking, the APIs are a channel for doing business," said Jayanta K Bhowmick, a senior systems analyst (additional director) at Bangladesh Bank.

"Adopting and deploying the APIs, banks can extend and enhance their services and offerings," he said.

"It is erroneously believed that open banking makes the customer's data openly available to anyone," he said.

"But it puts effort on controlling both the circle of eligible third parties and letting the customers control sharing of

their financial data, by requiring their explicit consent," he explained.

Bhowmick was addressing a roundtable styled "API and Open Banking: New service innovation for banks and fintech companies" organised by the Bangladesh Association of Software and Information Services (BASIS) at a hotel in Dhaka on Wednesday.

"With open banking, the digital value chain of banking gets opened up, allowing third parties to participate in the previously closed value chain," he added.

He said open banking was an efficient system which can absorb shocks in extreme situations like Covid-19, simplify know your customer processes, overcome issues over a lack of documentation and enable person-to-person lending and crowdfunding.

"It also encourages healthy financial behaviours, expands access to credit, supports debt rehabilitation and increases competition in the financial services market," he said.

At the roundtable, bankers and fintech companies urged the central bank to introduce supportive guidelines and a

standardisation process so that they can share data based on customer consent maintaining data privacy and security.

Todd Schweitzer, founder and CEO of Brankas, an open banking fintech company operating in the Philippines

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and Singapore, said customers own their financial data and should be able to access their financial products beyond bank-owned channels.

The system needs technology, products, and policies that enable customers to securely use financial services from qualified third-party providers, he added.

The roundtable also emphasised that if any user wants to share the data with any

third party to get any financial services, such as loans, the custodian banks should have provisions for sharing the data.

Md Khurshid Alam, an executive director of Bangladesh Bank, said shared the central bank's commitment to provide the required policy and regulatory support for open banking in Bangladesh.

He said the central bank would facilitate innovation by young fintech entrepreneurs by giving them all kinds of regulatory support. He suggested banks engage in greater collaborations with local fintech companies.

Fahim Mashroor, chairman of the BASIS's standing committee on fintech and CEO of bdjobs.com, said open banking was the best way to solve the big problem of the low loan disbursement ratio of banks to the micro and SME segment.

The problem of high operational cost for banks for micro and SME loan disbursement and repayment can be solved by open banking-based digital lending, he said.

Russell T Ahmed, president of the BASIS, and Fahim Ahmed, a vice president, were also present.

3 United Power entities to amalgamate with parent company

STAR BUSINESS REPORT

Three power generation companies will amalgamate with their parent company United Power Generation & Distribution Co Ltd (UPGDCL). An amalgamation is a combination of two or more companies into a new entity.

In a filing on the Dhaka Stock Exchange yesterday, UPGDCL said the board had approved the scheme of amalgamation.

The three power generation companies are United Anwara Power Ltd, United Energy Ltd, and United Jamalpur Power Ltd.

After the amalgamation, UPGDCL will be the surviving entity, said the filing. The approval is subject to the sanction of the High Court and the consent of banks and other creditors.

United Energy Ltd in Sylhet has an installed power generation capacity of 28 megawatts while United Jamalpur has a capacity of 115 MW and United Anwara Power of 300 MW, according to UPGDCL.

Shares of UPGDCL closed 2.65 per cent higher on the DSE yesterday.

Pangas fry sent to India thru Benapole

STAR BUSINESS REPORT

One lakh live Pangas catfish fry have been exported to India for the first time through Benapole Land Port in Jashore.

A truck loaded with the Vietnamese variety of Pangas fry entered India through Benapole port last night, reports our local correspondent quoting port sources.

Janata Fish, a Jashore based firm, sent the consignment to PR Food in Kolkata, according to the customs authority.

In the first shipment, one lakh Pangas fry has been exported in 34 oxygen bags, said Quddus Ali Biswas, owner of the firm. More shipments will be sent to India gradually, he added.

Abdul Rashid Miah, joint commissioner of the Benapole Customs House, said this is the first time Pangas fry has been exported to India through Benapole port.

Qatar to invest \$3b in Pakistan

AFP, Doha

Qatar said Wednesday it would invest \$3 billion in Pakistan's debt-ridden economy in the latest boost by a Gulf state for the ailing South Asian nation.

Pakistan has been scrambling for finance in recent months, and the International Monetary Fund is due to meet next Monday to discuss reviving a suspended \$6 billion loan programme.

The United Arab Emirates this month said it would invest \$1 billion in Pakistan and, according to reports, Saudi Arabia is considering extending an emergency \$2 billion loan made last year.

Logistics firms irked

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Rahman, president of the Courier Services Association of Bangladesh.

"Even the employees of courier companies have to prove that they are not aware of the violation. With such a provision, no one will be willing to join the industry," he added.

The draft even awarded punishments for accepting, transporting and distributing banned items, which include writings that are politically spiteful, hurt sentiments, insulting to a person, society or organisation.

If such writings are found in a digital device that is being shipped by a courier service, the courier company being employed could face administrative action.

"That means if any one sends books through us [courier companies], we have to go through those books to check whether they are violating these rules," said a top executive of an online courier service company on condition of anonymity.

"This is not commercially feasible," he added.

Tanjib-ul Alam, head of chamber at Tanjib Alam & Associates, said the move goes against the saying "don't shoot the messenger".

"This is an arbitrary and capricious law," he added.

Citing how the proposed law states that aggrieved companies cannot file a case against the authority for any

order, Alam said every citizen has the right to go to the high court division in the absence of an alternative remedy.

"So, despite the proposed law negating their rights to go to court, any company or person can go to the high court as the constitution provides them that right," he added.

Md Mohiuddin, chairman of the Mailing Operator and Courier Service Licensing Authority, said the law has just been drafted and is yet to be finalised.

"Now we will take the opinion of the public and stakeholders and make the appropriate changes if their demands are logical, then we will have an inter-ministerial meeting," he said.

The draft law will then be placed to the cabinet and after that, it will be sent to the law ministry for vetting before it goes to the parliament.

"Due to absence of regulations, customers are not getting their rights while sending their products and so, we have taken this initiative to bring order to the sector and help boost it," Mohiuddin added.

Mustafa Jabbar, posts and telecommunications minister, said there is a scope to use such logistics channels to transport drugs and other anti-state materials due to the lack of regulations in this regard.

"We will have stakeholder meetings before finalising the law," he added.

Daraz to invest

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at a celebration ceremony at InterContinental in Dhaka yesterday.

Md Tajdin Hassan, chief marketing officer of Daraz Bangladesh, said prospect of e-commerce is sky high in Bangladesh compared most other Asian nations.

"Currently, the e-commerce sector in Bangladesh comprises only 1-2 per cent share of the country's retail sales. For the last seven years, Daraz has been educating the market to influence consumer behaviour to expand the e-commerce services around the nation and contribute to

the economy."

Wholesale and retail trade accounts for 15 per cent of Bangladesh's gross domestic product of \$465 billion estimated in 2021-22 the fiscal year, according to data of the Bangladesh Bureau of Statistics.

Top brasses of Daraz, including Md Riyad Hossain, chief human resource officer; Zornica Zafirova, group COO; Tasfin Alam Khondoker, chief operating officer; AHM Hasinul Quddus Rusho, chief corporate affairs officer; and Shabbir Hossain, chief commercial officer, were also present at the event.

24 int'l banks to accept LCs in dollars

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The highest share was imported from Russia (31.8 per cent) worth \$409 million and from Ukraine (23 per cent) the import was worth \$295 million.

Similarly, in 2020, a significant portion of dried legumes, corn, onion, rapeseed, apples and pears were imported from those countries.

Munshi said the cabinet ministers also discussed about the possibility of using currencies other than the US dollar, like the Chinese renminbi and Russian rouble, as the country has been going through a shortage of greenbacks to meet import bills.

However, no decision was taken in this regard, he said, adding that the government was trying to keep dollars at an affordable rate to meet the demand for imports.

Salman F Rahman, adviser to the prime minister on private industry and investment, said they also held discussions on the export of drugs from Bangladesh to Russia and import of fertiliser and wheat from

Russia.

Rahman said an opportunity has been created for the export of medicine to Russia as the demand has increased in that market.

However, registrations with the Russian drug administration over their use of 26 locally made drugs need to be extended and this was also discussed, he said.

Rahman also said there was a sanction on Russian export of petroleum products and its import was also discussed.

Food Minister Sadhan Chandra Majumder said the government would begin selling rice under its Open Market Sale (OMS) programme, which offers subsidised prices, from September 1 to rein in skyrocketing prices of the staple in the local markets.

Every person will be able to purchase a maximum of 10 kilogrammes of rice from trucks of the Trading Corporation of Bangladesh, he said. However, the minister did not mention how much the rice would cost.

Economic Modeling, said Bangladesh had faced an abnormal growth of imports in the past fiscal year.

He thinks the economy will take two more months to begin benefiting from the BB moves aimed at containing imports.

"The central bank may consider withdrawing the ongoing restrictions on the imports once the foreign exchange reserves start returning to its previous healthy position," said Raihan, a professor of economics at the University of Dhaka.

The reserves stood at \$39.45 billion on August 24 in contrast to \$48 billion a year earlier.



Md Jaker Hossain, director of the small and medium enterprises (SME) and special programmes department of the Bangladesh Bank (BB), and Mominul Islam, managing director of IPDC Finance, exchange signed documents of an agreement on term loans for up to 5 years at maximum 7 per cent interest under a refinancing scheme for cottage, micro, small and medium enterprises at the latter's head office in Dhaka recently. Abdur Rouf Talukder, governor of the BB, was present.

PHOTO: IPDC FINANCE

Bangladesh to seek

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The government continues to lobby the USTR, maintaining that massive improvements have been brought about in labour rights and workplace safety.

Talking to The Daily Star over the phone, Ghosh said he had held a meeting with Christopher Wilson, assistant USTR for South and Central Asia, at his secretariat office in Dhaka yesterday.

Wilson had again suggested that Bangladesh make improvements in labour rights and intellectual property rights issues for attracting foreign direct investment (FDI) from America, said the senior secretary.

Bangladesh will highlight the progresses made over labour rights and workplace safety in the November Ticfa meeting so that the country is included in the future GSP programme, he said.

Ghosh sought more FDI and technology transfer from the US. "Moreover, we sought US support

in the WTO so that the proposed duty-free market access benefit is extended to the graduating least developed countries (LDCs), including Bangladesh, for at least six years," he said.

Before the suspension, Bangladesh used to export goods like dry fish, ceramics and tobacco items worth \$24 million to the US under the GSP programme.

The US government does not allow duty benefit under the GSP for garment items from any country, except for 38 African nations under an African Growth and Opportunity Act (AGOA) that was extended until 2025.

The fifth Ticfa Council was held in Dhaka on March 5, 2020. The United States-Bangladesh Ticfa was signed in 2013.

The US is the single largest export destination for Bangladesh, taking in goods worth over \$10 billion of which more than 95 per cent are garment items.