

## WHY CARD TRANSACTION JUMPED?

-  Spike in travelling
-  Hike in airfare
-  Overall inflationary pressure globally
-  Depreciation of local currency taka

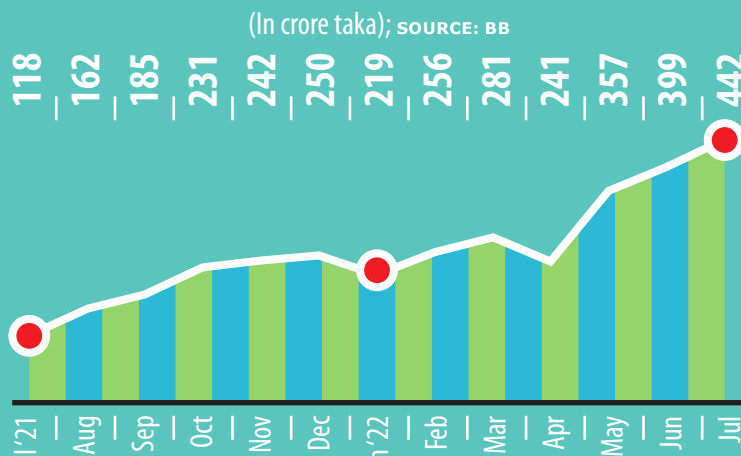
## FOREX RESERVES

Sep 21 this year: \$36.85b  
Sep 21 last year: \$46.32b

## EXCHANGE RATE

Sep 22 this year: Tk 103.2 per dollar  
Sep 22 last year: Tk 85.3 per dollar

## FOREIGN CURRENCY TRANSACTION BY CARDS



# Transactions thru cards for int'l payment keep rising

AKM ZAMIR UDDIN

Foreign currency transactions through cards maintained an upward trend in July, surging 274 per cent year-on-year at a time when the country is trying to stop the depletion of its forex reserves.

Cardholders spent an all-time high of Tk 442 crore in July, up from Tk 118 crore a year ago, shows data from Bangladesh Bank.

Bankers say the high number of card transactions in foreign currency has created further stress on the forex reserves, which fell 20.44 per cent year-on-year to stand at \$36.85 billion on September 21.

While both the government and Bangladesh Bank have been discouraging their officials from travelling abroad unnecessarily in recent months, the upper and higher-middle income groups frequently visit other countries, said a central

bank official.

Echoing this, Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said a group of people were now rampantly going abroad, substantially pushing up foreign currency transactions through cards in the process.

On top of that, inflationary pressure is now prevailing across the globe, which is why cardholders have to spend more during their time abroad compared to previous years, he said.

Besides, many people prefer to get medical treatment in foreign countries, which is another reason for the increased spending of foreign currency through cards, Rahman added.

Md Mahiul Islam, head of retail banking at Brac Bank, said the taka's depreciation against the US dollar also widened the volume of foreign currency spent through cards.

Banks are now charging in the range of Tk 104-Tk 105 per

US dollar if clients use cards to purchase anything from abroad while the rate ranged between Tk 88-Tk 89 a year earlier.

Islam then said the demand for purchasing products and services has not declined among people despite the inflationary pressure, which was playing a role in increasing spending through cards.

"Rising airfares also account for the rising card payments," he added.

HM Mostafizur Rahman, head of retail banking at Dhaka Bank, said another reason for higher card transactions in foreign currency was that a hefty number of students were now going abroad for higher education.

In some cases, parents visit their children studying abroad, which also increases the spending.

In addition, travel to and from neighbouring nations was restricted during the peak of the

coronavirus pandemic but such embargos were recently lifted.

"This is why visits to neighbouring countries is increasing to a large extent," he added.

The foreign exchange reserves have been under pressure since the second half of last fiscal year owing to rising import payments stemming from global supply chain disruptions.

Remittance inflow also plummeted 15 per cent to \$21.03 billion during the period.

And although both remittance and exports recently inched up, the trend has not been able to offset the high imports and debt service payments being made to foreign lenders.

Imports surged to \$5.86 billion in July this year, up 23.2 per cent from a year prior. Meanwhile, exports grew 14 per cent to \$3.9 billion and the inflow of remittance rose 11.76 per cent to \$2.09 billion at the same time.

## NRBC Bank wins 6 prizes in South Asian Business Excellence Awards

STAR BUSINESS DESK

NRBC Bank recently won six prizes in six different categories of the South Asian Business Excellence Awards 2022 as the best bank for its resilience and digital transformation.

The categories are "Brand excellence in BFSI", "Best use of IT & Technology", "Best Use of Mobile Technology", "Best use of CSR Practice during Pandemic", "Best Business Response to the Crisis" and "Most Innovative Covid Response".

Golam Awlia, managing director of NRBC Bank, received the award from Abdul Mannan, minister for planning, at the Pan Pacific Sonargaon in Dhaka, a press release said.

"The award will be another stepping stone for NRBC Bank towards its ultimate goal of becoming the best bank of the country," Awlia said at the programme, organised by South Asian Partnership Summit (SAPS).

Sharif Ahmed, state minister for housing and public works, Kazi Md Talha, additional managing director, Kabir Ahmed and Harunur Rashid, deputy managing directors, were present.

## Global investors brace for more chaos

REUTERS, New York/London

Global investors are preparing for more market mayhem after a monumental week that whipsawed asset prices around the world, as central banks and governments ramped up their fight against inflation.

Signs of extraordinary times were everywhere. The Federal Reserve delivered its third straight seventy-five basis point rate hike while Japan intervened to shore up the yen for the first time since 1998. The British pound slid to a fresh 37-year trough against the dollar after the country's new finance minister unleashed historic tax cuts and huge increases in borrowing.

"It's hard to know what will break where, and when," said Mike Kelly, head of multi-asset at PineBridge Investments (US). "Before, the thinking had been that a recession would be short and shallow. Now we're throwing that away and thinking about the unintended consequences of much tighter monetary policy."

Stocks plunged everywhere. The Dow Jones Industrial Average nearly joined the S&P 500 and Nasdaq in a bear market while bonds tumbled to their lowest level in years as investors recalibrated their portfolios to a world of persistent inflation and rising interest rates.

Towering above it all was the US dollar, which has rocketed to its highest level in 20 years against a basket of currencies, lifted in part by investors seeking shelter from the wild swings in markets.

## Not waste anymore

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adding that the export would provide a solution to the solid waste management problem.

Some 154 tanneries have relocated their factories from the capital's Hazaribagh to the estate, which started its operations in 2017 following a project's inception in 2003. The project cost was Tk 1,079 crore.

BTA General Secretary Shakawat Ullah said, "Every waste of leather is recycled. Hopefully, we will continue our business with the Cambodian company because we can supply them as per their demand."

Satyendra Nath Paul, chief engineer of the Dhaka Tannery Industrial Estate Waste Treatment Plant Company, said: "It is good news that solid waste export opportunities have been created. All kinds of cooperation will be provided to the BTA from our side."

Bangladesh will have to rely on

exports to get rid of the solid waste being generated at the STIE since it does not have any facility to recycle them. This has forced tanneries to throw them in the open yard inside the estate.

Since the yard is very close to the Dhaleshwari, the dumping of the wastes threatens to cause environmental pollution and pollute the river.

The STIE's central effluent treatment plant can treat liquid waste. About 25,000 tonnes of liquid waste are generated annually there.

Local residents praised the development since the establishment of the estate has created various problems.

"If the export market is big, it would be good for us since our environment will not be polluted," said one resident.

Sharif Jamil, general secretary of the Bangladesh Poribesh Andolon, a platform of environmentalists, also

welcomed the export move.

He, however, added: "It would have been better if solid wastes could be recycled locally and various products could be made from them."

The environmentalist said how solid waste management would be done should have been in the plan of the STIE project.

"But unfortunately, it wasn't there. As a result, solid wastes are left under the open sky that pollute air."

An Italian company, Ilsa SPA, had proposed to manage the solid waste so that it could recycle it into biogas and fertilisers, under a joint venture with a local company.

Under the plan, a solid waste management factory was supposed to be built in Gazipur. But the proposal did not see the light of the day as it was not in line with the expectations of the Bangladesh Small and Cottage Industries Corporation, which owns the STIE, said a top official earlier.

In most countries, solid waste

management operations are typically a local responsibility, and nearly 70 per cent of countries have established institutions with responsibility for policy development and regulatory oversight in the waste sector, according to the World Bank.

Shaheen Ahamed, however, said: "If you want to recycle solid wastes and make products from them in Bangladesh, you will have to come up with a million-dollar project."

"Since we have not been able to attract a foreign investor for this type of project, we could not set up any factory to manufacture products from solid waste."

"But if some money is earned by exporting solid waste, that is good," he told The Daily Star.

The global solid waste management market size was \$285 billion in 2019 and is projected to reach \$366 billion by 2027, said Fortune Business Insights, an Indian market research firm.

## IMF, ADB peg Cambodia's GDP growth at 5pc

THE PHNOM PENH POST/ANN

Two major multilateral lenders have forecast Cambodia's economic growth for 2022 at around five per cent, buoyed by bumper export performance earlier in the year, coupled with ongoing policy support and continued tourism recovery, but held back by external pressures associated with Covid-19 and the Ukraine conflict.

The Washington-based International Monetary Fund (IMF) downgraded its 2022 growth forecast for the Kingdom's real gross domestic product (GDP) to five per cent, from 5.1 per cent in late April, as well as the 2023 estimate to nearly 5.5 per cent, from over six per cent earlier in the year.

Meanwhile, the Metro Manila-

headquartered Asian Development Bank (ADB) on September 21 maintained its 2022 economic growth forecast for Cambodia at 5.3 per cent, but lowered the 2023 outlook to 6.2 per cent from 6.5 per cent due to weaker global growth.

Alasdair Scott, the IMF's mission chief for Cambodia, led a team from September 7-20 to conduct the 2022 Article IV consultation for the Kingdom. The mission assessed macroeconomic development and held policy discussions with ministers and senior officials of the Royal Government of Cambodia and met a wide range of stakeholders.

At a virtual press briefing on September 20, Scott said: "The Cambodian economy has been recovering, but faces new challenges."

## Follow global standards

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to make an accounting policy choice of whether to recognise all insurance finance income or expenses in profit or loss or to recognise some of that income or expenses in other comprehensive income.

In Bangladesh, financial statements are prepared using the Insurance Act 1938 and the Insurance Rules 1958, said Wasequul Huq Reagan, a partner of Mahfel Huq & Co, while presenting the keynote paper at the seminar.

The IFRS, although required by the Financial Reporting Act 2015, is not followed consistently as formats are taken from the Insurance Act 1938, he said.

"But the Act is almost 82 years old and does not comply with the IFRS."

Shahadat Hossain, president of the ICAB, said IFRS 17 represents a complete overhaul of the accounting for insurance contracts and would

increase the transparency of insurers' financial positions and performance.

"The standard will ensure the entities providing relevant information that faithfully represents the recognition, measurement, presentation and disclosure principles for insurance contracts within its scope."

Hossain said insurance companies are large investors in the financial markets, so the growing linkage between insurers and banks is considered a safeguard for the financial stability of the country.

"Transparency delivered by accounting standards in this sector is a crucial ingredient for sustainable growth."

Mohammad Jainul Bari, chairman of the Insurance Development and Regulatory Authority (Idra), said the Idra would pay more attention to ensuring compliance with IFRS 17.

"As soon as the standard comes

into effect, insurance companies will need to prepare their financial statements according to this standard."

"The standard will increase transparency and accountability in the country's insurance sector and enable companies to gain public trust as well."

Bari said the Idra would prepare an action plan to implement the standard in consultation with various stakeholders such as the ICAB, the Financial Reporting Council, and insurers.

The Idra is working to formulate regulations to implement the Insurance Act 2010, he said.

Bari believes that IFRS 17 will help bring about fundamental changes to the insurance sector.

"There are challenges in its implementation. So, all stakeholders should work together to overcome the challenges."

## Compensation for every call drop

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Taking every call drop to be Tk 0.60 in value, the telecom watchdog estimates that Grameenphone, Robi and Banglalink have not provided Tk 10.74 crore in compensation to customers in the first six months of this year.

Of the amount, Grameenphone owes Tk 2.22 crore, Robi Tk 6.16 crore, and Banglalink Tk 1.72 crore.

The Daily Star talked to eight mobile phone users who suffered multiple call drops in a single day and found that only one got such compensation ever.

Officials of the mobile operators explained that they were only compensating call drops occurring for calls being made and received on a single network, which they feel could be due to that network's glitches.

Since the other types of call drops involve multiple parties, which could

be another operator, interconnection exchange or fibre cable company, the problem could arise from any end, making detection and sharing payouts difficult.

The new rule could contradict the BTRC's current call drop policy, which stipulates that a mobile operator's call drop rate should be less than 2 per cent of its overall calls. Mobile networking technology is wireless and it works via a radio transmission solution. With such technology, call drop is a common incidence, said an official of an operator.

Call drops are a very common phenomenon in wireless networks of mobile phone operators, said Shahed Alam, chief corporate and regulatory affairs officer of Robi Axiata.

"The new guidelines issued by the regulatory body in this regard will provide a temporary solution to the

customer's problem. To solve this problem in the long run, we need to dig deeper and take action according to the nature of the problem," he said.

The operator has long been blaming network jammers and barriers on tower installation for the call drops.

In many areas in the capital, towers can't be installed due to a lack of space and other restrictions, resulting in call drops in adjacent areas.

Unauthorised signal jammers are another concern for the operators as many religious sites use them to stop phones going off during prayers. This causes call drops in adjacent areas.

However, the customers said they are terribly suffering from call drops and voices breaking up.

The customers firmly believe that the operators should be held accountable for the call drops and low-quality services.