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SEGMENT 3

ANNIVERSARY SUPPLEMENTS 2024

DHAKA TUESDAY FEBRUARY 20, 2024

FALGUN 7, 1430 BS

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From digital to smart: Bangladesh on the growth path

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Private companies like ShopUp, Mokam, and REDX have facilitated the growth and ease of management for various small and medium-sized enterprises (SMEs) in Bangladesh, working with businesses such as a neighbourhood general store to a small-scale private boutique to help them expand and build a sustainable future. These changes to the digital environment mean that a stall owner in a rural village or a CNG driver in a suburban city in Bangladesh now has access to services and digital facilities that, even a decade ago, was accessible by members of the highest echelon of society. On a larger statewide scale, the government has also set into motion various incentives and tax-exemptions for the IT service sector, although the efficacy and long-term benefits of these initiatives have been brought into question by entrepreneurs and other prominent figures in the industry.

Digitisation has perhaps been most successful in spheres where it has been able to successfully market and sell convenience. Be it online shopping, ride sharing apps, or food delivery services, people with disposable income have regularly prioritised their time and convenience at the cost of extra charges and fees. Online marketplaces such as Daraz, Bikroy, Othoba, and Pickaboo give their users centralised repositories of products that they can access through a simple search, and which will be delivered to their doorsteps. Ride sharing services such as Uber, Pathao, and Obhai remove the hassle of finding, hailing, and bargaining with ride providers from the equation of the daily commute. These services also provide a plethora of options from the type, size, and make of the vehicle. Food delivery services like Foodpanda and HungryNaki allow users to peruse the menu of



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VISUAL: COLLECTED

thousands of restaurants with varied cuisines before they make their decision and their food is delivered to them. Rather than people suffering from a lack of choices and options, people today must contend with choice overload and analysis paralysis.

Some of these services of convenience became services of necessity during the last few years, as the world stood still, cowering and isolated due to a global pandemic. As covid-19 ravaged populations in every continent of the

world, Bangladesh went into a general lockdown on March 23, 2020. General lockdowns of various lengths were further imposed in October 2020 and April 2021, as vaccines slowed down but were not completely able to arrest the spread and mutation of the deadly virus. The first few months of the lockdown were trepidations, as people grappled with something they had never encountered before. Gradually, as people realised that this was not a short-time inconvenience, but would rather affect them for years to come, alternative methods of communicating and conducting affairs were implemented.

The appearance of Blockchain Olympiad Bangladesh as a champion of online happenstance, right when the country experienced its first ever pandemic lockdown in March 2020, showed the early adopters how everything that seemed impossible without physical presence suddenly became not only possible but even a welcome relief. The very first Blockchain Olympiad 2020 was held fully online, including submissions, adjudications and award-giving, between March and May 2020 that engaged hundreds of university students, dozens of jurors and a handful of organisers paving the way for undeterred online work culture during the pandemic that has continued even afterwards.

Educational institutions became habituated to video conferencing and ed-tech to conduct classes and assessments. Many universities created or licensed personalised online learning platforms that eased the transition to online classes and assessments for both teachers and students. Video conferencing and online meeting tools such as

leverage and utilise the transformative products of the fourth industrial revolution to create more opportunities to ameliorate potential loss of employment. Vision 2041 lays out the groundwork for Bangladesh to take advantage of innovation and digital opportunities to attain higher growth acceleration to reach upper-middle-income status by 2031 and to reach the advanced economy status by 2041. If we are successful in tapping into emerging technological and geopolitical trends, there is seemingly unlimited potential to unlock new frontiers for growth and expansion.

However, the biggest thrust under the Digital Bangladesh programme and the current Smart Bangladesh initiative is none other than democratising access to citizen services and financial inclusion. For more than a century, conventional banking has inched its way up to serving around a tenth of the adult population. The advent of mobile financial services in the last 15 years has raised that to more than a third of the adult population. But unless a majority of the adult population comes under the banking ecosystem, financial inclusion will simply remain an elusive policy paradigm. In that context, the bold decision of the central bank to introduce digital banks under a new licensing regime in June 2023 is a huge historical milestone. The central bank expects that the new-fangled digital banks, the first two of which are Kori and Nagad, will push the envelope of financial inclusion and raise the bar on cashless transactions to nearly two-thirds before the end of the decade.

In this bold new venture and trust with technology-centric destiny, the nation must steer clear of cybersecurity quagmires and make all out efforts to narrow the digital divides between geographies, demographics and educational attainments.

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ILLUSTRATION: BIPOLO CHAKROBORTY

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Zoom, Google Meet, and Skype became mainstays for almost all enterprises and organisations for basic communication. The pandemic accelerated adoption of various technologies led to the burgeoning growth of various digital sectors. According to e-Commerce Association of Bangladesh (e-CAB) vice president Sahab Uddin, the e-commerce market nearly doubled during the pandemic to Tk 160 billion (USD 1.86 billion). Companies attempted to capitalise on the needs presented by people's unique circumstances during the pandemic, and provided new services such as home delivered groceries, telehealth, mental health support, and virtual events such as concerts. It is yet to be seen whether this accelerated adoption slowly wanes with time, or if it will act as a launching pad for further spurts of growth.

Bangladesh's next goal is to become a "smart" country, the blueprint of which has been laid out in "Making Vision 2041 a Reality: Perspective Plan of Bangladesh 2021-2041" manifesto, published by the General Economics Division (GED), Bangladesh Planning Commission, Ministry of Planning. According to Vision 2041, there are four basic pillars in attempting to build a smart Bangladesh, which are in many ways a continuation of the principles espoused by the Digital Bangladesh initiative. These are: (i) Developing human resources ready for the 21st century; (ii) Connecting citizens in ways most meaningful to them; (iii) Taking services to citizens' doorsteps; and (iv) Making the private sector and market more productive and competitive through the use of digital technology. A key aspect of the Smart Bangladesh movement is to prepare for emerging and nascent technologies such as artificial intelligence, automation, distributed ledger or blockchain, quantum computing, virtual and augmented reality, and 3D printing, which have the potential to drastically disrupt people's lives and livelihoods. The Smart Bangladesh initiative aims to

নিরাপদ ও লাভজনক সঞ্চয়ে সবার জন্য উত্তরা ব্যাংক

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