

# star BUSINESS

## Slowdown in private credit growth raises alarms

JAGARAN CHAKMA

The declining credit growth for private companies in Bangladesh reflects the country's immediate economic challenges, including long-term risks to investment, employment and overall financial stability.

Private credit expansion has fallen to its lowest level in more than a decade against the backdrop of numerous economic challenges stemming from rising borrowing costs, political uncertainty and weakened investor confidence, according to an economic analyst.

This downturn will lead to severe consequences if it is not reversed, he said.

### ANALYSIS

Credit flow to private firms registered its lowest growth since at least 2015, achieving just 7.15 percent in January this year, as per Bangladesh Bank data.

The figure is 2.65 percentage points lower than the central bank's target of 9.80 percent for the second half of the ongoing fiscal year (FY). Lending to private firms had grown by only 7.28 percent in December last year.

These figures indicate a sharp contraction in the country's investment activity, which is a critical driver of economic expansion.

As such, economists, investors and various other stakeholders have raised concerns over this worrying trend.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, warned that declining private sector credit growth is severely impacting investment.

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Sk Bashir Uddin

Corruption waning, but still stubborn Bashir says

## STAR BUSINESS REPORT

Corruption in Bangladesh has not been eradicated and remains quite difficult to eliminate, according to Commerce Adviser Sk Bashir Uddin.

Bashir made this comment at a seminar organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at its auditorium in Dhaka, yesterday.

"The advisory council does not take any money. From the chief adviser to all other advisers, no one is here for financial gain," he said.

"These individuals [the advisory council] did not come here for money. Instead, our working relationship is transparent. We learn from one another and work together. This itself is a sign of reduced corruption," Bashir added.

The commerce adviser further claimed that the large-scale corruption, which previously led to the theft of Tk 28 lakh crore, is no longer occurring at the same level.

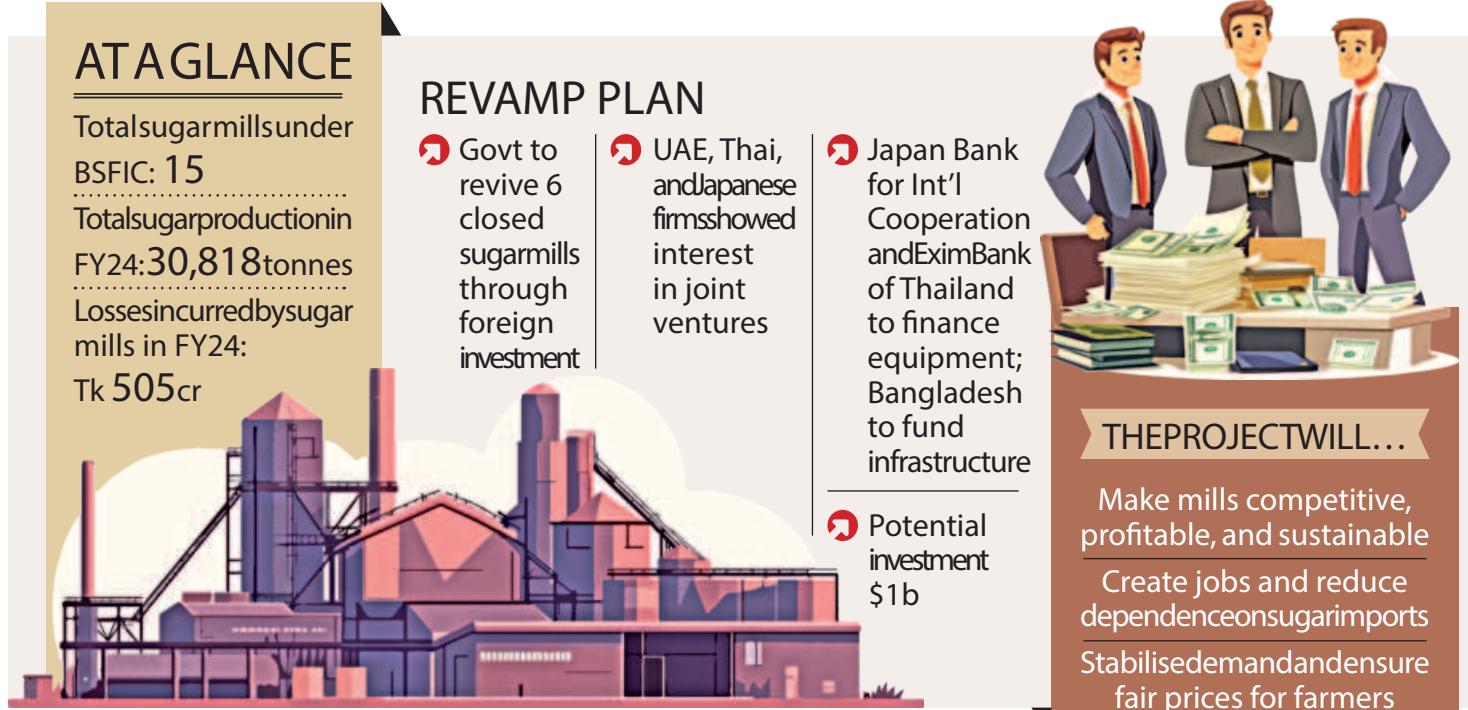
"That level of theft is no longer happening. However, corruption has not been eradicated -- it is quite difficult to eliminate," he said.

Among the most counterfeited items in the world, the US dollar ranks at the top, the adviser noted.

READ MORE ON B3

## Japanese funds to revive closed sugar mills

Plans afoot to transform them into modern and profitable ventures



JAGARAN CHAKMA

The government has launched an initiative to modernise and revive six shuttered sugar mills, aiming to transform them into profitable enterprises through public-private partnerships and advanced technology.

Citing operational inefficiencies, the mills were shut down by the previous Awami League government in December 2020.

According to the Ministry of Industries, the Bangladesh Sugar and Food Industries Corporation (BSFIC) is holding discussions with international firms to develop a modernisation and rationalisation plan for these units.

This brings forward a proposal on forming a joint venture and a potential finance by Japan Bank for International Cooperation (JBIC) and the Export-Import Bank of Thailand (EXIM). The majority of the fund may come from JBIC.

On March 16, the ministry sought the opinion of the Bangladesh Investment Development Authority (BIDA) on the initiative as private and foreign direct investment would be involved.

In July last year, it was announced that a memorandum of understanding (MoU) had been signed between the BSFIC and the controversial S Alam Group, aimed at modernising the state-run sugar mills.

However, following the ouster of the Awami League government in August last year and the S Alam Group landing into hot water subsequently, the interim government walked away from that deal.

Last month, United Arab Emirates-based Sharaka International (FZC), Thailand's Sutech Engineering Company Ltd, and Japan's Marubeni Protechs Corporation presented a proposal to the industries ministry, expressing interest in forming a joint venture to overhaul the factories.

In October 2019, the BSFIC signed a memorandum of understanding with the three to establish energy-efficient, technology-based and environmentally friendly sugarcane and export-oriented alcohol industries in Bangladesh.

But the proposal remained stuck at the Prime Minister's Office since.

An industries ministry official said the latest proposal appears suitable for modernising shuttered sugar mills and making them profitable.

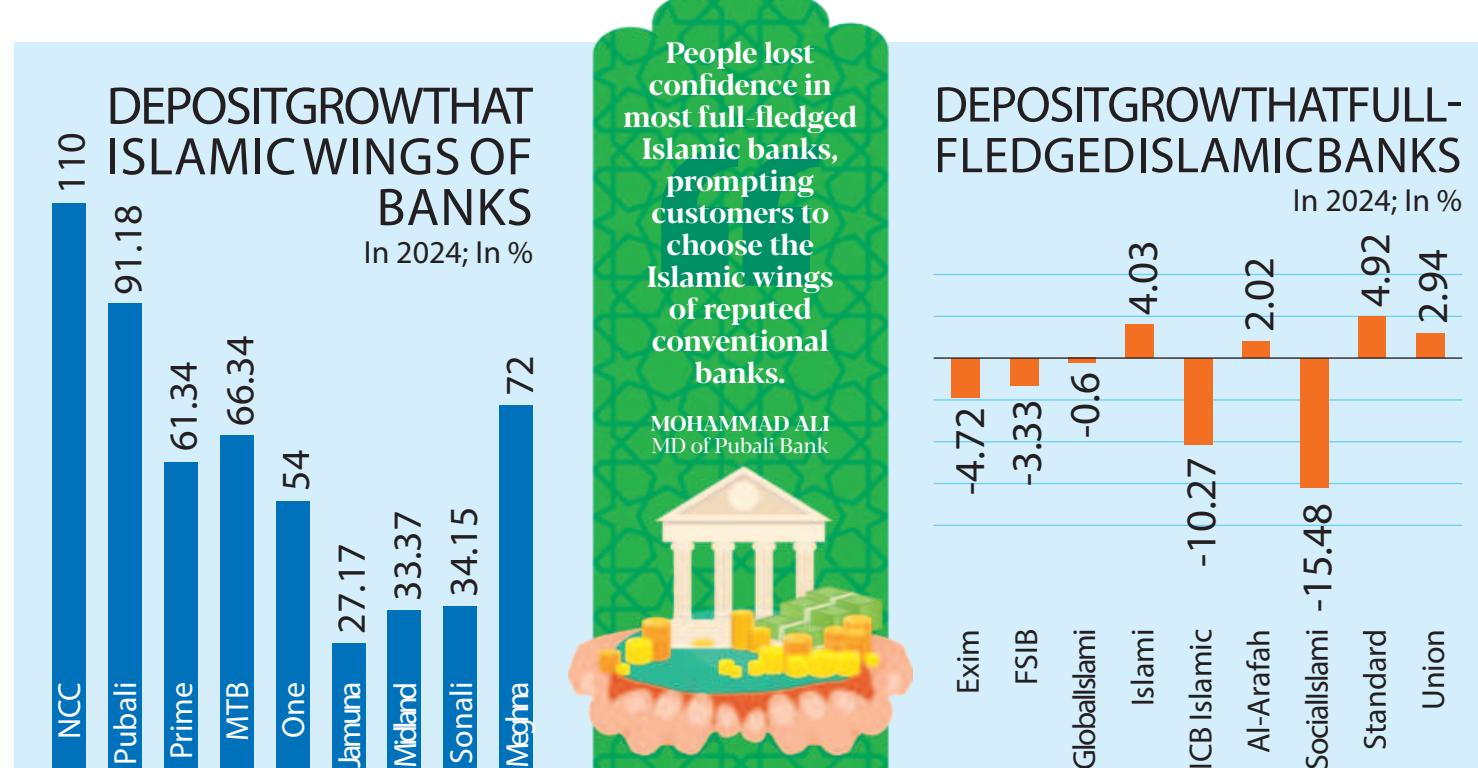
"We have already shared a letter with BIDA as their opinion is mandatory for such investments," the official added. "The sector has the potential to be profitable again, but it requires urgent technological and management improvements."

Ashif Chowdhury, executive chairman of the BIDA, told The Daily Star that it was not the government's role to engage in business,

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## Islamic banks witness deposit shift

Shariah wings of strong banks gain, while full-fledged lenders stumble



MD MEHEDI HASAN

Islamic wings of conventional banks have become the preferred choice for religiously inclined depositors as many full-fledged Shariah-based banks struggle with a crisis of trust.

This shift has emerged after controversies and financial scandals involving Shariah-based banks, many of which were controlled by the controversial conglomerate S Alam Group during the previous regime.

Although the boards of these banks were reshuffled after the political changeover in August last year, industry insiders say rebuilding public trust will take time.

At the end of 2024, deposit growth in the banking sector slowed to 7.47 percent. However, 18 banks experienced deposit surges exceeding 26 percent, with some Islamic wings of conventional banks registering increases of more than 100 percent.

A senior central bank official told The Daily Star that certain conventional banks and their Islamic wings successfully drew in large deposits that had been withdrawn from about

half a dozen struggling lenders.

As financial irregularities at commercial banks linked to S Alam Group came under scrutiny, savers moved their funds to banks with stronger financial standing and reputations, he added.

In 2024, deposits at National Credit and Commerce (NCC) Bank rose by only 13.04 percent to Tk 25,410 crore. However, deposits in its Islamic wing soared by a record 110 percent, the highest in the banking sector.

"Public confidence in some banks was severely shaken last year, which contributed to our strong deposit growth," said M Shamsul Arefin, managing director of NCC Bank.

He told The Daily Star that as customers of certain Shariah-based banks struggled to withdraw their savings, many sought alternative Shariah-compliant options. This trend significantly benefited the Islamic banking units of conventional banks.

"NCC Bank is financially sound and is expanding its Islamic banking operations to cater to the rising demand for Shariah-based financial services," Arefin added.

Similarly, at the end of last year, Pubali

Bank's total deposits stood at Tk 70,637 crore. While the bank recorded a 21 percent deposit growth overall, its Islamic wing saw a 91.18 percent rise.

"Many depositors lost trust in full-fledged Islamic banks, prompting them to turn to the Islamic wings of established conventional banks," said Mohammad Ali, managing director of Pubali Bank.

"Our Shariah compliance is very high, which has helped strengthen confidence in our Islamic banking operations," he added.

Another example is Prime Bank, which saw total deposits grow by 12.74 percent last year while deposits with its Islamic wing ballooned by 61.34 percent.

Along that same vein, the Islamic wing of Mutual Trust Bank saw deposit growth of 66.34 percent and One Bank's Islamic wing recorded a 54 percent increase, according to central bank data.

Hassan O Rashid, managing director of Prime Bank, said that the expansion of Islamic banking deposits in Bangladesh is driven by high demand, supportive policies

READ MORE ON B3

**Customs open except for Eid day**

STAR BUSINESS REPORT

All customs houses and stations will remain open every day, except on the day of Eid-ul-Fitr, to facilitate import and export activities, said the National Board of Revenue (NBR) yesterday.

The NBR decided to keep operations running on a limited scale during public and weekly holidays from March 28 to April 5, according to an order issued yesterday.

The decision follows a request made by garment exporters on March 13 to keep customs operations open for smooth shipment.

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# Mobile operators call for removal of VAT on SIMs

## STAR BUSINESS REPORT

The Association of Mobile Telecom Operators of Bangladesh (AMTOB) yesterday urged the government to remove VAT on SIM and e-SIM to foster growth in the telecom sector.

In its budget proposals to the National Board of Revenue (NBR), AMTOB said eliminating VAT on SIM access packages, particularly in rural areas, would make them more affordable and financially viable for mobile users. This, in turn, would support Bangladesh's digital transformation and boost the industry's development.

The proposal comes at a time when mobile internet subscriptions declined by 1.31 crore in the seven months to January, dropping to 11.60 crore.

Industry insiders attribute the decline to a 50 percent hike in SIM tax, reduced subsidised SIM sales by operators, and economic challenges faced by consumers.

Following the tax increase, smaller operators such as Banglalink and Robi significantly cut subsidies, making it harder to attract new users.

At the start of the fiscal year, the government raised the SIM tax by 50 percent to Tk 300. AMTOB also called for

supplementary duty (SD) and surcharge (SC) removal on telecom services.

The association argued that SD and SC are typically levied on luxury and non-essential goods such as alcohol and tobacco, whereas telecom services are essential.

It also noted that internet services provided by non-telecom internet service providers (ISPs) are exempt from SD and SC, creating a pricing disparity that disproportionately affects low-income users and hinders progress towards a "Digital Bangladesh."

During a meeting with NBR, AMTOB submitted 23 proposals covering income tax, VAT,

import duty, and supplementary duty for the telecom sector.

"Despite being an essential service, the telecom industry in Bangladesh faces sector-specific taxation, making it one of the most heavily taxed globally. The government has increased taxes almost every year, negatively impacting consumers," said AMTOB Secretary General Lt Col Mohammad Zulfikar (Retd).

AMTOB also called for a revision of corporate tax rates for mobile operators, arguing that they should not be taxed separately but aligned with general corporate tax rates.

## Bengal Commercial Bank opens branch in Mirpur



Md Jashim Uddin, chairman of Bengal Commercial Bank PLC, inaugurates the new branch of the bank in the capital's Mirpur recently.

PHOTO: BENGAL COMMERCIAL BANK

## STAR BUSINESS DESK

Bengal Commercial Bank PLC (BCCB) recently launched a new branch in the capital's Mirpur.

Md Jashim Uddin, chairman of the bank and president of the SAARC Chamber of Commerce and Industry, inaugurated the branch, according to a press release.

Md Iqbal Hossain Chowdhury, director of the bank, and Hosne-Ara Begum, founder executive director of Thengamara Mohila Sabuj Sangha, attended the programme. Tarik Morshed, managing director and CEO of the bank, presided over the inaugural ceremony.

It is worth mentioning that the expansion programme of new branches and sub-branches of the bank is ongoing across the country for the development of the business and economy.

## NCC Bank gets new AMD

### STAR BUSINESS DESK

M Khurshed Alam was appointed as the new additional managing director (AMD) of the National Credit and Commerce Bank (NCC Bank) PLC yesterday.

Prior to assuming his new role at NCC Bank, Alam was serving at Eastern Bank PLC (EBL) as the deputy managing director, said a press release.

He had worked in various capacities, including planning, strategy and governance division, and chief risk officer at EBL since 2023.

With 30 years of experience in banking, Alam has held various senior roles across diverse areas, including retail banking, SME banking, agent banking, credit card division, SME risk, and special asset management division.

Khurshed began his banking career as a management trainee officer at Eastern Bank in 1996.

He previously worked at NRB Bank as a deputy managing director, overseeing retail, SME, agent banking, credit card division and training institute.

He rejoined EBL in 2021 in a similar senior leadership position.

He is a certified credit specialist (CSA) from Omega UK and a senior faculty member at the Workplace Skill Development Academy, New Zealand.

Alam obtained his bachelor's and master's degrees in public administration from the University of Dhaka.

## Slowdown in private credit growth raises alarms

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He said investors remain hesitant to expand their businesses or seek bank loans due to ongoing political uncertainty.

"The regime change has not yet brought stability, discouraging long-term investment," Raihan added, citing that private companies have adopted a cautious approach in spending.

"Even the law-and-order situation remains fragile and chaotic."

Foreign direct investment has also plummeted, registering a decline of 71 percent year-on-year to hit \$104.33 million in the July-September period of FY25 due to political unrest, labour agitation and economic challenges.

Raihan said the country's economic growth may slow if such uncertainties persist, causing job losses and stagnation in key industries.

He also said that if the existing concerns do not worsen, then private investment in the country will likely recover within 30 to 36 months.

Bangladesh faced three major economic shocks over the past four

years, namely the Covid-19 pandemic, a foreign currency crunch resulting from geopolitical conflicts, and the domestic political transition.

Against this backdrop, Raihan assumes that if policy clarity is not swiftly ensured, investor confidence could remain low, potentially delaying the recovery until June 2027.

Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, expressed deep concerns over private credit growth plummeting to its lowest level in about a decade.

He emphasised that the decline is directly tied to rising capital costs and soaring interest rates.

With the borrowing rate currently at around 14 percent for industrial loans – practically reaching up to 17 percent in some cases – investors are finding it increasingly costly and risky to take on new debt.

"The business environment is in a stagnant state," he said.

Investors have become cautious considering high inflationary pressures and uncertainty surrounding potential political shifts.

Also, the cost of doing business has risen sharply due to high interest rates, further discouraging new investments, Rahman added.

Moreover, the slowdown in private credit growth is affecting jobs as well as the country's gross domestic product while the rise in public sector credit growth is increasing the country's debt pressure.

Citing that restoring investor confidence is crucial for economic stability and growth, Rahman said he believes reducing policy uncertainties could help in this regard.

Banks in the country may lower their interest rates if inflation is brought under control, thereby positively impacting investor sentiment.

"However, the recovery [of private investment] will depend on how well these challenges are managed in the coming months," he added.

Zaiid Sattar, chairman of the Policy Research Institute of Bangladesh, was optimistic about a recovery as the interim government is trying to address hurdles in various sectors. He linked the downturn in private credit growth to policy uncertainty and

declining business confidence. Sattar said political uncertainty has made investors hesitant and limited private sector lending.

Besides, banks are facing capital constraints and major business groups are scaling down their investments, with entrepreneurs reluctant to seek new loans until a more stable economic climate is reached.

But despite the slowdown in private credit, the garments industry has grown by 10 percent.

Bangladesh's annual export revenue of about \$42.45 billion offers some stability for its economy, but inflation remains a concern even as consumer prices are expected to stabilise within six months.

However, Sattar predicted that the country's economic condition would improve within three to four months.

Asif Ibrahim, a former chairman of Business Initiative Leading Development, said state-owned and private commercial banks are primary sources of long-term financing for the private sector.

As such, the ongoing crisis in the banking sector is a key factor

behind the slowdown in private credit growth.

Ibrahim also said a lack of access to affordable credit is further eroding investor confidence.

So, measures aimed at reforming the National Board of Revenue and improving the ease of doing business, among other initiatives, are crucial for restoring the confidence of both local and global investors.

The interim government has

identified these issues as significant challenges, and it is hoped that swift actions will be taken to reverse the decline in private credit growth, he added.

Taskeen Ahmed, president of the Dhaka Chamber of Commerce and Industry, warned that declining private credit growth is a reflection of economic distress driven by low business confidence, high borrowing costs and political uncertainty.

Structural issues in the banking sector, including high lending rates and complex loan processes, are also hindering private credit growth.

To revive investment, he urged lowering lending rates, expanding

credit guarantees and simplifying loan documentation.

However, he placed the most emphasis on ensuring good governance, opining that it is key to restoring financial stability and investor confidence.

"Bangladesh's declining private credit growth is a threat to the country's economic expansion as people and businesses are being cautious about investing amid the high borrowing costs and political uncertainty. Therefore, restoring stability, rebuilding investor confidence and ensuring policy clarity will be crucial for attracting more foreign investment," Ahmed said.

Stressing that the banking sector needs urgent reforms to boost credit growth, he said the coming months would be decisive as the absence of swift and appropriate measures may prolong the stagnation of local investment.

However, with strong governance leading certain strategic moves, Bangladesh could overcome these challenges and regain its economic momentum, he added.

## Farmers giving up black tiger shrimp

### FROM PAGE B4

"Otherwise, shrimp farming in Bangladesh will keep shrinking."

Masum Ali Fakir, chairman of Sutarkhali union, said many farms remained underwater for nearly three years after Cyclone Aila in 2009.

"Since then, shrimp farming has never recovered in our area," he added.

Bagerhat Shrimp Farm Owners' Association President Sakir Mohitul Islam said that the district still has 35,000-40,000 shrimp farms, involving over 1 lakh farmers. However, many are losing interest due to multiple challenges.

"There is a shortage of quality shrimp larvae. There is also opposition from local environmental

activists. As a result, farmers are gradually stepping away," he said.

"The fisheries department is mainly focusing on semi-intensive farms and providing various incentives for them. But traditional shrimp farmers receive almost no support."

Islam said shrimp farmers suffered three major losses last year.

First, in February, there was high mortality in the farms due to a disease outbreak in the larvae. Then, Cyclone Remal caused further destruction.

"Yet, farmers received no assistance from the government."

Shyamal Das, director of the BFEEA and managing director of MUC Foods Ltd, said rising temperatures, fluctuating salinity levels, shallower

shrimp ponds, and a lack of high-quality larvae are discouraging farmers from continuing shrimp cultivation.

Md Jahangir Alam, deputy director of the Department of Fisheries in Khulna, said farmers in many areas are growing rice on land where shrimp was previously farmed.

"Besides, in many areas, farmers are no longer allowed to pump saline water into their enclosures. In some places, they are actively prevented from doing so. Moreover, climate change is also negatively affecting shrimp production. Rising temperatures cause enclosure water to dry up, and shallow water levels make shrimp farming increasingly difficult."

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### চাঁদপুর বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয়

চাঁদপুর প্রকাশন অফিস: চাঁদপুর-২০, রোড: নং-১৭, সেক্টর: ৪, উত্তরা, ঢাকা-১২৩০  
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কারিগরি: ০৪ মেইল: ১৪০১  
১৪ মার্চ ২০২৫



### সংশোধিত নিয়োগ বিজ্ঞপ্তি

চাঁদপুর বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয়ে নিয়োগ প্রস্তুত করে সরকার কর্তৃপক্ষে

প্রকাশন কর্তৃপক্ষে নিয়োগ প্রস্তুত করে সরকার

# Credit card's domestic transactions fell in January

Department stores accounted for nearly half of the transactions

## STAR BUSINESS REPORT

Credit card transactions in Bangladesh showed a downward trend in domestic spending in January.

A recent Bangladesh Bank report highlights shifts in consumer behaviour, sectoral spending patterns, and transaction growth over the past year.

In January 2025, domestic credit card transactions hit Tk 3,125 crore, reflecting a 2.80 percent decline from December 2024.

Department stores accounted for nearly half (48.64 percent) of these transactions, followed by retail outlet services (13.08 percent) and utility bill payments (8.54 percent).

Spending for government services and professional service providers increased slightly while the retail purchases, transportation and cash withdrawals declined. Visa remained the most used card domestically, covering 72.11 percent of all transactions.

Mastercard accounted for 18.08

percent while AMEX and other cards made up the rest.

The usage pattern suggests a stable reliance on credit cards for essential spending despite minor monthly fluctuations. Bangladeshi credit cardholders spent Tk 445 crore abroad in January 2025, a 9.34 percent decrease from December 2024.

Department stores remained the top spending category (29.72 percent), followed by retail outlets (16.82 percent) and pharmacies (11.50 percent).

Business services and transportation also saw notable usage. Visa cards dominated international transactions, holding a 75.36 percent share, followed by Mastercard at 14.60 percent.

The United States was the most popular destination for Bangladeshi credit card spending (15.44 percent), with significant transactions also occurring in Thailand (14.38 percent) and Singapore (8.58 percent).

Spending by foreign nationals within Bangladesh rose 4.86 percent in January

2025, reaching Tk 252.6 crore.

Department stores accounted for 34.26 percent of these transactions while cash withdrawals made up 27.42 percent.

Transportation and clothing expenses contributed 15.35 percent and 10.98 percent, respectively.

Visa remained the preferred card for foreign transactions within Bangladesh, covering 64.10 percent of transactions.

US-issued cards accounted for the highest spending (26.49 percent), followed by UK (10.94 percent) and Mozambique (9.71 percent).

Credit card transactions peaked in March 2024 before declining until August 2024, after which they rebounded.

While domestic and cross-border transactions saw minor declines in January 2025, spending by foreign nationals within Bangladesh increased.

The data reflects evolving consumer behaviour and highlights the growing role of credit cards in digital financial transactions.

# National Tea extends subscription period for raising Tk 280cr

## STAR BUSINESS REPORT

National Tea Company yesterday said it had extended the subscription period to raise Tk 280 crore in capital, as it did not receive the expected response from investors and its shareholders during the initial period.

Stock investors attributed the lack of interest among general shareholders to significant losses incurred by the company.

The new subscription period will begin today and continue until March 27, according to a disclosure on Dhaka Stock Exchange (DSE).

The state-run, publicly listed tea company received approval in 2023 from the Bangladesh Securities and Exchange Commission (BSEC) to raise Tk 280 crore through the issuance of placement shares to support business growth, strengthen working capital, and repay bank loans.

Placement refers to the sale of securities to a select group of investors, either publicly or privately. The company was permitted to issue 2.34 crore shares at an issue price of Tk 119.53 each, while the face value remains Tk 10.

Of these, approximately 1.24 crore shares will be issued to the government to retain its controlling stake, as it currently holds 51 percent of the company.

Around 13.80 lakh shares will be allocated to other directors, while 95.39 lakh shares will go to shareholders other than directors and sponsors. Shares of National Tea Company fell 0.40 percent to Tk 176.50 at Dhaka Stock Exchange yesterday.

The company initially announced the subscription for placement shares in July 2023, but it was postponed following a BSEC directive in response to a court order.

The company later received clearance after another court ruling and invited investors to subscribe in mid-June of 2024 for two months.

However, only 19.38 percent of the targeted capital was raised during that time, said Company Secretary AK Azad Chowdhury.

"Due to political instability, we were unable to attract sufficient investors. The government shareholders have yet to subscribe," he said.

Brokers, however, cited the company's poor financial performance as the primary reason for the lack of investor interest.

The company did not declare any dividends for the financial year 2024, prompting the DSE to downgrade it to the Z category—the lowest classification for poorly performing listed companies. Its losses also widened.

The company reported a loss of Tk 107 per share in FY24, up from Tk 96 per share the previous year. Chowdhury expressed hope that securing the required capital would help the company recover and return to profitability.

Amid financial struggles, National Tea Company also faced difficulties in paying wages to tea workers, leading to repeated strikes last year.

The company operates 16 tea gardens across the country, employing around 17,000 workers, with an additional 30,000 individuals dependent on their earnings.

## Japanese funds to revive

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stressing that loss-making entities should be managed by the private sector to enhance competitiveness and efficiency.

He highlighted that privatising the sugar industry would save the government significant funds lost due to inefficiencies. "The private sector is better equipped to run such industries efficiently," he said.

As such, Chowdhury welcomed the Ministry of Industries' efforts and confirmed that the Bida was actively collaborating with the ministry to attract foreign investors to take over and manage these businesses. According to a letter sent from the Ministry of Industries to Bida, the proposed project would see the revival of the six closed sugar mills either through full government ownership or a joint venture between the BSFIC and private investors.

The Japan Bank for International Cooperation (JBIC) and the Export-Import Bank of Thailand (EXIM) will provide loans for the purchase of equipment and designs from abroad while the Bangladesh government will fund local construction

and infrastructure.

Under the proposal, Sharker, Sutech, and Marubeni will contribute technological expertise, modern equipment, and management services for the mills.

A local representative of the investors, speaking on condition of anonymity, told The Daily Star that reviving the sugar mills would support local sugarcane farmers by ensuring stable demand for their crops.

"A well-functioning local industry can provide farmers with fair prices and a consistent market, boosting the agricultural sector," the representative said, adding that investors might inject around \$1 billion and focus on creating a separate world-class food packaging industry if the government acts swiftly.

"The revival of sugar mills will not only generate employment but also benefit thousands of farmers who depend on sugarcane cultivation for their livelihoods."

Sources at the Ministry of Industries said that the government is currently reviewing proposals from the international consortium to finalise the structure of the partnership

and financing agreements.

The Bida is also assessing the investment potential and regulatory aspects of the project.

Mohammad Mujibur Rahman, secretary to the BSFIC, said he was not fully aware of the latest updates on the initiative but reaffirmed that their goal is to create a sustainable and competitive sugar industry that benefits all stakeholders. If successfully implemented, this project could mark the beginning of a new era for the country's sugar mills.

Bangladesh's sugar industry has long faced challenges such as outdated machinery, declining demand for locally produced sugar, and financial losses. As a result, the BSFIC, which oversees 15 sugar mills in the country, has been burdened with heavy debt.

The modernisation project is expected to bring several economic benefits, including creating jobs and reducing dependence on imported sugar. However, experts argue that the remaining nine mills will continue to suffer losses unless modernisation efforts are undertaken.

## Corruption waning

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"This cannot be stopped overnight -- it is a very challenging task. However, we have taken various initiatives to address these issues. Due to these measures, corruption has decreased, and it will continue to decline further in the future," he said.

To tackle the challenges of post-LDC graduation, sector-based associations and the business community must work together, the adviser said.

He said that in trade, no country is a friend -- everyone is a competitor. Accepting this reality, businesses must build consensus among themselves.

The opportunities ahead are far greater than the challenges, and by working together, these opportunities can be seized, he added.

Bangladesh is scheduled to graduate from the Least Developed Country (LDC) category to a developing nation on November 24, 2026, after meeting all three graduation criteria: gross national income per capita, human assets index, and economic and environmental

vulnerability index.

FBCCI Administrator Md Hafizur Rahman, said that one of the key challenges Bangladesh will face after LDC graduation is product diversification.

He stressed the need to identify priority sectors and products and develop targeted strategies accordingly.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, advised

businesses to prepare for operating under the new policy framework in the post-LDC era.

"We need to step out of our comfort zone, and we must innovate new products and explore new markets," he said.

"We cannot survive in competition by focusing on how much tax relief we received from any country or what support the government provided," he said.

Moinul Khan, chairman of the Bangladesh Trade and Tariff Commission, said the interim government is committed to addressing the challenges of post-LDC graduation and resolving issues in the private sector.

## Islamic banks

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and unique sectoral features such as risk-sharing, financial inclusivity and asset-backed transactions.

"These attributes align with religious principles and provide financial security," said Rashid.

Prime Bank was the first conventional bank in Bangladesh to introduce Islamic banking, launching such services through five dedicated branches in 1995.

"Our 30 years of expertise in Islamic banking, coupled with Prime Bank's financial strength, digital banking approach, timely deposit offerings and well-trained branch officials, have contributed to this growth," Rashid added.

Jamuna Bank recorded a 26.31 percent overall deposit growth last year, with deposits with its Islamic wing growing by 27.17 percent.

"Full-fledged Shariah-based banks are experiencing a temporary crisis of confidence, leading to the strong deposit growth in Islamic wings within conventional banks," said Mirza Elias Uddin Ahmed, managing director of Jamuna Bank.

He added that profit rates in the Islamic wings of conventional banks tend to be higher than those of Shariah-based banks, which has also contributed to the influx of depositors.

"This strong deposit growth has significantly improved our liquidity position," Ahmed said.

Midland Bank recorded an overall deposit increase of 29.77 percent last year, while its Islamic wing recorded a 33.37 percent deposit growth.

Ahsan-Uz Zaman, managing director and CEO of Midland Bank, told The Daily Star that public trust in the bank is growing because it tailors financial products to client needs.

"People now feel more secure entrusting their savings to Midland Bank, which has contributed to our deposit growth," he said.

Last year, deposit growth in the Islamic banking wings of other banks included Sonali Bank at 34.15 percent, Mercantile Bank at 29.15 percent, SBAC Bank at 28.69 percent, Trust Bank at 35 percent, City Bank at 20.40 percent, Meghna Bank at 72 percent, and UCB at 27 percent, according to central bank data.

In contrast, weak and troubled banks, including several Shariah-based ones, saw deposit declines last year. BASIC Bank, Janata Bank, AB Bank, Bangladesh Commerce Bank, EXIM Bank, First Security Islami Bank, ICB Islamic Bank, National Bank, Padma Bank, and Social Islami Bank all reported negative deposit growth.

## Sri Lanka records first annual growth since crisis

### AFP, Colombo

Cash strapped Sri Lanka's economy grew by five percent in 2024, marking the first full year of expansion since its unprecedented meltdown in 2022, official data showed on Tuesday.

The last quarter of 2024 saw the economy expand by 5.4 percent, bringing the full calendar year's GDP growth to 5.0 percent, compared to a contraction of 2.3 percent in 2023.

The island's worst economic performance was in 2022, when GDP shrank by 7.3 percent after the country ran out of foreign exchange to finance even the most essential imports such as

food and fuel.

"After the two consecutive declines in GDP in 2022 and 2023, Sri Lanka's economy recorded positive growth in 2024, paving the way for further optimism," the Department of Census and Statistics said.

It said agriculture, industry, and services contributed to the growth.

Months of shortages in early 2022 led to street protests, which eventually toppled then-president Gotabaya Rajapaksa.

His successor, Ranil Wickremesinghe, secured a \$2.9 billion four-year bailout from the IMF in 2023 after doubling taxes, cutting subsidies, and raising prices.

Mohammad Rafiqul Islam, managing director of United Finance PLC, said a crisis of confidence among depositors has emerged following irregularities in some financial institutions in the past.

"But it is good that everything is recovering. Now, what is needed is to restore confidence in people. We should not do anything that hurts confidence."

## NBFIs see drop in loan recovery

### FROM PAGE B1

Saha added that non-performing loans had been increasing in recent quarters, attributing it mostly to legacy problems due to governance issues in the past, and said it was impacting the profitability of NBFIs significantly.

"This is the time for budget planning for next fiscal year and a temporary tax cut can boost the confidence as well as the image of the sector as a whole."

Mohammad Rafiqul Islam, managing director of United Finance PLC, said a crisis of confidence among depositors has emerged following irregularities in some financial institutions in the past.

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Dhaka Cantonment

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তারিখ : ১৯ মার্চ ২০২৫

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**শিক্ষক পদ**

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An aerial view of a vast expanse of land used for shrimp enclosures in the south-western district of Khulna. Increasingly, farmers are abandoning shrimp farming and returning to crop cultivation due to abrupt losses caused by prawn disease outbreaks, saline water damaging soil fertility and changing climatic conditions.

PHOTO: HABIBUR RAHMAN

## Farmers giving up black tiger shrimp cultivation amid losses

DIPANKAR ROY, Khulna

Noni Gopal Baidya, a resident of Sutarkhali union in Dacope, a southwestern coastal upazila under Khulna division, began farming exportable black tiger shrimp on his 6.7 bighas of land in 1991.

Encouraged by the high profits in a short time, he later leased an additional 15 bighas from neighbouring farmers to expand black tiger shrimp farming, locally known as Bagda, once dubbed as "white gold".

At that time, he and others in his locality farmed black tiger shrimp under shared arrangements. People became shareholders in shrimp farms based on their investment capacity.

Baidya, too, was part of such a collective farming venture.

A few years later, he partnered with seven or eight local farmers and leased 200 bighas of land in a neighbouring union, Banisanta, for shrimp farming. However, due to continuous financial losses and growing campaigns against shrimp farming by locals and NGOs for holding saline water on farmlands, they abandoned the farm within six years and returned to their native areas.

By 2008, Baidya had completely stopped black tiger shrimp farming and never resumed it.

In Baidya's locality, nearly 800 families were once involved in shrimp farming. Today, almost no one in his area, which once had 20,000 acres of land under shrimp cultivation, is in the trade. The people of the union have completely abandoned brackish water shrimp farming.

"Due to continuous losses from high mortality and low prices compared to costs, we had to give up the farm," said Baidya.

"Shrimp farming is such a business that even if you suffer losses for two years,

you might break even in the third year. If you're lucky, you might make a profit in the fourth year. But suddenly, without warning, you might lose everything. That uncertainty made me leave shrimp farming and return to traditional agriculture," he said.

This is not an isolated case. Overall, black tiger shrimp farming, once the key item in a \$550 million export industry, has been steadily declining.

This decline has affected shrimp processing plants that mushroomed on the banks of Rupsha river in Khulna to capitalise on shrimp exports to the West in the 1980s and 1990s.

More than half of the 109 registered plants have shut down for numerous reasons, including less than required shrimp supply and falling demand for black tiger shrimp in the international market.

Buyers in the West have found cheaper alternatives to black tiger

He said that because of the indiscriminate use and holding of saline water on land for black tiger shrimp farming, paddy production had fallen as low as 6.7 maunds per acre. Vegetation was lost. Now, they produce 20-25 maunds per acre. Trees have returned, and they are growing watermelons.

"Now, some in my locality are cultivating freshwater shrimp," he said.

Like Baidya, around 30,000 farmers have gradually quit brackish water shrimp farming in Dacope upazila under Khulna district alone. The situation is similar in other places such as Satkhira and Bagerhat in the southwestern region, where shrimp farming was once the main source of income, thanks to exports.

"The biggest problem was disease outbreaks," said Abdul Malek, a 55-year-old farmer from Kharnia in Dumuria, Khulna.

He started black tiger shrimp farming in 1998 on 50 acres of leased land. At that time, shrimp farming was highly profitable. Malek is now struggling with losses and trying to quit.

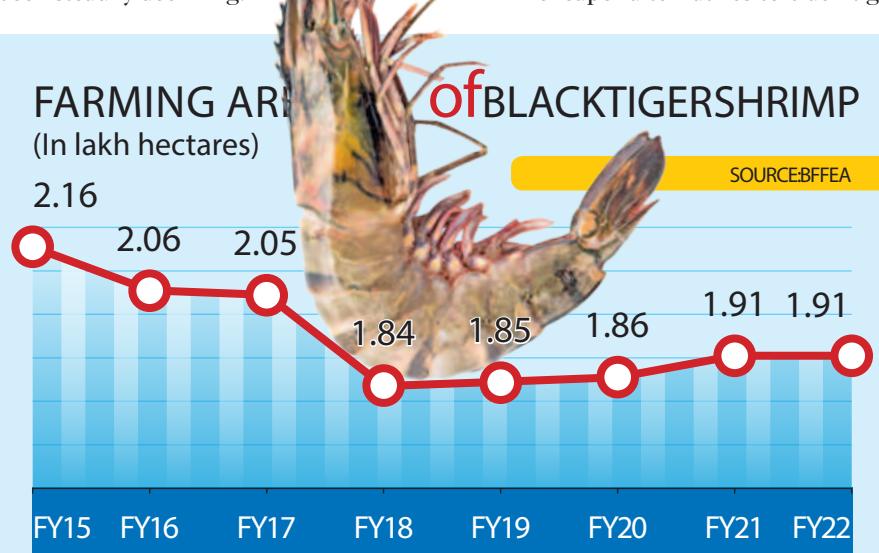
He incurred a loss of Tk 7 lakh five years ago due to disease outbreaks in his enclosures and cyclones.

Farmers said recurrent cyclones such as Aila, Amphan, and Yaas over the past one and a half decades washed away their investments. The natural disasters also resulted in waterlogging, preventing farmers from practising agriculture.

Malek also blamed the government's restrictions on the intrusion of saline water into the polder area for his losses.

"Last year, I barely cultivated six bighas of land. I switched to paddy and watermelon farming," he said, urging the government to provide insurance schemes and ensure the supply of pathogen-free shrimp larvae to revive the export-oriented industry.

READ MORE ON B2



For example, black tiger shrimp was cultivated on over 216,470 hectares in the fiscal year (FY) 2014-15. However, the farming area of brackish water shrimp fell to 191,000 hectares, marking a 12 percent decline in eight years.

Production also dropped -- from 75,270 tonnes in FY15 to 70,220 tonnes in FY22, according to the Bangladesh Frozen Foods Exporters Association (BFEEA).

shrimp -- whiteleg shrimp or vannamei.

In Khulna, only 30 processing plants are now operational. In Chattogram, the number of functioning factories is 18.

The BFEEA said the combined capacity of the factories is around 4 lakh tonnes per year, but they receive only 7 percent of their required shrimp input.

Baidya once thought he had made a mistake quitting shrimp farming.

"But now, I feel I made the right decision."

## China has spicy menu of US trade war reprisals

REUTERS, Hong Kong

The second trade war between the United States and China has so far been more of a snack than a slap-up meal. President Donald Trump campaigned on a repeated promise to impose tariffs of 60 percent or more on imports from the People's Republic. In office, however, he has so far raised levies by just 20 percentage points. Beijing has responded with targeted and asymmetric measures. If Trump escalates, China has a banquet of spicy options to choose from.

When it comes to a straight tariff fight, China's capacity to retaliate is limited. The world's second-largest economy exported goods worth almost \$440 billion to the United States last year, vastly more than the \$144 billion it imported, making Washington's levies more painful. Authorities in Beijing have instead responded by imposing tariffs of 10 percent to 15 percent on \$21 billion of largely agricultural goods from the US. That's not enough to stop trade, but sufficient to squeeze American soybean farmers, who sold more than half their total exports to Chinese buyers in 2024.

China also has a menu of non-tariff options for dealing damage to the American heartland. After the latest US tariffs took effect on March 4, Chinese bureaucrats suspended import licences for three US soybean companies, including farmer-owned cooperative CHS, on the grounds that they had detected harmful fungus on shipments.

Regulators can also impose wider bans like the one they recently slapped on US lumber,

ostensibly due to detection of pests. China allowed customs registration to briefly lapse for American pork and poultry exporters, while those for hundreds of beef suppliers remain listed as "expired", Reuters reported on Tuesday.

MAIN COURSES

A better option could be to sample from options that strike at companies reliant on the Chinese market and manufacturers. After the latest US levies took effect in February, Beijing announced antitrust probes into search giant Google and chip designer Nvidia. These had little obvious effect. But a ban on imports of gene sequencers from Illumina, which became official on March 4, hit harder. Shares in the San Diego-based company are down 35 percent this year even though China only accounts for 7 percent of revenue.

The measures could be read as a warning to US companies which are much more dependent on access to China, such as Tesla and Apple. Beijing could make life difficult for the \$800 billion automaker, which is the biggest foreign electric vehicle company in the country and a key source of wealth for Trump.

adviser Elon Musk. Last year, Tesla sales rose almost 9 percent in China despite falling elsewhere, while its Shanghai megafactory accounted for roughly half the company's global production capacity. Home-grown champions like BYD have overtaken Musk's firm, making it a more viable bargaining chip. Apple is also vulnerable. Despite a growing

presence in India, the company led by Tim Cook still depends on China for the vast majority of iPhone production. Like Tesla, the \$3.2 trillion firm also depends on Beijing's good graces to operate in the country, which accounted for \$27 billion of operating income in the 2024 financial year - more than a fifth of the global total.

Squeezing big US manufacturers would damage China's attempts to present itself as being open to foreign business. Given the recent damage Trump's policies have done to longtime American allies and trading partners, however, those countries may be less troubled by retaliation.

AND FOR DESSERT?

If Chinese policymakers really hunger for trade retribution, they can turn to the exchange rate. They have so far kept the yuan stable against the US dollar in the face of new levies, but would probably let it weaken if Trump follows through on his 60 percent tariff threat. Bank of Singapore Chief Economist Mansoor Mohiuddin estimates the People's Bank of China could permit a drop of as much as 10 percent in a worst-case scenario. But he adds any fall would be carefully managed to prevent runaway depreciation, and officials will likely draw the line at around 8.2 yuan per dollar - the level of the dollar peg that China ditched in 2005 in favour of a managed exchange rate.

The last and potentially most damaging option on the menu would be for China to throttle exports of the rare earth metals that are central to manufacturing everything from semiconductors to electric vehicles. China accounted for roughly 70 percent of production of the metallic elements in 2024, according to the US Geological Survey, and has in recent years been establishing a system to better monitor and control their exports, although actual restrictions have been rare.



Employees work on a circuit breaker production line at an electronics factory in Fuyang, China's eastern Anhui province. China exported goods worth almost \$440 billion to the United States last year, vastly more than the \$144 billion it imported.

## Caring and sharing for building a happier organisation

SAZZADUL HASSAN

In 2012, the UN General Assembly declared 20 March as the International Day of Happiness to recognise the relevance of happiness and well-being as universal goals and aspirations in human lives. "Caring and Sharing", the theme of this year's International Day of Happiness, highlights the fact that lasting happiness comes from caring for each other, feeling connected, and being part of something bigger. This theme holds significant relevance for business organisations amid a paradigm shift in consumer and regulatory mindsets, with both increasingly conscious of societal well-being.

In a business context, caring refers to adopting policies that support employee well-being, while sharing involves distributing resources, knowledge, opportunities, and recognition among team members. In summary, caring and sharing nurture a workplace culture that promotes collaboration, empathy, and mutual support among employees while extending this spirit to customers and the community. This theme is not merely a moral obligation but also a strategic approach that leads to greater employee satisfaction, higher productivity, and increased customer loyalty.

Studies show that when knowledge, resources, and responsibilities are shared among employees, it fosters innovation, collaboration, and efficiency. Caring, on the other hand, builds trust, loyalty, and a sense of belonging. Organisations need to make genuine efforts to bring this theme to life.



To foster a caring culture, companies should focus on a healthy workplace, physical and mental health support, work-life balance, and flexible work arrangements. A study conducted by QC Tanner found that 25 percent of companies with the largest health promotion budgets

saw an 8 percent year-on-year improvement in the proportion of employees in good or excellent health and a 16 percent year-on-year reduction in productivity loss.

Developing employees and providing opportunities for their professional growth demonstrate a strong sense of caring. Recognising employees' contributions and rewarding them helps build a motivated team that enhances productivity.

Engaging employees in volunteer activities promotes a sense of purpose and belonging. Organisations that support community service initiatives not only contribute positively to society but also foster teamwork and camaraderie among employees.

Several global organisations exemplify the "caring and sharing" theme. TOMS Shoes operates on a one-for-one model, donating a pair of shoes to a child in need for every pair sold. This philanthropic initiative is highly appreciated and has helped the company build a loyal customer base, significantly contributing to its growth.

Salesforce, through its 1-1-1 model, dedicates 1 percent of its product, 1 percent of its equity, and 1 percent of its employee time to charitable causes. This initiative not only fosters caring culture within the organisation but also motivates employees to engage in community service, leading to higher job satisfaction and retention rates.

Caring and sharing are not merely ethical values but pivotal elements in building a resilient, innovative, and happy organisation. By nurturing a culture of collaboration, empathy, and mutual support, businesses can unlock the full potential of their workforce and create a positive impact on society. As we celebrate World Happiness Day, let us remember that true success lies in sharing our resources and caring for one another, both within and beyond the workplace.

The author is the chairman and managing director of BASF Bangladesh Limited

# FESTIVE FINANCES

## Embracing cashless payments for Eid

PRIYAM PAUL

As the crescent moon marks the beginning of Ramadan, Bangladesh transforms into a bustling hub of spiritual devotion and celebratory preparations. The holy month is not just about fasting and prayer—it also brings a surge in shopping, as families eagerly prepare for Eid, the most anticipated festival of the year. From new clothing and festive gifts to lavish iftar feasts, the shopping frenzy reaches its peak, making Ramadan and Eid the biggest commercial seasons in the country.

SEE PAGE J2



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## FESTIVE FINANCES

FROM PAGE J1

In recent years, this surge in consumer activity has been accompanied by a significant shift toward digital payments. Gone are the days of carrying wads of cash in crowded marketplaces. Today, banks, mobile financial service (MFS) providers, and digital payment platforms work closely with lifestyle brands, supermarkets, restaurants, and hotels to offer lucrative cashback deals, discounts, and Buy One, Get One (BOGO) offers. These incentives not only enhance the shopping experience but also play a crucial role in encouraging the adoption of cashless transactions, further integrating digital financial services into everyday.

"During Eid, transactions typically increase by over 300% compared to non-festival months, with cashless payments playing a major role. Among all festivals, Eid during Ramadan sees the highest transaction volume," notes Mohammad Ali, Managing Director of Pubali Bank.

The shift to cashless transactions reflects the growing digital transformation in Bangladesh's financial sector. Carrying large sums of cash for high-value transactions is not only impractical but also poses security risks. The availability of digital payment solutions helps mitigate these concerns while enhancing convenience.

Shamsuddin Haider Dalim, Head of Corporate Communications and PR at bKash, explains, "To enhance people's shopping experience and make Ramadan and Eid purchases more affordable, bKash introduces various discount and cashback offers across different shopping segments. Such incentives encourage more digital transactions."

"Offering incentives for cashless transactions is an investment for the future. Just like 'buy one, get one free' promotions, these offers enhance customer satisfaction, fostering long-term engagement," says Muhammad Shakhawat Ullah, Head of Cards at Al Arafah Islami Bank.

### CURRENT STATE OF THE CASHLESS ECONOMY

To ensure efficient and secure digital transactions, Bangladesh Bank issues licenses to FinTech companies under two categories: Payment System Operators (PSOs) and Payment Service Providers (PSPs). PSPs deliver e-wallet services, while PSOs facilitate merchant aggregation, acquisition, payment gateways, and switching solutions. According to Bangladesh Bank's latest annual report, ten PSOs and eight PSPs are fully operational, with others in various licensing stages.

As of December 2024, Bangladesh Bank reported 39,574,049 issued debit cards,

compared to 34,569,683 in December 2023 and 29,849,136 in December 2022. This indicates an annual increase of approximately 5 million cards, reflecting the growing adoption of cashless transactions.

Additionally, in December 2024, total debit card transactions reached Tk 407,028.1 million across 44,842,543 transactions. In comparison, December 2023 recorded Tk 417,520.2 million from 42,390,261 transactions, while December 2022 saw Tk 367,106.5 million from 37,472,910 transactions. The steady increase highlights the expanding use of debit cards.

Credit card usage has also grown consistently. In December 2024, there were 2,674,512 issued credit cards, with a total transaction value of Tk 35,321.0 million from 5,638,006 transactions. The numbers indicate a positive trajectory in Bangladesh's cashless economy.

Despite these advancements, challenges remain. Bank insiders identify poor internet connectivity and inadequate digital infrastructure as major obstacles to seamless digital transactions.

"Internet connectivity needs to be high-speed to prevent delays in transactions. This will enhance customer experience and reduce concerns over transaction failures," states Selim R. F. Hussain, Managing Director and CEO of BRAC Bank.

While digital transactions are increasing, cash remains dominant in overall consumption.

Nationwide, cashless transactions constitute only 2.5% to 3% of total transactions.

"Currently, four crore debit cards support POS and e-commerce transactions worth Tk 21,000-22,000 crore annually. In contrast, 26 lakh credit cards generate Tk 32,000 crore. Debit cards are mainly used for ATM withdrawals, whereas POS and QR transactions remain limited," says Zobair Mahmood Fahim, Head of Cards and DFS at NCC Bank.

Tauhidul Alam, Head of Cards at City Bank, adds, "With a population of 17 crores and a labor force of 7.5 crores, the number of credit cards should be at least one crore. Addressing these critical issues can unlock Bangladesh's digital payment potential."

Moreover, stringent regulations hinder credit card adoption. Personal loans of up to Tk 5 lakh are available without a tax return, but credit cards with a Tk 50,000 limit require a tax return certificate. Relaxing these requirements could encourage more people to adopt credit cards.

While cashless transactions are gaining traction for lifestyle products, grocery shopping remains cash-heavy.

"Supermarkets and local grocery stores still prefer cash, forming a major part of daily transactions. Thanks to the NBR, VAT is now

exempt for purchases from super shops, which may encourage more cashless payments," says Muhammad Shakhawat Ullah.

### POLICY REFORMS AND FUTURE STRATEGIES

To accelerate the transition to a cashless economy, policy reforms and incentives are essential.

"Standardizing payment systems across banks, MFS platforms, and fintech providers is crucial. Expanding Bangla QR usage across financial institutions and providing tax incentives can drive mobile and agent banking services in rural areas," says Sheikh Mohammad Maroof, Managing Director and CEO of Dhaka Bank.

Unlike neighboring countries, where interoperability exists across banking apps, Bangladesh still lacks this feature. Extending interoperability among banks and MFS providers is critical for digital transaction growth.

Additionally, metro rail ticketing should transition to a fully cashless system, eliminating cash transactions at stations. Enhancing digital literacy and expanding government transactions to digital platforms will further drive the cashless movement.

"A dedicated white-label ATM and POS network, shared by all banks, can cut administrative costs and expand financial access into rural areas," suggests Mohammad Ali, Managing Director of Pubali Bank.

Strengthening cybersecurity is also vital to building trust in digital payments.

"The government should enforce stricter security protocols, promote two-factor authentication, and encourage banks and fintech firms to invest in fraud detection systems," says M. Khorshed Anowar, DMD and Head of Retail & SME Banking at Eastern Bank.

In conclusion, while Bangladesh has made significant strides toward a cashless economy, sustained efforts, infrastructure improvements, and policy reforms are needed to unlock its full potential. By addressing key barriers, the country can move closer to a digital financial ecosystem that benefits all citizens.

Dr. Selim Raihan, Professor of Economics at the University of Dhaka and Executive Director of SANEM, underscores the importance of e-commerce expansion in driving a cashless economy. He notes that with Bangladesh's growing economy and rising middle class, the country is poised for a significant e-commerce boom.

However, despite some progress, Bangladesh still trails behind neighboring countries in this sector. Without strong policy support and substantial promotion, cashless transactions will struggle to gain widespread adoption.

# SWIPE & CELEBRATE

## Digital Zakat Faith Meets Fintech

MUJIB RAHMAN

The integration of faith and technology has revolutionized zakat, making charitable giving more efficient, transparent, and far-reaching. Digital platforms extend zakat beyond immediate communities, ensuring aid reaches those in need while preserving dignity and autonomy.

Professor Main Uddin from the Department of Banking & Insurance at the University of Dhaka highlights the importance of efficiency in digital zakat distribution.

A well-maintained database of beneficiaries is essential, along with ensuring access to fintech solutions.

Pre-informing recipients about distribution schedules and assessing how digital systems reduce corruption are key to enhancing transparency and accountability.

By issuing clear directives and minimizing bureaucratic hurdles, Bangladesh Bank can foster a seamless zakat distribution system, boosting public trust in digital payments.

The shift to digital zakat has also transformed the social and emotional aspects of giving. Muhammad Shakhawat Ullah, VP & Head of Cards at Al Arafah Bank, notes that digital donations empower recipients by allowing them to choose how they use their funds. Unlike traditional in-kind contributions, digital zakat enables greater financial independence while adhering to Islamic principles.

Digital platforms broaden the

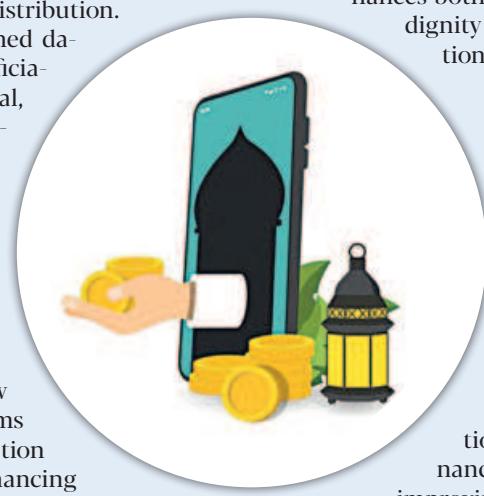
reach of zakat, allowing donations from anywhere at any time. At Al Arafah Bank, donors can contribute via card services, MFS (Islamic wallets), and internet banking. While zakat is given throughout the year, donations peak during Ramadan, when spiritual rewards are believed to be higher.

Additionally, digitization ensures discretion in charity. The confidentiality of online transactions aligns with Islamic teachings that emphasize humility in giving. This shift enhances both the security and dignity of zakat distribution.

Despite these benefits, challenges remain. Limited digital literacy and lack of fintech access among some underprivileged groups can hinder effective zakat distribution. Expanding financial inclusion and improving technological infrastructure are crucial for making digital zakat universally accessible.

A more structured regulatory framework and innovative fintech solutions can further streamline zakat transactions, ensuring efficiency and reliability. Stronger collaboration between banks, MFS providers, and regulators can drive the future of digital zakat in Bangladesh.

By embracing technology, zakat maintains its spiritual essence while adapting to modern financial practices. The transition to digital payments preserves the core values of zakat, ensuring a more inclusive, dignified, and impactful system of charitable giving.



## বেশি পাওয়ায় বেশি খুশি এই রমজানে ১টি কিনলে ৩টি ফ্রি\*

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## Building trust through transparency

**The Daily Star (TDS):** How is Bangladesh progressing towards a cashless society?

**Farman R Chowdhury (FRC):** The journey of transitioning to a cashless ecosystem is still in its early stages. Although there are a number of mobile financial services that have revolutionised digital payments in Bangladesh, the government has also been actively promoting digital payments through various policies and initiatives. Bangladesh has been making gradual and steady progress in its



**FARMAN R CHOWDHURY**  
Managing Director  
Al-Arafah Islami Bank

transition to a cashless society, driven by government initiatives, technological advancements, and increasing digital literacy. However, overcoming the inherent challenges related to infrastructure, public trust, and accessibility will be critical for achieving widespread adoption. With continued efforts and investments, Bangladesh has the potential to significantly reduce its reliance on cash in the coming years.

**TDS:** What innovative steps has Al-Arafah taken to accelerate the shift towards a cashless economy, and how have these impacted customers?

the bank and its customers.

**TDS:** What policies or government initiatives do you believe are crucial for making the transition to a more secure, inclusive, and widely adoptable ecosystem?

**FRC:** No "one size fits all" kind of initiative will work to create a secure, inclusive, and widely adoptable cashless society. As far as I am concerned, there has to be a combination of regulatory, infrastructural, and educational initiatives to address the challenges of digital literacy, cybersecurity, accessibility, and trust. The enactment of comprehensive cybersecurity laws, data privacy regulations,

real-time monitoring, and fraud detection, improved and faster internet connectivity, power supply reliability, affordable smartphones and devices, public awareness campaigns, digital literacy programmes, partnerships with NGOs and the private sector, incentivising digital payments through tax incentives and cashback rewards, and effective use of AI are just a handful of crucial issues. In a nutshell, a secure, inclusive, and widely adoptable transition to a cashless society requires a holistic approach involving regulatory reforms, proper and adequate investment in infrastructure development, and public awareness to ensure a smooth and faster transition to a cashless ecosystem.

## Central cybersecurity forum needed to mitigate digital transaction threats

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Selim R. F. Hussain (SRFH):** The government and financial institutions are putting numerous plans into action to encourage digital payments. These days, customers use banking apps and mobile financial services (MFS) like bKash for cashless payments. Digital transactions are becoming popular daily, and people increasingly prefer cards, mobile apps, and MFS wallets instead of cash payments for greater convenience.

**TDS:** What innovative steps has your bank taken to accelerate the

free for our 'Asta' users. The app is now a family of more than 7 lac users with monthly transactions of BDT 17,000 crore.

We are issuing dual-interface cards to our customers, through which our customers can perform a certain amount of transactions only by tapping the card. We provide discounts and cashback offers to our cardholders and mobile app users to promote cashless transactions.

Our internet banking platform for corporate and commercial customers, 'CORPnet', provides seamless transaction banking services with a straight-through payment facility. The bank has already established API connectivity with the National Board of Revenue, WASA, City Corporation, and other entities

where customers can go cashless in transaction. They do not need to carry cash at this time of Eid shopping spree when malls are over-crowded.

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more inclusive, secure and widely adopted?

**SRFH:** A strong partnership between the government and the private sector is key to building a cashless ecosystem. Reliable, high-speed internet is essential to prevent transaction delays, enhancing customer experience and eliminating fears of transaction loss. Financial institutions, mobile operators, and the government should offer free or low-cost data for digital payments.

Smartphones are necessary for



**SELM R. F. HUSSAIN**  
Managing Director and CEO  
BRAC Bank

to facilitate digital bill and fee payments. Our customers enjoy e-commerce payment through VISA and MasterCard using our state-of-the-art Online Merchant Service Portal.

As a leader, we have connected to the highest number of MFS providers, offering customers the convenience of transferring funds between their bank account and MFS wallet, reducing the need for cash transactions.

We also offer corporates the option to pay salaries to their workers through bank to bKash, which is contributing to reducing cash transactions.

This Ramadan, BRAC Bank offers exclusive discounts at over 1,200 partner outlets nationwide,

QR code and mobile app payments, yet many still use outdated button phones. Financial institutions and telecom providers could offer loans for smartphone purchases, while the government should take measures to reduce costs. Incentives and promotional offers should be introduced to make cash payments expensive and to reward digital payments.

Finally, cybersecurity is crucial as digital transactions grow. Bangladesh Bank could establish a central cybersecurity forum with financial institutions, MFS providers, regulators, and cybersecurity experts to share knowledge, issue alerts, and mitigate emerging cyber threats effectively.

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## BOGO AND CASHBACK Why going cashless makes dining more rewarding

**With the rise of digital transactions, banks have forged exclusive partnerships with restaurants to provide these deals, making it easier than ever to indulge in Dhaka's diverse culinary scene.**

AYMAN ANIKA

Picture this: You're seated in one of Dhaka's finest restaurants, the warm glow of ambient lighting bouncing off the cutlery, the tantalising aroma of biryani teasing your senses. As you prepare to pay the bill, instead of fumbling through your wallet, you simply tap your card or scan a QR code – and just like that, your payment is processed in seconds. But here's the best part: thanks to exclusive BOGO deals and cashback rewards, your indulgence comes with a delightful bonus – either an extra meal at no cost or a sweet refund landing back in your account.

Dhaka's dining scene has transformed, not just in flavours but in how transactions are made. As digital payments take centre stage, banks and restaurants have stepped up their game, offering unbeatable deals that make going cashless the smarter and more rewarding choice.

### BOGO offers: Doubling the culinary delight

For food lovers in Dhaka, the phrase "Buy-One-Get-One" is music to the ears. Imagine heading out for a weekend brunch with a friend, ordering your favourite dishes, and discovering that one of them is free – simply because you used a specific bank card. BOGO offers aren't just about saving money; they encourage people to explore new dining experiences, bringing friends and family together over gourmet spreads.

With the rise of digital transactions, banks have forged exclusive partnerships with restaurants to provide these deals, making it easier than ever to indulge in Dhaka's diverse culinary scene.

City Bank has partnered with top-tier restaurants and hotels to bring exclusive BOGO. An expert from City Bank highlights that they are offering BOGO Iftar and dinner offers at over 40 restaurants, including fine dining at 5-star hotels.

SEE PAGE J9

# TRANSFORM your shopping into an enriching experience

### SAUDIA AFRIN

Shoppers are eagerly splurging on new outfits and thoughtful gifts for loved ones. As Eid-ul-Fitr – the most significant religious festival – draws near, sales of lifestyle products are surging, driven by heightened consumer demand.

To elevate the shopping experience, banks, mobile financial service (MFS) providers, and digital payment platforms are collaborating with lifestyle brands to offer enticing discounts, cashback rewards, and exclusive deals for transactions made via cards or MFS apps. This collaboration not only promotes cashless payments but also enhances customer convenience, making festive shopping smoother and more rewarding.

Tailored offers and discounts encourage customers to opt for digital transactions over cash, catering to diverse needs across categories such as clothing, jewelry, home and living, and more.

Jahangir Alam Shovon, former executive of e-CAB, said, "Cashless transactions are more prevalent in banks and are mostly preferred by urban dwellers. Currently, 30 to 35 percent of lifestyle shopping occurs through cashless means."

During festive seasons, these offers include exclusive discounts, increased cashback rewards, buy-one-get-one deals, and special promotional campaigns to encourage digital payments. Cashless transactions witness a significant surge during Eid, the peak business season in Bangladesh. "We have observed that cashless transactions during Eid rise by approximately 15 to 20 percent compared to non-Eid months," said an industry insider.

Discussing noticeable changes in consumer behavior regarding lifestyle shopping, Taufiqul Alam, Head of Cards at City Bank, stated, "We are observing a significant increase in consumer confidence when purchasing groceries and lifestyle products online, utilizing digital payment methods." Heightened awareness of cashback and discount offers has led to a higher utilization rate, driving a substantial increase in the average transaction value at the bank.

City Bank offers savings and cashback across a wide array of lifestyle, online shopping, jewelry, and apparel stores during festivals. This Eid, they have extended these offers nationwide, beyond Dhaka, partnering with over 500 merchants and 3,300 outlets. Customers can enjoy up to 50% savings at more than 450 retail

Jewelry shoppers can also benefit from discounts of up to 35% at more than 30 renowned outlets, including Gitanjali Jewellers, Nakshatra Gold, Tanishq Jewellery, Zaara Gold, and Zaveri Gold. Cardholders can enjoy up to 50% discounts at over 250 lifestyle brands, such as Zaara Fashion Mall, Astorian, Bishworong, Kay

stores. Additionally, up to 15% cashback is available at leading lifestyle brands, including Aarong, Bata, Anzara, Yellow, Astorian, Artisan, Sailor, Khan Brothers, and Lubnan.

"To broaden our market reach, we are forming strategic alliances with various brands. This includes introducing co-branded cards, expanding our Membership Rewards redemption network, developing diverse reward voucher programs, and significantly increasing our merchant acceptance network," Taufiqul Alam of City Bank further added. The bank's partnership ecosystem now includes approximately 25,000 partners across all categories.

This Ramadan, BRAC Bank is elevating the festive spirit with exclusive discounts and deals at over 1,200 partner outlets nationwide. To ensure customers enjoy



**Tailored offers and discounts encourage customers to opt for digital transactions over cash, catering to diverse needs across categories such as clothing, jewelry, home and living, and more.**

Kraft, Tangail Saree Kutir, Deshal, and Viva Creation.

NCC Bank offers a wide range of cashback and savings opportunities. It has partnered with renowned jewelry brands, including D'damas, Tanishq, and Venus Jewelers, offering up to 50% savings. Additionally, the bank has onboarded 10 lifestyle brands and five footwear brands, such as Aarong, Cat's Eye, Sailor, Yellow, Monsoon Rain, Lereve, Bata, Apex, and Bay, providing up to 20% cashback. These exciting offers will be available throughout Ramadan and are valid for Debit, Credit, and Prepaid Cards.

Considering personal wellness, the bank has partnered with 19 beauty lounges and cosmeceuticals, including VLCC, GALA Makeover Studio & Salon by Navin Ahmed, Manly Look, Scissors Hand, and more, offering up to 20% savings on services such as spa treatments, haircuts, and slimming packages.

"Although I rarely get time to visit beauty lounges, I never miss the chance to treat myself during Eid. These cashback and savings offers provide meaningful benefits during the festive season, especially as expenses tend to increase," said Mahran Parvez, a private sector employee and mother.

This Ramadan, Islamic Wallet, the Shariah-based MFS of Al-Arafah Islami Bank, is setting the stage for an extraordinary shopping experience. The Islamic Wallet allows customers to unlock exclusive discounts of up to 20% while shopping online with ease and security.

Imagine browsing your favorite online stores and, with just a few clicks, enjoying significant savings. Whether treating yourself or finding the perfect gifts, customers can avail discounts across platforms such as XCLUS, SneakerPimp, Shopping CornerBD, and GiftKoi. Islamic Wallet also offers up to BDT 5,000 in maximum discounts, exclusively available to customers with an active account and sufficient balance.

"We encourage our customers to keep an eye on our website and social media pages for more details," said Muhammad Shakhatullah, VP & Head of Cards at Al-Arafah Islami Bank.

Jahangir Alam Shovon emphasized the importance of fostering a sustainable ecosystem for cashless transactions, underscoring the need for trust, economic stability, and a shift in people's mindset. "Without these elements, it will be challenging to fully realize the potential of cashless modes," he noted.

Make this Ramadan unforgettable with savings, joy, and a shopping spree like never before.



## Enhancing digital solutions with intelligence and security

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy? **Najith Mewanage (NM):** Bangladesh is steadily progressing towards a cashless economy, driven by evolving consumer behavior and rapid digital banking advancements. However, cash remains dominant due to ingrained habits and infrastructure challenges. True transformation will happen when digital payments become as instant, trusted, and widely accepted as cash.



impacted customers?

**NM:** At Commercial Bank of Ceylon, our approach to "Transforming the Horizon" is centred on innovation that makes digital transactions seamless, secure, and deeply integrated into daily life.

Our advanced digital platforms empower individuals with 24/7 financial control, allowing them to transfer funds, manage expenses, and make payments effortlessly, eliminating the need for physical banking.

For businesses, the focus is on efficiency, security, and real-time financial management. Through

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**NM:** To accelerate the adoption of digital transactions, the government must focus on several key areas:

Strengthening cybersecurity and data protection—Establishing robust regulations to safeguard against fraud, hacking, and identity theft will be critical in building consumer trust.

Incentivising digital adoption—Offering tax incentives, subsidies, or grants to encourage SMEs, micro-businesses, and

**NAJITH MEEWANAGE**  
CEO, Commercial Bank of Ceylon  
Bangladesh Operation

automated transaction systems, we are:

- Streamlining payroll processing to ensure faster, error-free salary disbursements
- Facilitating seamless vendor payments to enhance the efficiency of business operations
- Providing real-time financial tracking for better decision-making and cash flow management

By integrating intelligence and security into our digital solutions, we are not just keeping pace with the cashless revolution—we are driving it forward. Furthermore, CBC strongly believes that enhancing user awareness is just as important as introducing state-of-the-art technology in the digital space.

rural entrepreneurs to embrace digital payments.

Expanding financial literacy and digital awareness—Implementing nationwide education programmes to empower individuals—especially in underserved areas—with the skills to navigate digital finance securely.

Enhancing interoperability and connectivity—Encouraging seamless integration between banks, fintech firms, mobile financial services, and telecom providers to create a more connected, efficient digital payments ecosystem.

Providing space for foreign entities—Allowing foreign firms to introduce advanced technologies used in their home countries without unnecessary restrictions.

accepted as cash. Countries like Singapore and Sweden achieved this by implementing real-time payment networks, enhancing cybersecurity, and incentivizing digital adoption. For Bangladesh to follow suit, financial institutions must ensure seamless interoperability, accessibility, and user-friendly experiences. With a young, tech-savvy population, Bangladesh is well-positioned for this transition, and Commercial Bank of Ceylon is committed to driving digital financial integration.

**TDS:** What innovative steps has your bank taken to accelerate the shift towards a cashless economy, and how have they

## Eid shopping made simple The benefits of digital transactions with bKash

**AYMAN ANIKA**

"With the recent rise in security concerns, I've made it a point to avoid carrying large amounts of cash. For my Eid shopping, I now rely on bKash—it's not only safer but also comes with the added bonus of discounts! It's a win-win for me," says Ripa Sharmin, a school teacher based in Dhaka.

Like Sharmin, bKash has become synonymous with convenience, security, and accessibility for countless people. Whether it's paying for daily essentials at a local store, or settling utility bills, bKash has transformed the way people transact. And when it comes to Eid, bKash makes things easier by eliminating the hassle of carrying cash, ensuring seamless payments at malls, supermarkets, and even small neighbourhood shops. With exciting discounts and cashback offers, shopping for Eid has never been more rewarding.

As the largest Mobile Financial Services (MFS) provider in the country, bKash is paving the way for a cashless economy, making digital transactions simple and inclusive.

Shamsuddin Haider Dalim, EVP and Head of Corporate Communications and PR at bKash, highlights this transformation, stating, "bKash has been playing an important role in developing the digital payment ecosystem in Bangladesh. Through innovative technology and integrations with other institutions, bKash is continuously empowering its customers. Cashless transactions create convenience for both customers and businesses because they are secure, fast, and reliable."

**Smarter shopping, bigger savings**  
With Ramadan and Eid bringing a surge in shopping, bKash users get exciting discounts and cashback offers across supermarkets, online platforms, fashion outlets, restaurants, and more.

"Last Ramadan, I saved almost Tk 2,000 just by using bKash payments," says Rafiqul Islam, a businessman. "The cashback really adds up when you're buying in bulk for the whole family."

These deals make it even more appealing to go cashless—offering savings while eliminating the hassle of handling change or carrying large amounts of cash.

One of bKash's biggest strengths is its reach across Bangladesh, with

350,000 agents and nearly a million merchants ensuring that digital payments are available in both urban centres and remote villages.

This accessibility is especially crucial for rural populations, where digital literacy can be limited. bKash has designed its platform to be as simple as possible, ensuring that even those with basic mobile phones can transact effortlessly.

According to Dalim, "bKash started with the vision of greater financial inclusion of the unbanked, underserved, and even the banked population of Bangladesh by taking basic financial services to the grassroots. More than 13 years have passed, and bKash has become a family of nearly 80 million customers as well as the country's most loved and trusted brand."



### Instant money transfers from banks and cards

One of the standout features of bKash is its seamless integration with banks and card services, allowing users to add money instantly whenever needed.

Gone are the days when people had to withdraw cash from ATMs or stand in long queues at banks to access their funds. With bKash, users can transfer money from their bank accounts or linked cards directly into their bKash wallet, ensuring uninterrupted digital transactions anytime, anywhere.

bKash has established direct partnerships with 49 commercial banks in Bangladesh, enabling customers to instantly transfer money from their bank accounts to their bKash wallets. This means users no longer need to rely solely on their bKash balance—they can add money on the go.

For professionals, students, and homemakers alike, this feature has made digital transactions more

accessible and efficient, eliminating the need to visit physical bank branches or handle cash.

### 'Pay Later': Emergency shopping made simple

Imagine this scenario: it's late at night, and you suddenly need to buy emergency medicine for a family member. You rush to the nearest pharmacy, but you realise your bKash balance is low, and your salary isn't due for another few days. In such situations, bKash's 'Pay Later' feature comes as a lifesaver, allowing users to borrow money instantly and complete their purchase without financial stress.

This first-of-its-kind digital collateral-free loan service, introduced by bKash in partnership with City Bank, enables customers to make essential purchases even when they don't have immediate funds. It is a game-changer in financial flexibility, ensuring that no one has to postpone urgent transactions just because of a temporary cash crunch.

With loan limits from Tk 500 to Tk 30,000, this service offers financial flexibility. If repaid within seven days, there's no interest—and longer repayment options of three or six months are available.

### A cashless future is here

With digital payments becoming the preferred choice for millions, bKash continues to innovate and expand its services. "bKash has been promoting a cashless lifestyle by offering digital services such as mobile recharge, utility bill payments, e-ticketing, educational fees, and government service payments," informs Dalim.

"Besides, customers can avail themselves of services like savings and loans from banks and non-bank financial institutions (NBFI) through the bKash app. The convenience of finding all necessary financial services in one place is driving the shift toward cashless transactions."

By integrating more services and ensuring wider acceptance, bKash is solidifying its role as Bangladesh's leading mobile financial service.

The benefits of going cashless extend beyond mere convenience. It reduces the risks associated with carrying physical cash, eliminates counterfeit currency issues, and enhances financial transparency. Therefore, for those looking to maximise their savings and enjoy a seamless shopping experience, bKash would definitely be the go-to choice.

## Expand Bangla QR integration across all financial institutions

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Sheikh Mohammad Maroof (SMM):** Nowadays there is a surge in online payments and customers are more inclined towards card and QR transactions.

This transition to cashless economy is driven by key factors like government support, growth of MFS, advancement in digital payment systems and digital banking.

economy, and how have they impacted customers?

**SMM:** Dhaka Bank has introduced several innovative solutions to promote cashless transactions, for instance:

### Mobile banking app

The Dhaka Bank GO Plus mobile app provides customers with a seamless digital banking experience, offering fund transfers from account or card, bill payments (utilities, credit cards, etc.), mobile top-ups and recharges, balance inquiries and mini-statements, customised account management, DPS, FDR and more. Currently, Dhaka Bank

contactless NFC-enabled debit and credit cards, allowing customers to complete transactions with a simple tap at supported payment terminals.

### Enhanced online banking platform

Dhaka Bank continuously upgrades its online banking services, offering real-time banking, instant fund transfers, and detailed transaction insights. Customers gain greater financial control, managing their accounts anytime, anywhere, reinforcing the shift toward digital payments.

**TDS:** What policy changes or government initiatives are crucial



**SHEIKH MOHAMMAD MAROOF**  
Managing Director and CEO  
Dhaka Bank

GO Plus has over 100,000 active users, with a transaction volume of 1,424.75 crore in the year 2024.

### QR code payment

Dhaka Bank has introduced a QR code-based payment system, which integrates with Bangla QR and other mobile financial services, ensuring data encryption, two-factor authentication, and frequent security audits. Strengthening these measures will reduce fraud risks and boost public confidence.

### E-commerce payment integration

Dhaka Bank's partnership with e-commerce platforms ensures secure digital payments via cards and bank transfers, boosting cashless transactions. E-commerce accounted for 20% of card transactions last year, with monthly growth continuing.

### Contactless debit and credit cards

Dhaka Bank has introduced

for making digital transactions more secure, inclusive, and widely adopted?

**SMM:** The government should implement stricter cybersecurity regulations for digital payment providers, banks, and fintech firms, ensuring data encryption, two-factor authentication, and frequent security audits. Strengthening these measures will reduce fraud risks and boost public confidence. Additionally, standardizing payment systems and expanding Bangla QR integration will enhance accessibility, promoting widespread cashless transaction adoption.

Moreover, the government should offer incentives for banks and fintech firms to expand digital banking while ensuring compliance, innovation, and consumer protection.



# Cashless Payments are smarter and easier

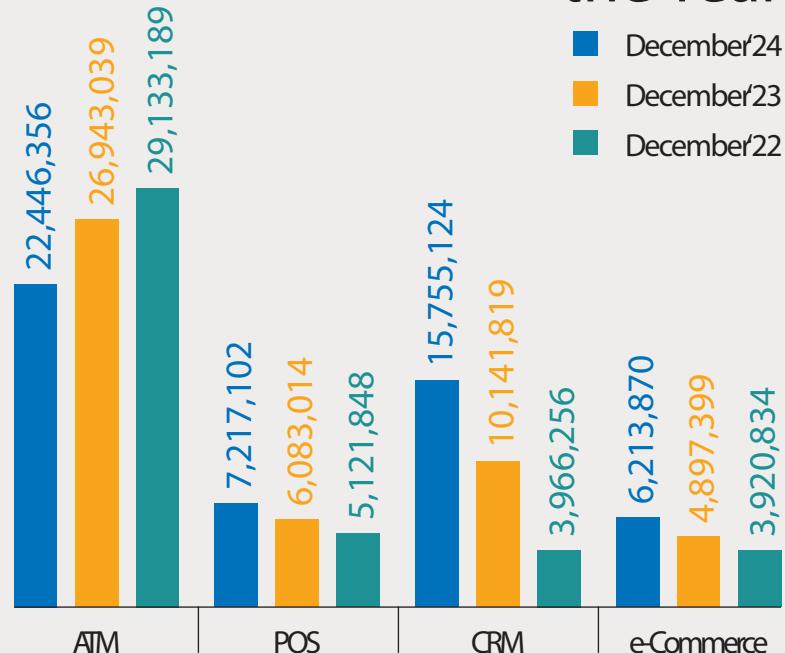


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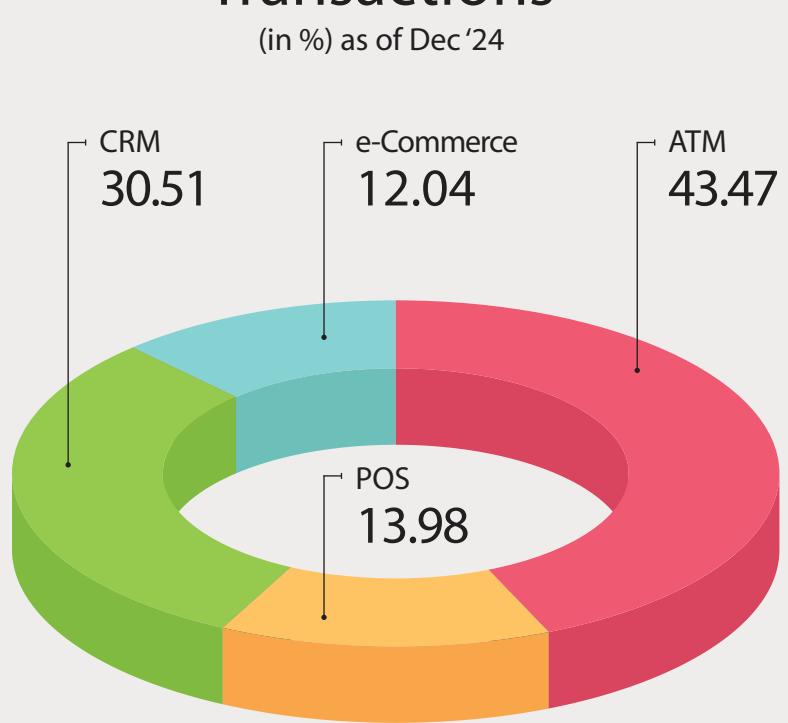
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# BANGLADESH'S CASHLESS ECONOMY TRENDS & INSIGHTS

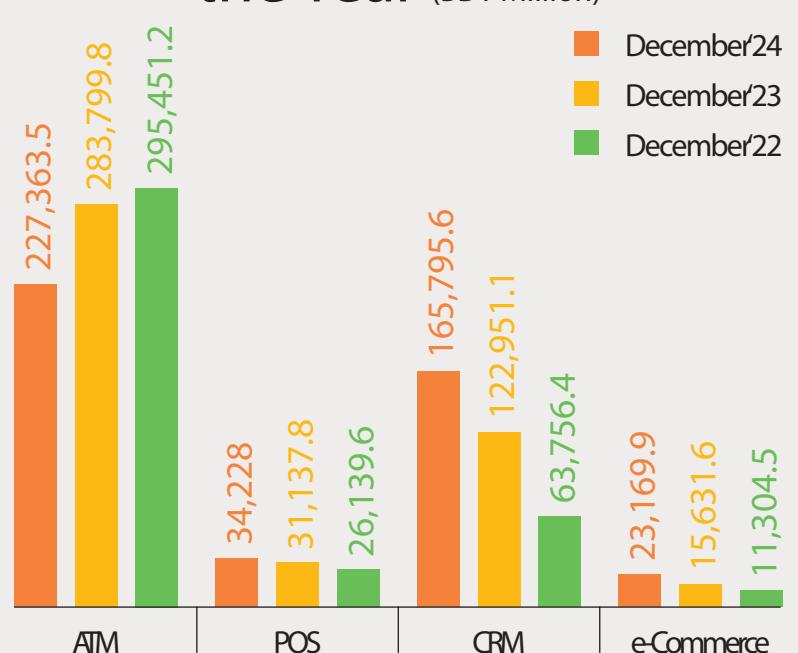
## Number of Transactions through Different Cashless Modes over the Year



## Share of Different Cashless Transactions



## Amount of Transactions through Different Cashless Modes over the Year (BDT Million)



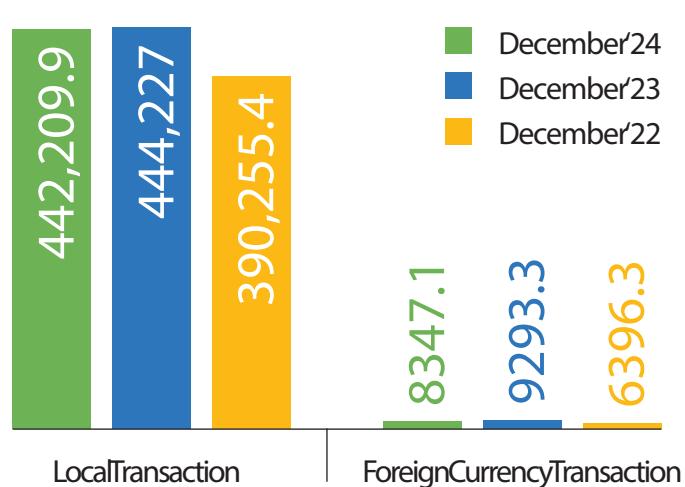
## Amount of Cashless Transaction through MFS in the Last 3 Years (BDT Million)



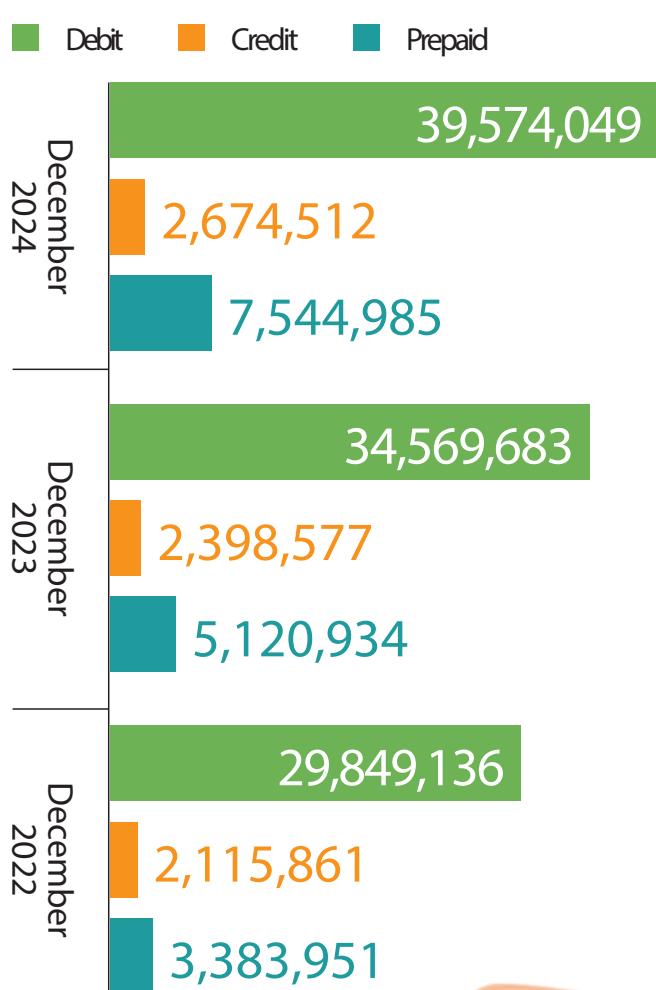
## Number of Cashless Transactions through MFS in the Last 3 Years



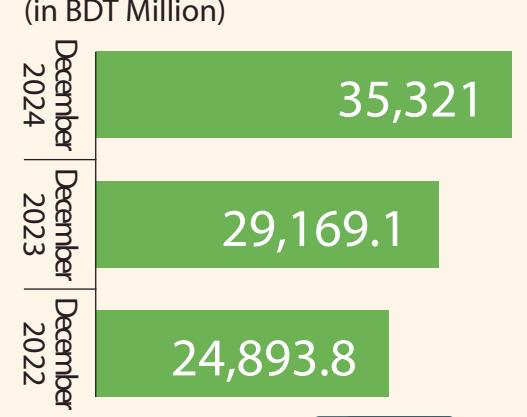
## Local and Foreign Currency Transaction Amount by Cards (in BDT Million)



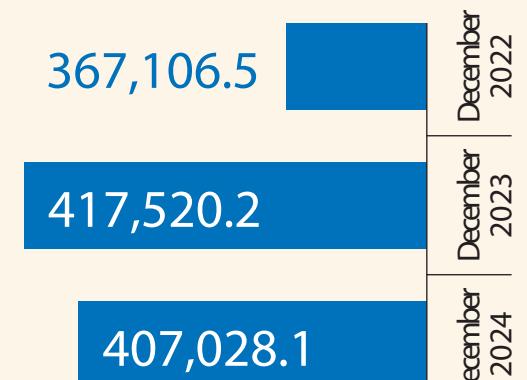
## Number of Issued Cards



## Credit Card Transaction over the Years (in BDT Million)



## Debit Card Transaction over the Years (in BDT Million)



## Enhancing customer convenience with fully retail-oriented, cashless service

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Mohammad Ali (MA):** All types of interbank transactions including RTGS, BEFTN are cashless transactions. We often think that only mobile banking or cards are cashless transactions. If we did not have RTGS, we would have to carry hard cash. The salary disbursement through payroll system for the garment workers is also cashless now.

The major impact of COVID was when our incentive packages

**TDS:** What innovative steps has your bank taken to accelerate the shift toward a cashless economy, and how have they impacted customers?

**MA:** At Pubali Bank, we have observed an annual transaction volume growth of over 40%. Our journey into digital transactions began relatively recently. Specifically, our *PIE Banking* mobile app was launched just 2-3 years ago. This year, we expect to process nearly BDT 1, 00,000 crore in cashless transactions, primarily through mobile apps. Last year, we closed cashless transactions worth sixty lac taka.

Pubali Bank has also seen significant growth in the adoption of QR codes. We

an account, set up an FDR from home (a service no other app currently offers), and transfer funds. Our app also facilitates credit card payments and MFS, providing a seamless experience for tasks like checking stock market data. The ultimate goal is to make our services fully retail-oriented by cashless, ensuring that customers never have to visit the bank again.

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**MA:** Bangladesh is currently facing a challenging period, with issues such as dollar instability and capital flight. In response, Bangladesh Bank is focusing



**MOHAMMAD ALI**  
Managing Director & CEO  
Pubali Bank

were introduced, creating a significant shift towards a cashless transformation. In shopping and other sectors, the card business has been active for a long time, and this momentum is now growing. It is a big deal, as buyers would not have been able to carry large amounts of cash. However, QR code payments have not advanced as quickly as card payments. Major changes are coming to the cashless society, particularly with debit cards, credit cards and widespread use of POS machines.

have been focusing more on marketing, and last year we distributed a record 12,000 POS machines, the highest in the bank's history within a single year. We continue to play a leading role in all digital banking initiatives. Currently, we are leading the industry in QR code adoption.

In addition, we have introduced contactless cards, enabling customers to quickly make small transactions with ease. The most significant achievement, however, is the mobile banking app. According to market surveys, our app is considered the most useful, offering numerous features that set it apart. Customers can open

its efforts on addressing these concerns. Moving forward, we must prioritise integrating our mobile apps with digital content to provide a comprehensive, unified experience. We need to promote the use of QR codes, raising awareness is key. Additionally, there is a pressing need to work on financial literacy to ensure everyone is informed and empowered.

It is also crucial to bridge the digital divide, particularly among women, to ensure they are not left behind in this transformation. The geographical divide must also be addressed to make sure no one is excluded from the benefits of digital financial services.

## QR payments, EMI options, and enhanced security are driving progress

**The Daily Star:** How is Bangladesh progressing in its transition to a cashless economy?

**Mohammad Mamdudur Rashid (MMR):** Bangladesh's shift to a cashless economy is driven by digital banking, mobile financial services (MFS), and e-commerce growth. MFS providers like bKash, Nagad, Rocket, and Upay process daily transactions exceeding BDT 400 billion. QR payments are expanding among small businesses, while debit and credit card usage surpasses 35 million and 2.4 million, respectively. Increased POS adoption and e-payment gateways, along with

out cashback offers, discounts, and free transaction benefits for certain merchant and POS transactions.

**MMR:** UCB emphasises the need for collaborative efforts between the government, Bangladesh Bank, and private sector stakeholders to create a more secure, inclusive, and widely adopted cashless ecosystem. Key recommendations include:

- Reducing transaction fees for digital payments to encourage broader adoption.
- Expanding digital payment infrastructure, such as POS systems and QR payment solutions, through public-private partnerships.
- Offering tax incentives or subsidies to small businesses that adopt cashless transactions.

To combat fraud and enhance security, UCB has implemented:



**MOHAMMAD MAMDUDUR RASHID**  
Managing Director & CEO  
United Commercial Bank

EMV chip card technology to prevent card cloning.

Two-factor authentication and OTP verification for secure online transactions.

A 24/7 fraud monitoring system to detect and prevent suspicious activities in real time.

Additionally, UCB has launched customer awareness programs and training sessions to educate users about digital transaction security. Through the Unet, customers can set transaction limits, block/unblock cards, and manage security settings for enhanced control.

**TDS:** What policy changes or government initiatives do you

believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**MMR:** UCB emphasises the need for collaborative efforts between the government, Bangladesh Bank, and private sector stakeholders to create a more secure, inclusive, and widely adopted cashless ecosystem. Key recommendations include:

- Reducing transaction fees for digital payments to encourage broader adoption.
- Expanding digital payment infrastructure, such as POS systems and QR payment solutions, through public-private partnerships.
- Offering tax incentives or subsidies to small businesses that adopt cashless transactions.

To combat fraud and enhance security, UCB has implemented:

Providing special benefits for businesses that embrace digital banking and cashless payments to stimulate economic growth.

Establishing a fraud data-sharing platform among banks to quickly identify and mitigate fraudulent activities.

Launching nationwide awareness campaigns to educate customers about the security and benefits of digital transactions.

Bangladesh is advancing toward a cashless economy. Yet, challenges like high fees, cybersecurity risks, and rural digital literacy gaps remain. UCB's innovations—QR payments, EMI options, and enhanced security—are driving progress.

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## Revolutionising contactless payments with WEAREBL

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**M. Khorsheed Anowar (MKA):** Bangladesh is steadily progressing towards a cashless economy, driven by rapid digital adoption, fintech innovation, and supportive government policies. The rise of digital banking apps, such as Skybanking of Eastern Bank (EBL), further accelerates this shift by offering secure, user-friendly financial solutions. Mobile

momentum, offering retailers of all sizes to adopt a convenient mode for receiving digital payments.

**TDS:** What innovative steps has your bank taken to accelerate the shift toward a cashless economy, and how have they impacted customers?

**MKA:** EBL has been at the forefront of driving Bangladesh toward a cashless economy through innovative digital payment solutions.

EBL has massively expanded its card business, offering a wide range of debit, credit, and prepaid cards, with NFC (Near Field Contact) facility, to promote seamless and convenient digital transactions. To

convenience, reduced cash dependency, and strengthened Bangladesh's transition to a fully digital financial ecosystem.

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**MKA:** First, strengthening cybersecurity regulations is crucial to protect consumers from fraud and data breaches. The government should enforce stricter security protocols, promote two-factor authentication, and encourage banks and fintech firms to invest in advanced fraud detection systems.

Second, promoting financial

**M. KHORSHED ANOWAR**  
DMD, Head of Retail & SME Banking  
Eastern Bank



financial services (MFS) have revolutionised digital transactions services; enabling millions of customers across Bangladesh to send money, pay bills, and shop online seamlessly.

The government's initiatives, including interoperability among MFS & Banks through the expansion of the National Payment Switch network, are strengthening the digital payment ecosystem. The increasing acceptance of debit, credit, and prepaid cards, especially Visa and Mastercard, highlights a move away from cash dependence. Additionally, the adoption of QR payments and contactless transactions is gaining

further revolutionise contactless payments, EBL introduced WEAREBL, a line of smart accessories that function as payment devices, allowing users to make transactions effortlessly.

The introduction of QR payment systems has made digital payments more accessible, enabling customers to pay at retail stores, restaurants, and service points simply by scanning a code. EBL has also ensured interoperability with MFS platforms, making fund transfers and card bill payments smoother. Additionally, by integrating payments into m-commerce and e-commerce platforms, EBL has empowered businesses and consumers with secure, fast, and convenient online transactions.

These innovations have significantly enhanced customer

literacy programs will drive greater adoption. Many potential users, particularly in rural areas, remain hesitant about digital transactions. Nationwide awareness campaigns and digital banking education initiatives can bridge this gap.

Third, expanding digital infrastructure—including wider internet access and improved mobile network coverage—will ensure seamless transactions, especially in remote areas.

Additionally, mandating interoperability across banks, MFS, and fintech platforms will enhance convenience and financial inclusion. Simplifying digital KYC (Know Your Customer) procedures and offering incentives for businesses to accept digital payments can further boost adoption.



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## UNLOCK cashless travel with a few taps

SARAH BINTAY SHAKHAWAT

A few years ago, planning a trip meant carrying a wad of cash, standing in long queues for tickets, and hoping your hotel reservation was still valid. Today, a few taps on your phone can book flights, hotels, and even dinner reservations—without touching a single note. With digital payments on the rise, more Bangladeshis are embracing a cashless way of traveling. In fact, according to Bangladesh Bank, digital transactions surged by over 40% in 2023, with mobile financial services (MFS) and bank-led digital payments leading the way. From booking flights to paying for accommodations, cashless transactions have made travel more convenient, secure, and rewarding.

### FROM CASH TO CARD

According to recent reports, the volume of online travel bookings in Bangladesh has witnessed a year-on-year increase of over 30%, with a substantial portion of these transactions conducted through MFS and digital banking channels. This growth underscores the increasing trust and reliance on cashless methods among Bangladeshi travelers.

For the modern Bangladeshi traveler, the advantages are manifold. Imagine booking a flight to Cox's Bazar from the comfort of your home, paying instantly through your preferred MFS account, and receiving an e-ticket within minutes.

**For the modern Bangladeshi traveler, the advantages are manifold. Imagine booking a flight to Cox's Bazar from the comfort of your home, paying instantly through your preferred MFS account, and receiving an e-ticket within minutes.**



savings. With Eid-Ul-Fitr approaching, banks and financial institutions are offering significant discounts on flights and hotels, making cashless travel even more rewarding. BRAC Bank, for example, is offering up to 10% off on domestic air tickets with Biman Bangladesh, NovoAir, US Bangla Airlines, and Air Astra. International travelers can avail themselves of up to 18% discounts on flights booked through ShareTrip using BRAC Bank credit and debit cards. Credit cardholders can also enjoy discounts of up to BDT 4,000 on domestic flight bookings via Go Zayaan.

Moreover, BRAC Bank has partnered with over 40 tour and travel operators to provide up to 70% discounts at premium destinations. From luxury stays at Long Beach Hotel and Ocean Paradise to budget-friendly options like Momo Inn and Nazimgarh Resorts, travelers can enjoy significant savings.

Dhaka Bank is also stepping up with attractive offers, including up to 70% discounts on ShareTrip, 10% off on Bdtickets, and 10% discounts on Biman Bangladesh Airlines. For those planning a beach getaway, Sayem Beach Resort is offering a 35% discount, while Ramada by Wyndham is providing up to 60% off on bookings made through Dhaka Bank cards.

Other banks like Bank Asia, NCC Bank, DBBL, EBL, MTB, Prime Bank, and Trust Bank are also rolling out exclusive Eid travel deals. Mastercard users, for instance, can enjoy global discounts on flights, hotels, and car rentals, making international travel more accessible.

### MAXIMISE CASHLESS TRAVEL BENEFITS

To make the most of these cashless travel offers, travelers should start by choosing the right financial partner. Opt for banks or MFS providers that offer comprehensive travel benefits, such as discounted airfare, hotel stays, and reward points. Before booking, compare offers across platforms like ShareTrip, GoZayaan, and Bdtickets to identify the best deals.

It is also essential to plan ahead. Many travel discounts are time-bound, so early bookings can help secure the best rates. Additionally, travelers should familiarise themselves with the terms and conditions of each offer, including eligibility criteria and payment methods.

For international travel, ensure your card is enabled for cross-border transactions and check for any associated fees. City Bank's transparent fee structure, for example, allows travelers to budget effectively without worrying about hidden charges.



## Disincentivising cash is key to accelerating the digital economy

In conversation with Syed Mohammad Kamal, Country Manager, Mastercard Bangladesh

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Syed Mohammad Kamal (SMK):** Bangladesh is making steady progress toward a cashless economy, with digital transactions becoming increasingly common. The momentum was particularly strong during the COVID-19 pandemic period when digital payments surged from 16% to 41%. However, concerns



women and HNI consumers. Our recent partnership with a MSME aggregator and a NBFI has empowered CMSMEs by providing them access to the formal financial system.

Additionally, we have introduced prepaid cards for garment workers, enabling 4.5 million workers to receive salaries digitally—enhancing their financial security and access to banking services that were previously unavailable. As a key partner in driving digital payments for financially excluded small merchants, Mastercard has collaborated with regulators and stakeholders to fully digitise two major kitchen markets in Dhaka. This initiative has transformed merchant operations, ensured

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**SMK:** The mandatory income tax return requirement for credit card issuance discourages many from using formal financial services. Removing this barrier would encourage wider adoption and drive financial inclusion. Revising tax policies is also critical to accelerating digital payment adoption.

To further boost cashless transactions, targeted incentives for both consumers and merchants can play a pivotal role. A small incentive—such as 3% for consumers and 2% for merchants for accepting digital payment

**SYED MOHAMMAD KAMAL**  
Country Manager  
Mastercard Bangladesh

over platform reliability led to a decline, bringing digital transaction volumes to 23% in 2024.

**TDS:** What innovative steps has your organisation taken to accelerate the shift toward a cashless economy, and how have they impacted customers?

**SMK:** At Mastercard, we are committed to building a seamless digital payment ecosystem by catering to diverse segments, including CMSMEs, SMEs, youth, tourism,

faster and more secure transactions while encouraged customers to adopt digital payments in their daily shopping.

To further promote financial inclusion, Mastercard has introduced a social media card designed specifically for F-commerce women entrepreneurs, helping this traditionally cash-dependent sector transition to the digital economy. We have also facilitated widespread adoption of contactless payment options and introduced exclusive products, including the country's first full-suite travel credit card, medical prepaid cards, and specialised solutions for youth, millennials, and freelancers.

—could significantly increase digital transactions, encouraging businesses and individuals to shift away from cash.

At the same time, it is essential to avoid dependency on a single entity for digital financial services. Regulators should take necessary steps to ensure a level playing field, fostering competition and innovation in the payment ecosystem. An integrated payment system across all banks—enabling seamless interoperable transactions for tolls, transport, and utilities—would eliminate inefficiencies. Simultaneously, financial literacy campaigns can educate consumers, ensuring wider adoption.

## BOGO and Cashback

FROM PAGE J4

"Over the years, we have expanded our BOGO collaborations with international hotels. We now provide year-round BOGO deals in 13 international hotels in the country," the expert notes.

Likewise, Dhaka Bank, for example, has partnered with some of the most renowned hotels and restaurants to bring its cardholders exceptional BOGO offers. Signature and World cardholders can enjoy Pay 1, Eat 2 at Sheraton Dhaka, The Westin Dhaka, Radisson Blu Dhaka, Le Méridien Dhaka, and more. Some hotels, such as Pan Pacific Sonargaon and Beyond Buffet, offer Pay 1, Eat 3, while Hotel Sarina even extends a Pay 1, Eat 5 option.

Additionally, BRAC Bank, as per an expert from the bank, is offering a Buy-1-Get-4 free (BIG4) Iftar and Sehri buffet at Six Seasons Hotel during the first week of Ramadan, followed by Buy-1-Get-3 for the rest of the month. Other luxury hotels, such as Hotel Bengal Blueberry, Amari Dhaka, Crowne Plaza Gulshan, and Golden Tulip, have similar BIG3 and BIG2 offers throughout Ramadan, ensuring diners get the most out of their dining experiences.

**Cashback offers: Dining that pays you back**

If BOGO deals weren't enticing enough, cashback offers add an extra layer of excitement to cashless dining. Who wouldn't love the idea of getting back a portion of what they've spent on a sumptuous meal?

Cashback rewards can be particularly beneficial for frequent diners, as the savings accumulate over time. Since many banks provide automatic cashback, diners don't have to worry about redeeming points or applying for discounts manually—the savings happen seamlessly in the background.

Dhaka Bank offers attractive cashback deals across multiple platforms, making dining and shopping more rewarding. Cardholders can enjoy 20% cashback (up to Tk. 1,000) at popular online platforms such as Foodpanda, Pathao, and Chaldal, helping them save on meals and groceries during Ramadan. Additionally, the bank has partnered with several top-tier travel and hospitality brands,

offering discounts of up to 60% at Ramada, 35% at Sayem Beach Resort, and 10% at Biman Bangladesh Airlines and Air Astra, making travel more affordable and enjoyable.

An expert from City Bank highlights that during Ramadan 2025, the bank is offering up to 15% cashback at leading lifestyle and grocery outlets, up to 30% savings at over 100 restaurants, and up to 25% savings on online merchants and food delivery services. "With more than 500 merchant partners and 3,300 outlets, our cashback program has never been bigger," the expert shares.

Similarly, an expert from BRAC Bank states that the bank is offering 10% cashback for credit cardholders on lifestyle shopping, food delivery



PHOTO COURTESY: SK ENAMUL HAQ

platforms such as Foodpanda and Foodi, and travel bookings through Shohoz, Paribahan.com, and BD Tickets. Online shoppers can also take advantage of 10% cashback at Aarong, Bata, and Illiveen, further enhancing their shopping experience.

**Why cashless dining is the future**  
The transition to cashless dining isn't just about convenience—it's about transforming the entire dining experience. Digital transactions provide a level of security and hygiene that cash simply cannot match.

Handling physical currency carries risks, from germ transmission to potential fraud, making digital payments a safer alternative. Whether you're paying

## Enhancing financial flexibility via collaborations

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**M. Shamsul Arefin (MSA):** Bangladesh is steadily advancing toward a cashless economy, driven by rapid digitalisation, financial inclusion, and regulatory support.

The accelerated issuance of debit, credit, and prepaid cards has further boosted the adoption of cashless transactions, as people increasingly use POS machines and e-commerce platforms for



economy.

**TDS:** What innovative steps has your bank taken to accelerate the shift toward a cashless economy, and how have they impacted customers?

**MSA:** NCC Bank has undertaken multiple initiatives to drive cashless transactions and enhance digital banking accessibility. To enhance financial flexibility, we have established strategic collaborations with multiple MFS providers, enabling seamless fund transfers between NCC Bank accounts and MFS accounts. This integration is extending financial access for users who rely on both

**M. SHAMSUL AREFIN**  
Managing Director  
NCC Bank

enables businesses to manage transactions seamlessly, ensuring a comprehensive digital banking experience for all customer segments.

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**MSA:** Nationwide digital literacy programmes should be introduced to educate individuals and businesses on the benefits and security of digital payments.

Strengthening data protection laws and cybersecurity frameworks

banking and MFS services.

Recognising the potential of QR-based payments, we are working on deploying Bangla QR payment services, enabling customers to make quick, secure, and cost-effective digital payments at merchant points, significantly reducing cash dependency.

Additionally, we are preparing to launch Digital Account Registration for remittance recipients, allowing customers to receive funds digitally without needing a traditional bank account. Other upcoming initiatives include Digital Nano Loans, Digital Account Opening, QR-based cash withdrawals at branches, and Buy Now, Pay Later (BNPL) services, all of which will further strengthen our digital banking ecosystem.

Regulatory initiatives from Bangladesh Bank, including financial inclusion policies and cybersecurity frameworks, have further strengthened the digital payment landscape. However, challenges such as digital literacy gaps, cybersecurity risks, and broader adoption among merchants remain key areas of focus to ensure a fully cashless

will also be critical in mitigating fraud risks and increasing user confidence. Additionally, enhancing interoperability between banks, MFS providers, and fintech companies will create a seamless digital payment ecosystem.

To drive merchant adoption, the government should introduce tax incentives and reduce transaction costs for digital payments, encouraging businesses to embrace cashless transactions.

Furthermore, necessary monitoring and encouragement measures should be in place to ensure the adoption of Bangla QR payments across the country, making digital transactions a preferred choice for both businesses and consumers.

Finally, investment in digital infrastructure, particularly in rural areas, will ensure broader internet penetration, making digital payments more accessible nationwide.

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## Customer-centric solutions for seamless digital transactions

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Ahsan Zaman Chowdhury (AZC):** Bangladesh is making substantial strides towards a cashless economy, driven by a powerful combination of factors. The explosive growth of Mobile Financial Services (MFS) like bKash and Nagad, evidenced by over 220 million registered

confluence of MFS expansion, infrastructure development, and fintech innovation is leading to a tangible shift in consumer lifestyles towards a cashless economy.

**TDS:** What innovative steps has your bank taken to accelerate the shift towards a cashless economy, and how have they impacted customers?

**AZC:** Trust Bank (TBL) is driving Bangladesh's cashless transition through digital innovation. By focusing on customer-centric apps and solutions, TBL enhances service

archiving, creating a digital data library for advanced analytics. These initiatives aim to create a more efficient and accessible banking experience, pushing the boundaries of cashless transactions.

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**AZC:** To accelerate the transition to a cashless economy, Bangladesh requires targeted policy changes and government initiatives. Strengthening



**AHSAN ZAMAN CHOWDHURY**  
Managing Director  
Trust Bank

users, has revolutionised financial transactions, especially in underserved areas. This growth is further propelled by the penetration of smartphones and internet access across Bangladesh. Crucially, fintech companies, including e-commerce platforms like Daraz, food delivery services like foodpanda, and ride-sharing services like Uber and Pathao, are playing a catalytic role. These platforms are not only facilitating digital payments but also fundamentally shifting consumer behaviour and boosting digital penetration across the nation. This

and streamlines transactions. Its robust internet banking and Trust Money app offer secure, real-time access to fund transfers, bill payments, and merchant transactions, significantly improving convenience. A new switching system with a dedicated integration layer enables self-service apps, QR code transactions, and virtual cards. TAP (Trust and Pay), the mobile financial service owned by Trust Bank, promotes financial inclusion by bringing unbanked people into the digital payments ecosystem.

To further promote digital adoption, TBL is implementing AI-based chatbot solutions, smart banking kiosks, workflow automation, and digital

cybersecurity is paramount, with the implementation of a comprehensive Data Protection Act and mandatory two-factor authentication to ensure security. Simplifying financial onboarding through convenient digital processes will significantly increase accessibility. Crucial infrastructural improvements, such as CIB API integration, tax return APIs, and a centralised database for rapid digital credit scoring, are vital for fostering trust and efficiency. Moreover, favourable regulations for advanced authentication methods and a robust national cybersecurity policy will further drive Bangladesh towards a secure, inclusive, and fully digital economy.

## Redefining convenience with our first-ever Virtual Debit Card

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Syed Mahbubur Rahman (SMR):** Bangladesh is making notable strides toward establishing a cashless economy, driven by government initiatives, technological advancements and introduction of digital financial services by banks, financial institutions and fintech

ensuring robust cybersecurity measures is crucial to build trust and protect users against potential digital fraud. Bangladesh is on a promising path toward a cashless economy, with strategic initiatives and technological innovations driving this transition.

**TDS:** What innovative steps has your bank taken to accelerate the shift toward a cashless economy, and how have they impacted customers?

**SMR:** MTB has implemented several innovative initiatives to

**MTB Avatar.** MTB Avatar is an artificially intelligent bot. Our current MTB Avatar, named Md. Abu Yusuf, is guiding customers on various MTB products, banking services and relevant information. These innovations have significantly improved customer experience. As a result, our customers now enjoy greater financial accessibility and convenience in their daily transactions.

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?



**SYED MAHBUBUR RAHMAN**  
Managing Director & CEO  
Mutual Trust Bank

accelerate the transition to a cashless economy. These include the introduction of a seamless banking App- MTB Neo, QR code-based payments and contactless digital transactions.

Our bank set the bar high in the banking industry with the launch of the country's first-ever Virtual Debit Card, a groundbreaking digital solution. A customer can apply for the card from MTB Neo App and get it instantly. With this virtual card, customers can perform ATM transaction through Cash by Code, QR transactions and e-commerce transactions conveniently.

Additionally, we have expanded our digital financial services by launching the first ever banking bot in Asia:

**SMR:** To enhance security, inclusivity, and adoption of digital transitions, strengthening cybersecurity with advanced fraud detection and data encryption, launching nationwide financial literacy programs, and expanding digital infrastructure are critical. Streamlining regulations, fostering public-private partnerships, and ensuring interoperability across financial service providers will drive innovation and accessibility. Additionally, robust data privacy laws must be enforced to protect users' financial information. These reforms will enable a secure, inclusive, and efficient digital payment ecosystem, accelerating Bangladesh's transition to a cashless economy.

## Cashless Deals to Slash YOUR GROCERY BILLS

**For making Eid celebrations more affordable, banks, NBFIs, and MFS providers are offering cashback and discounts to cardholders shopping at partner grocery stores with their credit or debit cards. To get these offers, make sure to check the transaction conditions, such as the minimum spending requirement and whether the cashback is credited instantly or after a few days.**

### MIPTAHUL JANNAT

As Ramadan unfolds, so does the excitement of preparing for Eid-ul-Fitr—the grand celebration marked by joyous gatherings and lavish feasts. But with grocery expenses soaring during this time, smart shoppers know the key to saving lies in exclusive cashless payment offers from banks, MFS platforms and other financial institutions.

From generous cashback and instant discounts to exclusive partnerships with leading supermarkets, these financial incentives can make your grocery shopping experience both rewarding and budget-friendly.

Tauhidul Alam, Head of Cards at City Bank mentioned in this regard, "During this Ramadan and Eid, we are offering various deals for our debit and credit card holders on all kinds of shopping, including groceries. We have extended these offers to cover the entire country, and not just Dhaka."

These offers are designed to ease the burden on your wallet, ensuring you get the best deals on essentials for suhoor, iftar, and the grand Eid feast. Whether you're stocking up on premium dates, fresh produce, or festive delicacies, these limited-time promotions can help you stretch your budget without compromising on quality.

### Why go cashless for grocery shopping?

Cashless grocery shopping allows consumers to save big, earn rewards, and enjoy a hassle-free experience. Instant cashback and discounts help reduce the total bill, while many banks, MFS providers, and supermarkets offer reward points that can be redeemed later, which incentivise general people to opt for cashless payment.

I have always preferred online grocery shopping for its convenience. However, cashback and discount offers make it even more appealing to use online payment methods. For example, after a recent purchase from Shwapno, I received a BDT 100 cashback from bKash on a BDT 2,000 transaction," shared Farhana Yeasmin, a mother and private job holder.

Digital payments also enhance security by eliminating the need to carry large amounts of cash in crowded supermarkets. Additionally, they ensure faster checkouts, allowing you to skip long ATM queues and pay instantly via



PHOTO: PRABIR DAS

cards, mobile apps, or QR codes.

"We're observing a significant increase in the comfort level of consumers when purchasing groceries utilising digital payment methods. This shift is further fueled by a heightened awareness of cashback and discount offers, resulting in a significantly higher offer utilisation rate," added Alam from City Bank.

From credit and debit card offers to MFS perks and digital wallets, going cashless is not just about convenience—it is about maximising savings and making the most of your Eid preparations.

### Top cashless offers for stocking up on essentials

To make Eid celebrations more affordable, banks, NBFIs, and MFS providers are offering cashback and discounts to cardholders shopping at partner grocery stores with their credit or debit cards. Let's explore some of the best deals.

### Grocery delights with Mastercard

The Mastercard Ramadan Grocery Campaign 2025 is an exclusive offer where Mastercard cardholders can win exciting rewards by shopping at selected grocery/super shop merchants using their Mastercard Debit, Credit,

Prepaid cards. Take advantage of this special promotion until Eid-Ul-Fitr.

To qualify for the benefits, shoppers must make a minimum of four transactions at any of the participating grocery merchants during the campaign period. Cardholders can earn multiple rewards at each participating super shop (grocery) chain, with winners receiving vouchers worth up to BDT 5,000 from the respective merchants.

### More grocery bargains to get more for less

Chaldal is offering exclusive Ramadan and Eid grocery deals in partnership with various banks. Customers using City Bank Amex Credit Card can enjoy a 12% discount on BDT 2,000+ orders, with a maximum cashback of BDT 250 per transaction. Dhaka Bank credit cardholders can also get 20% cashback, earning up to BDT 500 during the campaign.

Alternatively, EBL Visa or Mastercard users receive 7% cashback on BDT 1,299+ orders, with a BDT 100 max discount per transaction, redeemable once per card. BRAC Bank cardholders get a 5% flat discount on BDT 1,999+ purchases using coupon code BRACBANKS.

Moreover, Bank Asia credit cardholders are eligible for 12% cashback,

including an instant 5% discount on BDT 2,000+ orders, using the coupon code BANKASIACD24, redeemable twice. Additional 7% cashback is available, with maximum cashback limits based on card tiers: Elite/Signature Card (BDT 300 – BDT 3,500), Platinum/Titanium Card (BDT 200 – BDT 2,000), and Gold/Classic Card (BDT 100 – BDT 1,000).

Apart from Chaldal, many other grocery merchants have teamed up with banks for offering wallet-friendly grocery deals. NCC Bank offers 10% cashback on BDT 3,000+ purchases at Agora, Daily Shopping, Meena Bazar, Mustafa Mart, Shwapno, and Unimart. Additionally, Prime Bank gives you 10% cashback at select super shops for BDT 2,000+ transactions, valid from 25-31 March. MTB provides 10 reward points per BDT 100 spent at Shwapno and Daily Shopping for BDT 2,000+ transactions.

Similarly, BRAC Bank offers a 10% discount up to BDT 100 on BDT 3,000+ orders and triple reward points on BDT 2,000+ transactions at select supermarkets. "BRAC Bank credit and debit cardholders can also earn 2,000 bonus reward points when shopping at leading grocery stores nationwide," added Md. Mahiul Islam, Deputy Managing Director & Head of Retail Banking at BRAC Bank.

Check transaction limits – Some cashback offers require a minimum purchase (e.g., BDT 2,000). Plan your shopping accordingly.

These exclusive offers are valid until 31 March or Eid ul Fitr 2025, whichever comes first. To get these offers, make sure to check the transaction conditions, such as the minimum spending requirement and whether the cashback is credited instantly or after a few days.

### Scan & save: QR payment discounts

Another exciting way to save money this Eid is through QR code payments, which are being encouraged by banks, fintech platforms, and supermarkets. QR payment is a fast, secure, and contactless way to shop while earning discounts.

Sheikh Mohammad Maroof, Managing Director and CEO, Dhaka Bank shared, "Dhaka Bank has introduced a QR code-based payment system, which integrates with Bangla QR and other mobile financial services. This enables faster, safer, and more cost-effective transactions for both businesses and consumers."

The introduction of Bangla QR has yielded significant benefits, with all banks now offering coverage. This means that any retail merchant with an account number can conduct transactions through Bangla QR, despite requiring payment through internet banking.

### How to maximise savings on Eid grocery shopping?

Use multiple cards/apps – Different cards and mobile wallets offer different discounts. Use a mix of them for maximum savings. "If credit cards are used smartly, customers can unlock great discounts and cashback offers, making their shopping more affordable and budget-friendly," added Zobair Mahmood Fahim, Head of Cards and DFS at NCC Bank.

Check transaction limits – Some cashback offers require a minimum purchase (e.g., BDT 2,000). Plan your shopping accordingly.

Shop at partnered stores – Only selected supermarkets and retailers participate in these cashback campaigns. Confirm the list before making a purchase.

Use QR codes & digital wallets – If a shop supports both card and QR payments, check which method offers better savings.

Keep track of cash back credits – Some banks may take a few days to process cashback, so monitor your statements to ensure you get your rewards.

## Continuous investment in digital infrastructure is key to inclusion

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**ANM Mahfuz (ANMM):** Bangladesh is rapidly advancing towards a cashless society, with over 50% of financial transactions now occurring through digital channels. This shift is driven by the collaborative efforts of banks, non-bank financial institutions (NBFIs), mobile financial services

Payment Switch, and supporting e-commerce have further accelerated this shift. Innovations like QR code payments, NFC-enabled cards (TakaPay) and two-factor authentication are making digital transactions more secure and accessible.

**TDS:** What innovative steps has your bank taken to accelerate the shift toward a cashless economy, and how have they impacted customers?

**ANMM:** At Bank Asia, we are leading the charge in promoting a cashless economy through several innovative initiatives focused on customer

more people to participate in the formal financial system and supporting the country's transition to a cashless future.

**TDS:** What policy changes or government initiatives are crucial for making digital transactions more secure, inclusive, and widely adopted?

**ANMM:** To make digital transactions more secure, inclusive, and widely adopted, several policy changes are crucial. First, continued investment in digital infrastructure, particularly expanding high-speed internet access to rural areas, is essential for ensuring



**ANM MAHFUZ**  
Additional Managing Director &  
Chief Business Officer, Bank Asia

(MFS) providers, payment service providers (PSPs), and payment system operators (PSOs), all working to make digital transactions more seamless and accessible.

A key factor in this transformation is our country's young, tech-savvy population. With a growing focus on digital solutions, Bangladesh is well-positioned to embrace a cashless future. Generation Z, in particular, is moving away from traditional financial systems, opting for the convenience of digital platforms. Government initiatives such as promoting mobile financial services, expanding the National

convenience and financial inclusion. One of our major steps has been creating a robust digital ecosystem, which includes an extensive ATM network, QR-based payment solutions, and advanced internet banking platforms accessible via web and mobile apps. These tools provide secure, seamless access to financial services, empowering customers to carry out transactions with ease.

Our commitment to financial inclusion in rural areas has been significant. Over 25,000 micro-merchants in rural Bangladesh are using our app for digital transactions, and we have established more than 5,000 agent points to ensure digital services reach even remote communities. By bridging the gap between urban and rural populations, we are enabling

that underserved populations benefit from digital financial services.

Second, public financial literacy programs should be implemented to educate all segments of society on the benefits and safe usage of digital financial platforms. Lastly, the government could consider relaxing the mandatory tax return requirement for credit card applications, which could help encourage wider adoption and accelerate the transition toward a cashless society.

As Bangladesh expands its digital infrastructure, the path to a fully cashless economy is becoming clearer. Collaboration across the financial sector will play a vital role in achieving this vision, leading to greater financial inclusion and more efficient economic activities.

## Smart credit card usage for shopping this Ramadan and Eid

SAMIA HUDA

Ramadan and Eid bring a season of joy, generosity, and increased spending. From groceries for iftar gatherings to new clothes and gifts, expenses often surge. While credit cards offer convenience and rewards, unplanned usage can lead to financial strain. Here's a guide to using your credit card wisely for shopping this festive season.

### Choosing the Right Credit Card for Ramadan and Eid

Selecting the best credit card tailored to your spending habits can maximize savings and benefits.

### Cashback and Rewards

- Choose a card that offers cashback or reward points on purchases like groceries, apparel, electronics, and travel.
- Many banks provide special Eid offers, including increased cashback on specific categories.

### Zero-Interest EMI Plans

Many banks offer zero interest installment (EMI) plans during Ramadan and Eid for big ticket purchases like electronics, home appliances, or furniture.

Opting for an EMI plan can help spread out expenses without accumulating interest.

### Smart Spending Strategies

To make the most of your credit card, follow these spending strategies:

#### Set a Budget and Stick to It

- Plan your Eid shopping budget before making purchases to avoid overspending.
- Allocate spending limits for different categories such as food, clothing, and gifts.
- Use your credit card as a tool for budgeted spending, not as an unlimited source of funds.

#### Leverage Discount Offers and Deals

Many banks and retailers collaborate to offer discounts and buy-one-get-one (BOGO) deals.

Look for merchant tie-ups that provide exclusive discounts on fashion, groceries, and dining.

#### Use Credit Card Reward Points

- If you have accumulated reward

points, use them for shopping vouchers, discounts, or cashback.

- Some cards allow you to redeem points for airline tickets if you're traveling during Eid.

#### Be Mindful of Interest Rates

- If you cannot pay your credit card bill in full, try to pay more than the minimum to avoid high interest charges.
- Avoid withdrawing cash using your credit card, as cash advances come with high fees and interest.

#### Managing Credit Utilization Wisely

Keeping your credit utilization low ensures financial health and avoids unnecessary debt.

#### Keep Utilization Below 30%

- Try not to exceed 30% of your credit limit to maintain a good financial profile.
- If making larger purchases, distribute expenses across multiple cards instead of maxing out one.

#### Security Measures for Safe Transactions

With increased online shopping during Ramadan and Eid, protecting your financial information is crucial.

#### Smart Spending Strategies

To make the most of your credit card, follow these spending strategies:

#### Set a Budget and Stick to It

- Plan your Eid shopping budget before making purchases to avoid overspending.
- Allocate spending limits for different categories such as food, clothing, and gifts.
- Use your credit card as a tool for budgeted spending, not as an unlimited source of funds.

#### Leverage Discount Offers and Deals

Many banks and retailers collaborate to offer discounts and buy-one-get-one (BOGO) deals.

Look for merchant tie-ups that provide exclusive discounts on fashion, groceries, and dining.

#### Use Credit Card Reward Points

- If you have accumulated reward



## Enhancing customer experience with innovative credit card services

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Nazeem A. Choudhury (NAC):** Bangladesh is progressing towards a cashless economy, driven by digitalization, fintech adoption, and policy support. Mobile financial services, digital banking, and e-commerce are reshaping the financial landscape. Bangladesh Bank's QR payment system and Bangla QR standard are accelerating this shift. The



times, reflecting customer trust and the increasing shift toward digital payments. Our credit cards offer accessibility, security, and valuable benefits. We aim to become a leading card-issuing bank. Beyond providing credit cards, Prime Bank actively supports Bangladesh's cashless economy vision. To promote digital transactions, we undertake initiatives like financial literacy programs and expanding digital payment channels. By encouraging cashless adoption and educating consumers, we are committed to driving the government's vision of a cashless economy in Bangladesh.

the market. Our cardholders enjoy up to 50 days of interest-free repayment on their credit card bills. Additionally, we offer an easy annual fee waiver with just 15 transactions, making our credit cards more affordable for customers. With MyPrime, customers can instantly transfer funds from their credit card to any account while still enjoying the interest free period. We also provide wallet transfers and top-up facilities without any additional charges. Depending on the card type, our customers can enjoy access to over 1,400 airport lounges worldwide,

**NAZEEM A. CHOUDHURY**  
Deputy Managing Director  
Prime Bank

**TDS:** How many types of credit cards do you offer for customers?

**NAC:** To meet diverse financial needs, we offer various credit cards tailored to different customer segments, including Islamic banking options. Our globally accepted JCB, Mastercard, and Visa-branded cards come in World, Platinum, Gold, and Classic variants, enabling cash withdrawals and purchases worldwide. We continuously innovate to enhance customer banking experiences, introducing new credit card services that offer greater convenience, flexibility, and financial security.

**TDS:** What is the demand for your bank's credit card in the market?

**NAC:** The demand for Prime Bank's credit cards is rising steadily. Over the past three years, usage has grown 2.5

ensuring a premium travel experience.

**TDS:** What kind of offers are you providing for customers during Ramadan and Eid-ul-Fitr?

**NAC:** During this special time, we are offering exclusive discounts and cashback across various categories to meet our customers' needs. For Iftar and Sehri, we have exclusive dining offers at top restaurants, including Buy-One-Get-One/Two/Three deals. Additionally, we are providing special discounts and cashback at grocery stores and retail outlets to make shopping more convenient and affordable. To help our cardholders celebrate Eid with their loved ones, we are offering exclusive cashback on major lifestyle, electronics, and ticketing platforms when using Prime Bank credit cards.

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**Commercial Bank of Ceylon PLC  
Bangladesh Operations**

## Accelerating the digital shift with innovation

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?

**Md. Ahsan-uz Zaman (MAZ):** Bangladesh is making significant progress towards a cashless economy through mobile banking, digital payments, and government policies. The government has set a target of completing 75% of transactions cashless by 2027. Banks, mobile operators, and the government are taking various steps to achieve this goal. Mobile financial services (MFS) such as bKash and Nagad have become popular, particularly in remote areas. As of December 2024, there were 238.6 million registered mobile

cashless transactions. By increasing customer awareness, encouraging the use of digital platforms, and leveraging new technologies, MDB is poised to play a key role in achieving the government's goals. In 2024, 6,390 accounts were opened through digital platforms, and 893,150 transactions were conducted digitally. We are making various efforts to bring customers who are not yet covered by digital banking—those who have not yet adopted Midland Online—under this platform. Various incentives are being offered to encourage existing Midland Online and MCM users to conduct cashless transactions, such as cashback offers and annual fee waivers for a certain number of transactions.

Midland Bank has also

Complimentary internet banking facility

Free monthly e-statement service

**TDS:** What policy changes or government initiatives do you believe are crucial for making digital transactions more secure, inclusive, and widely adopted?

**MAZ:** To make digital transactions more secure, inclusive, and widely adopted in Bangladesh, several policy changes and government initiatives are crucial. Bangladesh Bank should implement stricter cybersecurity guidelines for banks, Mobile Financial Services (MFS), and Payment Service Providers (PSPs). Mandatory two-factor authentication (2FA) and AI-driven fraud detection mechanisms should be enforced for all digital transactions.

**MD. AHSAN-UZ ZAMAN**  
Managing Director & CEO  
Midland Bank

money accounts in Bangladesh—an increase of 18.2 million from the previous year. Debit and credit card usage is also on the rise, particularly for online shopping. Many businesses are now accepting transactions via cashless payment gateways.

**TDS:** What innovative steps has your bank taken to accelerate the shift towards a cashless economy, and how have they impacted customers?

**MAZ:** Midland Bank is taking extensive measures to promote

introduced several innovative measures to accelerate the transition towards a cashless economy, in alignment with Bangladesh Bank's Cashless Bangladesh initiative. We have designed our digital products to enhance customer convenience and promote financial inclusion. Customers who open a Fixed Deposit Receipt (FDR) digitally are eligible for an additional 0.25% profit. Our digital products require no initial deposit, ensuring accessibility for all. Accounts can be opened seamlessly through the Midland Bank (MDB) website, offering benefits such as:

Lifetime free debit card

Investment in high-speed internet and mobile network expansion, especially in rural areas, is essential to facilitate seamless digital transactions. Encouraging partnerships between banks and fintech companies will help develop innovative and cost-effective digital payment solutions.

The government could introduce tax incentives or cashback offers for businesses and individuals using digital payment methods, encouraging wider adoption. Reducing or eliminating transaction fees for small digital payments can also increase usage among low-income groups.

## Investing in digital literacy to enhance customer awareness and security

**The Daily Star (TDS):** How is Bangladesh progressing in its transition to a cashless economy?



**MASHRUR AREFIN**  
Managing Director & CEO  
City Bank

**To meet the government's target of 75% cashless transactions by 2027, incentives similar to those for inward remittances could encourage adoption among consumers and merchants.**

**Additionally, simplifying credit card issuance is crucial—26 lakh cards in a country of 18 crore is far too low. Addressing these barriers will unlock Bangladesh's full digital payment potential.**

Addressing these barriers will unlock Bangladesh's full digital payment potential.

**TDS:** What innovative steps has your bank taken to accelerate the shift toward a cashless economy, and how have they impacted customers?

**MA:** City Bank has been a pioneer

in the 'Cashless Bangladesh' initiative, introducing TakaPay debit cards, interoperable Bangla QR, and incentivising QR payments. We actively support the 'Digital Cow Haat' lead city-wide roadshows, and expand our merchant QR network, making

transactions seamless.

Additionally, we invest in digital literacy programmes to enhance customer awareness and security. These initiatives provide convenience, security, and financial inclusion, driving a more efficient and transparent economy.

**TDS:** What policy changes or government initiatives are crucial for making digital transactions more secure, inclusive, and widely adopted?

**MA:** Key priorities include:

- Expanding affordable internet access
- Nationwide digital literacy programmes
- Simplifying KYC for financial inclusion
- Reducing VAT on POS & card imports
- Removing VAT on MDR to ease merchant costs
- Scaling up Bangla QR adoption
- Incentivising digital payments

Most importantly, simplifying credit card issuance—especially for lower-middle income and informal sector workers—is essential to increasing digital transaction volumes.

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