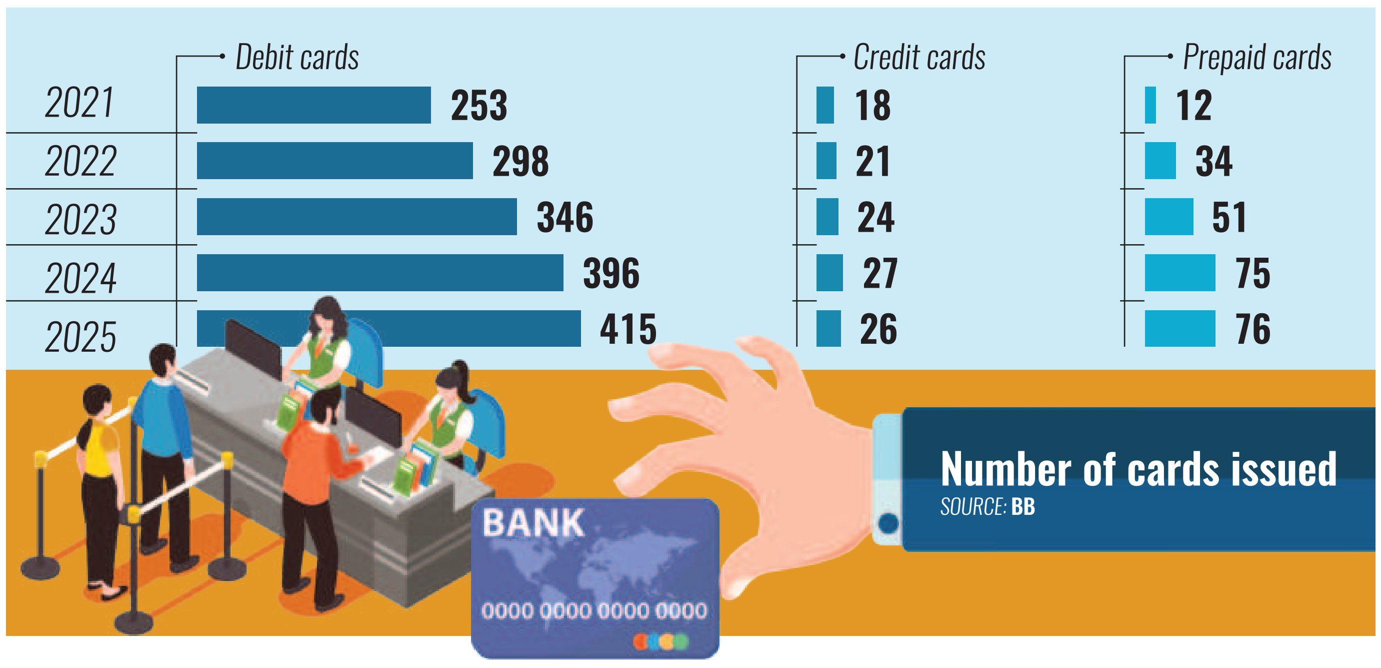
Card-based transactions soar 228% in five years

Driven by issuance of prepaid cards

STAR BUSINESS REPORT



Card-based transactions in Bangladesh grew by 228 percent over the last five years amid a growing shift towards the use of plastic money for convenience.

Transactions through cards surged to Tk 41,407 crore at the end of April this year from Tk 12,643 crore five years ago, according to Bangladesh Bank (BB) data.

During this period, banks issued 5.17 crore cards, which was 140 percent higher than the 2.16 crore issued as of May 2020.

"This surge highlights the significant demand for card-based transactions among both consumers and merchants," the BB said in a report released yesterday on card usage patterns within and outside Bangladesh.

The BB said cards are one of the most popular means of transactions worldwide, and most countries use cards as plastic money.

"A considerable segment of Bangladesh's population enjoys the facilities and advantages offered by cards, though many people express reluctance to use cards despite having the qualifications, due to fear and lack of knowledge about them," it said.

The central bank introduced plastic money or debit and credit cards in 2012 with the goal of establishing a cashless banking system.

It framed a law last year to provide a legal foundation for the payment and settlement system and to protect consumers' interests.

To complement this effort, the BB's Payment Systems Department has developed essential guidelines, including a legal framework.

As a result, the number of card users, as well as the volume and variety of card-based transactions, has been steadily rising across the country.

BB data showed that the highest growth was recorded in the issuance of prepaid cards, followed by debit cards.

Prepaid card issuance soared 1,283 percent in five years to 76 lakh in April 2025. Debit cards grew by 113 percent to 4.15 crore during this period, while net issuance of credit cards rose by 65 percent to 26 lakh.

In terms of transactions, credit cards were in the lead, recording a 361 percent growth to Tk 3,288 crore in April 2025 from that five years ago.

Meanwhile, cash withdrawals through debit cards jumped 220 percent to Tk 37,735 crore.

"The rising use of plastic money is playing a big role in digital transactions. So, cash transactions will go down," said Mahiul Islam, deputy managing director and head of retail banking at BRAC Bank.

Over the last couple of years, several large private and Islamic banks aggressively issued debit and prepaid cards, he said.

However, the number of unique cardholders would be lower than the number of cards in the market, especially credit cards. "Actually, a large portion of bank customers use cards from multiple banks," he said.

The BB said cash transactions have dominated Bangladesh's consumer payment ecosystem for many years, but their prevalence has been in consistent decline in recent years.

To accelerate the adoption of electronic payment methods, the government and the BB have implemented a series of targeted policy measures and regulatory reforms, it added.

"This strategic focus on digitalisation has yielded significant results, with card-based transactions experiencing exponential growth as businesses and consumers increasingly shift toward digital financial instruments," said the BB.

No degree, no worries

MAHTAB UDDIN AHMED

"My grandfather was a Chowdhury, how can I be a carpenter?"—a classic Bangladeshi mindset, where jobs involving tools, wheels, or grease are treated like social demotion. Never mind that most of our glorious ancestors were humble farmers who proudly worked with their hands. Fast-forward to 2025, and we now act like fixing a pipe or driving a bus will dishonour the entire family tree. A plumber earning more than a master's degree holder? Blasphemy! In our society, job choices are less about passion or pay, and more about imaginary judgment from long-deceased forefathers sipping tea in heaven. So, we queue up for jobless degrees while quietly looking down on the ones actually earning.

Recently, one of my companies signed a deal with an Australian government agency to bring TAFE (Technical and Further Education) to Bangladesh, yes, that "not-so-respected" vocational training we love to laugh at while sipping our coffee. During my visit, a senior manager informed me that they require 20,000 welders for their submarine plant. But there is a twist: they must know how to weld and speak English.

We thought, "Perfect! Let's reach out to English-medium schools and colleges." But alas, disaster. No student, or more importantly, no parent, would ever imagine their child becoming a welder or carpenter, even if it meant good money, a pathway to a university in Australia and a secure job. After all, these kids are being trained to be CEOs straight out of the womb, even if it takes three degrees and no actual job!

A recent 9 News Australia report highlights that top-paying jobs no longer require a university degree. Professions such as rope-access technicians, miners, construction workers, and drill rig operators earn between A$90,000 and over A$170,000 annually, often with just a few weeks or months of certified training. Many of these careers are accessed through TAFE programmes, which offer fast-tracked, industry-recognised skills. In fact, trade apprentices are now earning more than many university graduates, with higher employment rates six months after completing their training. The report reflects a cultural shift where vocational jobs, once considered low-status, are now celebrated for their financial rewards and job security. It sends a clear message: practical skills can often outshine academic degrees in terms of both pay and prestige.

In Australia and most developed countries, dignity and income are often linked to skill, rather than job title. But in Bangladesh, we are still stuck in a caste-like academic mindset, proudly polishing degrees while ignoring the value of hands-on work. As AI takes over routine tasks, big employers are reducing the number of entry-level hires, leaving fresh graduates jobless with impressive CVs but little practical experience. Meanwhile, there is a severe shortage of skilled workers in construction, healthcare, and other essential sectors. So, while our graduates are busy updating their LinkedIn headline for the tenth time, a trained construction worker or caregiver is already employed, earning well, and too busy to worry about hashtags.

Bangladesh has the opportunity to replicate this success for the local as well as the international market. As Industry 4.0 takes hold and automation changes everything, the demand for skilled trades, electricians, plumbers, solar panel technicians, refrigeration mechanics, and industrial cooks will only grow. The key is to respect vocational work, modernise our training institutions, and break the stigma attached to "servant". The term itself needs a makeover from "kajer lok" (servant) to "specialist".

We don't need more MBAs with PowerPoint fluency. We need master carpenters, code-welders, and solar engineers to address the current level of unemployment. Let's stop asking "do you have a degree?" and start asking "can you do the job?"

The writer is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

Tariff talks with US 'not finished'

Says Philippines

AFP, *Manila*

Negotiations over the Philippines' new 19 percent US tariff rate are "not finished", a key government economic adviser said Thursday, tamping down fears over the deal's potential impact on the agriculture sector.

President Ferdinand Marcos flew back to the country late Wednesday after a three-day trip to Washington that saw him emerge from a meeting with Donald Trump having shaved a single point off a 20 percent levy on Filipino goods.

What might "seem like a very small concession" was in fact a "significant achievement", Marcos told reporters who questioned if the Philippines -- a longtime US treaty ally -- was getting the short end of the stick.

The US president, meanwhile, touted "zero tariffs" on American goods headed to the archipelago nation of 115 million.

But Marcos economic adviser Frederick Go said Thursday that tariffs would not be dropped in every category.

"The negotiations are not yet finished. Our technical working groups will continue to work with their counterparts from America to finalize the details of this arrangement," he told reporters in Manila.

"There are still many things to be discussed."

Since the Trump meeting, the Marcos administration has downplayed the potential effects of the tariffs, noting just 16 percent of the country's exports go to the United States, with about two-thirds being electronic components not subject to levies.

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Alphabet earnings shine with the help of AI

AFP, *San Francisco*

Google-parent Alphabet on Wednesday reported quarterly profits that topped expectations, saying artificial intelligence has boosted every part of its business.

Alphabet's second-quarter profit of $28.2 billion -- on $96.4 billion in revenue -- came with word that the tech giant will spend $10 billion more than it previously planned this year on capital expenditures, as it invests to meet growing demand for cloud services.

"We had a standout quarter, with robust growth across the company," said Alphabet chief executive Sundar Pichai.

"AI is positively impacting every part of the business, driving strong momentum."

Revenue from search grew double digits in the quarter, with features such as AI Overviews and the recently launched AI mode "performing well," according to Pichai.

Ad revenue at YouTube continues to grow along with the video platform's subscription services, Alphabet reported.

Alphabet's cloud computing business is on pace to bring in $50 billion over the course of the year, according to the company.

"With this strong and growing demand for our cloud products and services, we are increasing our investment in capital expenditures in 2025 to approximately $85 billion and are excited by the opportunity ahead," Pichai said.

Alphabet shares were up nearly 2 percent in after-market trades that followed the release of the earnings figures.

Investors have been watching closely to see whether the tech giant may be pouring too much money into artificial intelligence and whether AI-generated summaries of search results will translate into fewer opportunities to serve up money-making ads.

The internet giant is dabbling with ads in its new AI Mode for online search, a strategic move to fend off competition from ChatGPT while adapting its advertising business for an AI age.

The integration of advertising has been a key question accompanying the rise of generative AI chatbots, which have largely avoided interrupting the user experience with marketing messages.

However, advertising remains Google's financial bedrock.

"Google is doing well despite tariff headwinds and rising AI competition in search," said eMarketer principal analyst Yory Wurmser.

"It's also successfully monetizing AI Overviews and AI Mode, a good sign for the future."

Google and rivals are spending billions of dollars on data centers and more for AI, while the rise of lower-cost model DeepSeek from China raises questions about how much needs to be spent.

Meanwhile the online ad business that generates the cash Google invests in its future could be neutered due to a defeat in a US antitrust case.

During the summer of 2024, Google was found guilty of illegal practices to establish and maintain

READ MORE ON B2

Trump's first five trade deals

AFP, *Paris*

Japan and the Philippines take to five the number of countries that have concluded trade deals with the United States ahead of an August 1 deadline set by President Donald Trump to avoid punitive tariff rates.

The agreed levies are often higher than the new base rate of 10 percent that the United States has applied to most countries since April, but far less than the levels the Trump administration has threatened to impose if no deal is reached.

While many details remain to be negotiated under the deals, it is clear countries made considerable concessions to reach an agreement with the United States.

JAPAN: 15%

Under the terms of the trade deal with Japan that Trump called "massive", the country's exports will be taxed at 15 percent instead of the threatened 25 percent rate.

Crucially, Tokyo managed to have an existing and painful 25 percent tariff on its automobiles, an industry accounting for eight percent of Japanese jobs, cut to 15 percent.

Moody's Analytics analyst Stefan Angrick said 15 percent was still much higher than the low single-digit rates in effect before Trump returned to the White House.

"Relative to that it's not exactly good news," he noted.

"I think 15 percent is a much, much higher tariff rate than many, many were expecting. And it's important to keep that in mind." The 50 percent tariffs on Japanese steel and aluminium will continue to apply.

The White House said that under the deal, Japan will make $550 billion in investments in the United States.

These will be in areas including energy infrastructure, semiconductor and drug manufacturing, the mining and production of critical minerals, as well as commercial and military shipbuilding.

Washington said the United States will retain 90 percent of the profits from these investments and that Japan will buy $8 billion worth of US goods, including farming produce, aviation fuel and 100 Boeing planes.

The White House also said Japan will lift "longstanding restrictions" on US cars and trucks -- which sell poorly in Japan -- and boost US rice imports by 75 percent.

"The magnitude of the concessions made by the Japanese government could make one fear very complicated negotiations with others like the European Union," said analyst Bastien Drut at CPR Asset Management in Paris.

PHILIPPINES: 19%

Under an accord announced by the White House, the Philippines obtained a tariff reduction of one percentage point on its goods entering the United States.

Products from the Southeast Asian country, a major exporter of high-tech items and apparel, will face a 19 percent levy.

BRITAIN: 10% ON AVERAGE

London and Washington concluded a deal in May that sees a 27.5 percent tariff rate on cars dropped to 10 percent for the first 100,000 vehicles per year, which is a big win for Jaguar Land Rover.

The deal also benefits the British aerospace sector, in particular jet engine manufacturer Rolls Royce, which won a tariff exemption.

London is still negotiating exemptions for its steel and aluminium products from the 25 percent rate in force. But Britain had to open its market further to US ethanol and beef.

The rest of its products are subject to the 10 percent base rate.

While many details remain to be negotiated under the deals signed so far, it is clear countries made considerable concessions to reach an agreement with the United States. PHOTO: AFP

VIETNAM: 20%

Vietnam reached a deal at the beginning of July with the United States, its main export market for products including clothing and shoes, that will see its shipments subject to a 20 percent tariff, instead of the threatened 46 percent rate.

But a 40 percent tariff will hit goods passing through the country to circumvent steeper trade barriers.

US goods won't face any tariffs to enter Vietnam.

INDONESIA: 19%

Under the deal reached last week, Indonesian goods entering the United States will be hit with a 19 percent tariff, lower than the threatened rate of 32 percent. Certain Indonesian goods not available in the United States could face even lower rates.

According to Washington, nearly all US goods will be able to enter Indonesia tariff free. Moreover, it said Jakarta had agreed to recognise US standards for car and pharmaceutical imports. It also agreed to drop an effort to tax data flows and ease export restrictions on critical minerals.

The deal followed Indonesia making concessions earlier in July with pledges to buy more US agricultural goods and oil.