Shruti Gupta

In Bangladesh, Visa sees huge digital opportunity

Vice-President Shruti Gupta tells The Daily Star

MAHMUDUL HASAN

As Bangladesh moves towards a digital economy, it is prioritising cashless transactions.

Over the last five years, card-based transactions soared by 228 percent to reach Tk 41,407 crore in April 2025. Transactions through mobile financial services (MFS) are also surging.

But in reality, the progress is still modest, and the economy remains largely cash-dominated.

For Visa, one of the world's largest payment technology companies, this gap is not a challenge but a massive opportunity, according to Shruti Gupta, vice-president and head of Commercial and Money Movement Solutions (CMS) for India and South Asia.

During a recent visit to Dhaka, she emphasised the pivotal role Bangladesh could play in the company's growth plan for the South Asia region.

"Bangladesh is a key market for us, especially because a large part of the economy depends on micro, small and medium enterprises (MSMEs)," Gupta told The Daily Star in an interview during her visit. "Our vision -- to be the best way to pay and be paid -- aligns well with the government's push to reduce cash dependency and expand digital financial inclusion."

Visa's commercial and money movement division focuses on business-to-business (B2B) transactions, including domestic and cross-border payments.

Gupta explained how Visa is expanding beyond personal card products to provide tailored B2B solutions.

"We're not just selling a product, we're creating value. Whether it's a sole proprietor running a bakery or a medium-sized exporter, we give them tools to transition to digital commerce easily," she said.

A central part of Visa's strategy is increasing the "pull factor", making digital payment adoption worthwhile. "Unless you give a small business a reason to use a card -- for instance, savings, convenience, or better working capital management -- they won't adopt it," she added. "We simplify needs, amplify benefits, and magnify opportunities."

However, despite the evident potential, Bangladesh's regulatory environment presents structural limitations. For instance, individuals face an annual foreign spending limit of $12,000, and online transactions are capped at $300 per payment. These restrictions often make it difficult for businesses to expand or advertise abroad.

Sabbir Ahmed, Visa's country manager for Bangladesh, Nepal, and Bhutan, acknowledged these challenges. "The current limits are indeed restricting business usage."

He said Visa has made policy recommendations to the Bangladesh Bank, including the introduction of a separate travel quota for business purposes.

The idea is to allow business owners to spend abroad -- attend trade fairs, pay for digital advertising -- without exhausting their personal travel limits.

"Bangladesh Bank was very receptive to our policy recommendation to increase card usage in Bangladesh, and we are optimistic that some of these ideas, like business-specific quotas, will be taken under active consideration," said Ahmed.

Visa is also working to break down behavioural barriers to card use.

Asked if it is discouraging customers to make digital payments as many merchants still charge an additional 2 percent to 3 percent fee for card payments, Ahmed said Visa is not just pushing consumer-level change but also transforming the ecosystem by working with banks and retailers to normalise card acceptance.

But Visa's ambitions in Bangladesh go beyond domestic purchases.

"Cross-border money movement is a huge opportunity," said Gupta. "Whether it's parents sending tuition fees abroad, workers remitting money home, or businesses making cross-border payments, our Visa Direct service allows faster, cheaper, and more transparent transactions than traditional methods."

The Visa Direct service allows individuals to send funds to eligible Visa cards, typically within minutes, through various platforms like online banking, mobile apps, or even ATMs.

"This could revolutionise how Bangladeshis move money globally," said Ahmed, noting that four banks in Bangladesh have already signed up for the service.

Visa's offerings are structured around three pillars: consumer payments, commercial and money movement, and value-added services. On the commercial side, the company is pushing to make commercial credit cards a standard tool for MSMEs.

Gupta argued that this can close the credit gap, noting, "Commercial cards offer a credit period of 30–45 days, help build credit history, and serve as a gateway to more structured financing like overdrafts. SMEs deserve the same tools as individuals."

Visa is also working with the government to digitise Citizen-to-Government (C2G) payments. "From paying taxes online to remitting government fees digitally, these solutions increase transparency and reduce inefficiencies," said Gupta.

"One of the key issues with cash is the lack of traceability and the associated risk. Our aim is to bring transparency into the system. The more transparent the transactions, the higher the tax compliance -- and this is crucial for Bangladesh, which has one of the lowest tax-to-GDP ratios in Asia-Pacific," Ahmed explained further.

In this pursuit, Visa doesn't see itself in competition with MFS providers like bKash or other fintech entrants.

"If bKash were a competitor, we wouldn't have integrated our cards into their platform. But we did, because we're growing the ecosystem together," said Ahmed.

Visa has enabled card-to-wallet transfers and even supports QR-based Visa payments through bKash's network. "Cash is our competitor," he said.

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Will the next govt deliver real reform?

MAMUN RASHID

A half-built flyover cuts across the sky in Dhaka, its concrete pillars reaching upward with an unfinished span. It was meant to connect, to ease traffic, move people, and signal progress. Instead, it hangs over the city like a reminder: starting something is easy, but finishing takes resolve. Bangladesh's economic reform agenda mirrors this flyover. Promises were made, foundations laid, but the connection to lasting progress remains incomplete.

Today, reform is no longer optional. It is the difference between managing decline and engineering recovery. With a possible election ahead, a deeper question arises: will the next government have the clarity and courage to do what the last few could not?

Bangladesh is under pressure from all sides. Exports are struggling under new global tariffs, private investment is shrinking, and growth has slowed to its lowest point in over a decade. The World Bank's latest report outlines the toll: a drop in GDP, falling reserves, and rising inflation. This is not a temporary wobble. Without serious course correction, it could harden into long-term stagnation.

The interim government has taken some encouraging steps, such as separating tax policy from administration and tightening rules on insider lending. However, these moves are late, limited, and often reactive. Years of hesitation on energy pricing and VAT automation have left gaps that cannot be patched overnight.

The last elected government often signalled reform but rarely followed through. Banking sector cleanup was promised but deferred, tax reform was drafted but never executed at scale, and decisions that threatened short-term popularity were quietly shelved. Now, the cost of delay is visible in every economic indicator and felt in every household budget.

As a new mandate nears, many are placing hope in a more democratic setup. An elected government, the thinking goes, will have more space to act boldly. But democracy does not guarantee discipline. Winning votes and making tough decisions are very different skills. Elected leaders often pivot to appeasement, especially when the public demands relief over reform. That is the paradox. The people want change, but also stability; leaders want progress, but not protests. Reforms, especially structural ones, almost always start with discomfort before results.

There is no doubt the next administration will inherit a weak economy and a fatigued population. It must rebuild confidence not just in markets, but in the public mindset. That means clear communication, policy consistency, and a readiness to tackle long-avoided issues.

Where to begin? First, clean up the financial sector. Non-performing loans remain dangerously high, so regulators must enforce discipline and resist pressure. Second, broaden the tax base. Only a small portion of the population contributes directly, and loopholes persist for the powerful. Third, attract serious foreign investment. That requires a predictable regulatory environment and faster reforms to improve the ease of doing business.

All hope is not lost. Inflation has started to cool, and the taka has found some stability, but these are only small gains. They could vanish with a single external shock or domestic misstep. The window for action is narrow, but it is open.

No reform agenda survives without public backing. That means involving civil society, communicating trade-offs honestly, and building coalitions beyond party lines. Reform cannot be whispered in donor meetings and ignored on national TV. It must be part of the national conversation.

Bangladesh has reached an inflection point. The global economy is shifting, and the old playbook of remittances, low-cost exports, and state-led infrastructure will not be enough. The next government must write a new chapter, one grounded in institutions, not slogans.

The writer is an economic analyst and chairman at Financial Excellence Ltd

Shahjalal Islami Bank's Q2 profit down 5%

STAR BUSINESS REPORT

Shahjalal Islami Bank posted a slight decline in its profit for the April-June quarter of 2025, even as investment income edged higher.

The bank reported a 5 percent year-on-year drop in profit to Tk 159.40 crore during the second quarter, according to its recently released financial statements.

The bank's consolidated earnings per share for the period were Tk 1.43, a decrease from Tk 1.50 recorded in the same quarter of the previous year.

The bank's net investment income saw a marginal increase, rising by 2 percent to Tk 322.80 crore.

Despite the dip in quarterly profit, the bank's consolidated net operating cash flow per share (NOCFPS) rose significantly. For the January-June period, NOCFPS stood at Tk 15.39, up from Tk 12.48 in the same period of 2024.

The bank attributed this rise to an increase in investment income and a decrease in placements with other banks and financial institutions.

As of June 30, 2025, sponsor-directors held 45.30 percent shares, while institutions held 20.95 percent, foreign investors held 0.01 percent, and the public held the remaining 33.74 percent.

Jamuna Bank's Q2 profit drops 8%

STAR BUSINESS REPORT

Jamuna Bank saw its net profit decline in the April-June quarter of 2025, even as investment income increased.

The private commercial lender reported a consolidated net profit of Tk 131.54 crore in the second quarter, down 8 percent year-on-year, according to its recently released financial statements.

Its consolidated earnings per share (EPS) for the quarter were Tk 1.40, a decline from the restated Tk 1.53 recorded in the same period of 2024.

The bank, however, said its investment income as of June 30, 2025, increased compared to the previous year, a development the lender attributed to its strategic initiative to invest in government securities.

The bank also reported an increase in its interest income, as well as commission, exchange, and brokerage income, compared to the same period in the previous year.

The net interest income rose 19 percent year-on-year, rising to Tk 129.68 crore.

For the six months from January to June 2025, the consolidated net operating cash flow per share stood at Tk 47.31, a rise from the restated Tk 43.39 in the first half of 2024.

According to the bank's financial statement, this increase was primarily due to higher investment income, increased fees and commissions, and borrowings from other banks.

The bank's net asset value per share as of June 30, 2025, was higher than at the end of 2024, mainly because of the increased net profit generated during the period.

Data from the Dhaka Stock Exchange (DSE) shows that as of June 30, 2025, sponsors and directors held 43.16 percent of the company's shares. The public held the largest portion with 51.48 percent, while the remaining 5.36 percent was owned by institutional and foreign investors.

Trump stakes reputation as dealmaker

AFP, *Washington*

Donald Trump is staking his reputation as a tough negotiator and slick dealmaker -- that has served him well throughout his life -- with his ultra-muscular, protectionist tariffs policy.

On Friday, the White House released a picture of the US president seen with a smartphone pressed to his ear, with the caption: "Making calls. Making deals. MAKING AMERICA GREAT AGAIN!"

Every trade deal announced by the president, who is convinced that tariffs are both a tool and manifestation of America's economic might, is celebrated by his supporters as a show of his negotiating prowess.

This week's flurry of rate changes was no different.

On Thursday, with the stroke of a black marker, the former real estate developer slapped fresh tariffs on dozens of US trade partners.

They will kick in on August 7 instead of August 1, which had previously been touted as a hard deadline.

The Republican leader's backtracking, frequently setting trade deadlines only to rescind or extend them -- he most recently granted Mexico a 90-day extension -- has given rise to the mocking acronym "TACO" ("Trump always chickens out"). The jokes implying Trump is all talk and no action on trade have previously struck a nerve for the president.

World economies reel from Trump's tariffs punch

AFP, *Washington*

Global markets reeled Friday after President Donald Trump's tariffs barrage against nearly all US trading partners as governments looked down the barrel of a seven-day deadline before higher duties take effect.

Trump announced late Thursday that dozens of economies, including the European Union, will face new tariff rates of between 10 and 41 percent.

However, implementation will be on August 7 rather than Friday as previously announced, the White House said. This gives governments a window to rush to strike deals with Washington setting more favorable conditions.

Neighboring Canada, one of the biggest US trade partners, was hit with 35 percent levies, up from 25 percent, effective Friday -- but with wide-ranging, current exemptions remaining in place.

The tariffs are a demonstration of raw economic power that Trump sees putting US exporters in a stronger position, while encouraging domestic manufacturing by keeping out foreign imports.

But the muscular approach has raised fears of inflation and other economic fallout in the world's biggest economy.

Stock markets in Hong Kong, London and New York slumped as they digested the turmoil, while weak US employment data added to worries.

Trump's actions come as debate rages over how best to steer the US economy, with the Federal Reserve this week deciding to keep interest rates unchanged, despite massive political pressure from the White House to cut.

Data Friday showed US job growth missing expectations for July, while unemployment ticked up to 4.2 percent from 4.1 percent. On Wall Street, the S&P 500 dropped 1.6 percent, while the Nasdaq tumbled 2.2 percent.

Trump raised duties on around 70 economies, from a current 10 percent level imposed in April when he unleashed "reciprocal" tariffs citing unfair trade practices.

The new, steeper levels listed in an executive order vary by trading partner. Any goods "transshipped" through other jurisdictions to avoid US duties would be hit with an additional 40 percent tariff, the order said.

But Trump's duties also have a distinctly political flavor, with the president using separate tariffs to pressure Brazil to drop the trial of his far-right ally, former president Jair Bolsonaro.

He also warned of trade consequences for Canada, which faces a different set of duties, after Prime Minister Mark Carney announced plans to recognize a Palestinian state at the UN General Assembly in September.

In targeting Canada, the White House cited its failure to "cooperate in curbing the ongoing flood of fentanyl and other illicit drugs" -- although Canada is not a major source of illegal narcotics.

People walk next to a screen with a stocks indicator in the Jing'an district in Shanghai. Stock markets worldwide slumped as they digested the turmoil, while weak US employment data added to worries.

PHOTO: AFP/FILE