US leads in Bangladeshi credit card spending abroad

Shows central bank report

FEDA AL HOSSAIN

Bangladeshi nationals spent the most on credit cards in the United States, debit cards in the United Kingdom, and prepaid cards in Saudi Arabia in June this year, according to a recent report by Bangladesh Bank.

The central bank report, titled "An Overview of Cards Usage Pattern Within and Outside Bangladesh", shows that 14 percent of Bangladeshi credit card transactions abroad took place in the US.

In comparison, 13 percent of debit card spending occurred in the UK and 24 percent of prepaid card transactions in Saudi Arabia.

According to the report, foreign nationals in Bangladesh also relied heavily on cards. The largest share of their spending came from US-issued cards, which made up 35 percent of total inflows.

The report highlights how Bangladeshis used their cards overseas.

Department stores accounted for the biggest share of credit card spending at 33.3 percent. Other categories included retail services, transport, pharmacies, business services, clothing, and a range of other sectors.

Prepaid card users showed a different pattern. In June, they withdrew cash most often, which represented 27.5 percent of all transactions.

This was partly because credit card acceptance among merchants, such as street vendors and small roadside stores in Saudi Arabia, where Bangladeshi prepaid card users generally transact, is limited.

"This is one reason why prepaid card users prefer to withdraw cash for the sake of convenience," said Sabbir Ahmed, country manager of Visa for Bangladesh, Nepal and Bhutan.

The use of cards has expanded rapidly in recent years. Over the past five years, the number of debit, credit, and prepaid cards issued rose by 140 percent, while the total transaction volume grew by 273 percent.

Between June 2024 and June 2025, domestic credit card use rose steadily. Cross-border transactions fluctuated during the period but ended slightly higher, up 4.8 percent in June 2025 compared with a year earlier.

The central bank report also noted frequent swings in card spending by foreign nationals in Bangladesh.

Their card use fell between June and October 2024, returned to normal levels in November, climbed steadily until February 2025, dipped in March, rose in April, then fell sharply again in June.

At home, nearly half of all credit card transactions in June 2025 were at department stores, showing a clear preference for retail shopping.

Meanwhile, debit and prepaid cards used abroad showed distinct patterns.

Debit card spending reached Tk 3.47 billion across 631,671 transactions, with department stores, cash withdrawals, and government services accounting for almost half of all payments.

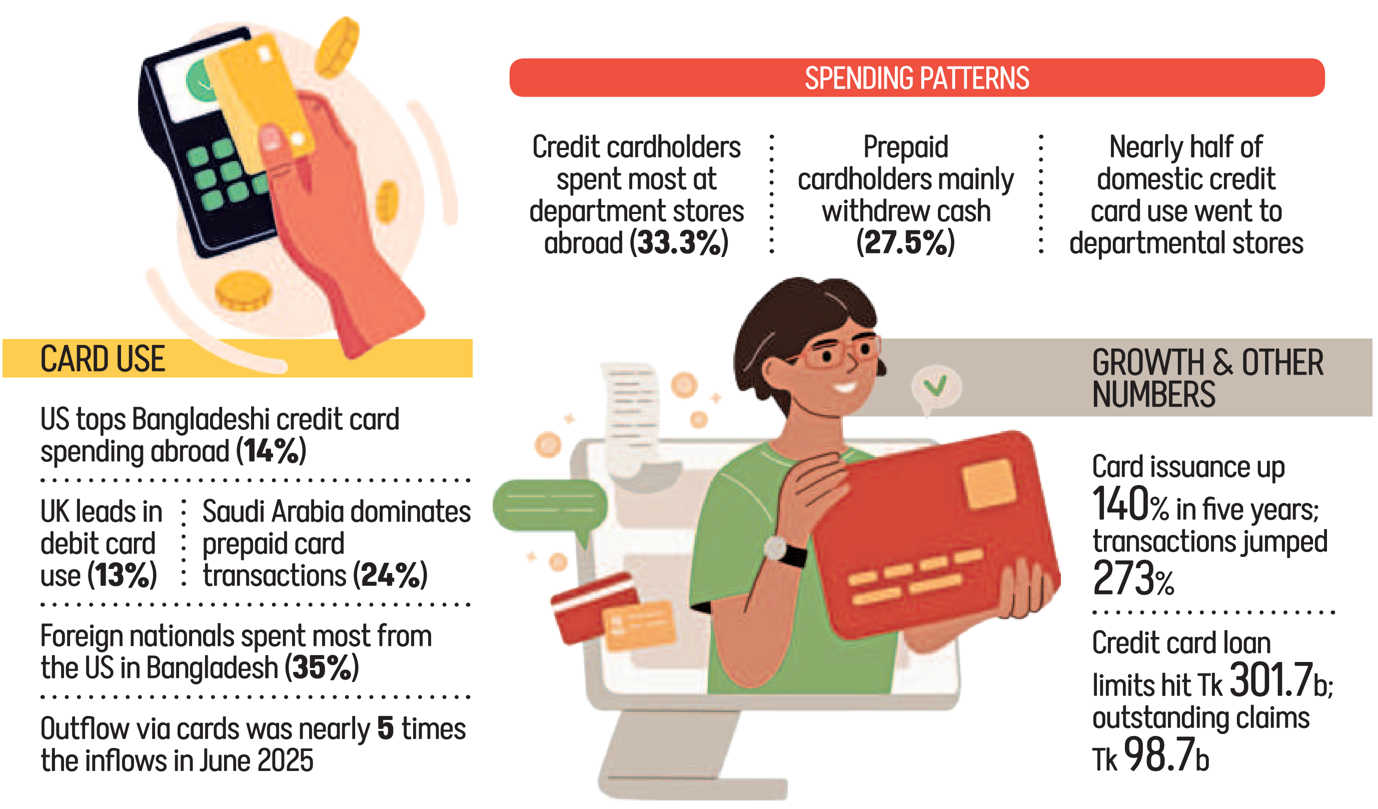
Prepaid card spending totalled Tk 593 million from 125,002 transactions. Cash withdrawals dominated at 27.5 percent, followed by department stores and business services.

Overall, the combined outflow from all three card types reached Tk 9.57 billion in June this year. Inflows during the same month stood at Tk 1.95 billion.

This means Bangladeshis spent nearly five times more abroad using cards than foreign nationals spent within the country.

According to Visa, foreign travellers, particularly business travellers, were fewer in number in June this year due to the long Eid holidays.

The report also said that by June this year, 44 scheduled banks and one non-bank financial institution had sanctioned Tk 301.7 billion in disbursable credit card loans. The total outstanding balance, or claims on cardholders, stood at Tk 98.71 billion.



No cash, no corruption

MAHTAB UDDIN AHMED

Money lives two parallel lives. For the poor villager, it hides in the folds of a lungi, under a mattress, or in the holy corner of the rice jar, because who needs banks when you have God? Meanwhile, the rich gentleman (read: political or business elite) does not believe in such simplicity. His money takes the first flight out—to Dubai, Singapore, London—anywhere but here. The result? One half of the nation is literally sleeping on cash, while the other half is ensuring that Bangladesh itself remains penniless.

Now let's check the numbers. Only around 35 percent of Bangladeshis have access to financial accounts, compared to 80 percent in India and 95 percent in China. Mobile financial services (MFSs) are booming, but mostly for sending Tk 500 from son in Gazipur to mother in Rangpur, not for replacing mainstream banking. The irony? An economy of nearly $450 billion still runs on crumpled banknotes. Why? Because a massive black economy, worth an estimated 30-40 percent of gross domestic product (GDP), thrives on cash. No receipts, no taxes, just vibes.

Our banks love to talk about going digital, even rushing to apply for digital bank licences, but in reality, they still run on apps slower than Dhaka's internet on a rainy day, and branches are drowning in paperwork older than the customers. Then comes the MFS monopoly. One player has done a great job, but when one player holds nearly 80 percent of the market, competition and innovation wither away. True cashless means traceability; every transaction becomes a breadcrumb for the taxman. But would our business tycoons and political elites, fuelled by black money, ever allow their finances to be tracked? That's like asking a cat to wear a GPS collar.

India, despite its chaos, successfully implemented demonetisation in 2016, giving a significant boost to unified payments interface (UPI), which now handles 14 billion transactions monthly. Indonesia has built digital payment ecosystems that extend beyond one or two players, ensuring innovation and consumer choice. Both countries realised early that cashless is not just about apps; it is about accountability, trust, and, yes, political will—something rarer in Dhaka than punctual trains.

Cash does not leave a trail: no VAT, no tax, no awkward questions. It is not about convenience; it is about invisibility. I have seen it first hand: wealthy businessmen casually paying restaurant and grocery bills in thick wads of cash, ignoring the ease of cards. One well-known official from a 'prestigious' government body, famous more for corruption than service, never touches a credit card, not even when traveling abroad. Even local corporates prefer to pay salaries partly in cash and partly through accounts, keeping everything nicely hazy. Put all this together, and it feels less like we are moving towards a cashless society and more like we have proudly shifted into a cash-full economy with reverse gear.

Meanwhile, developed nations are moving beyond both cash and cards. Apple Pay, Google Pay, facial recognition—swipe is passé. Yet here, we are proudly tapping a plastic card as if it were cutting-edge. If Bangladesh wants to leapfrog, it needs bold reforms, including interoperable platforms, digital ID integration, tax incentives for digital payments, and, above all, the political courage to face the wrath of the cash kings.

Bangladesh has the ingredients: a young population, mobile penetration, and a booming economy. What we lack is the willingness to kill the golden goose of cash-based corruption. Until then, we will continue to see two Bangladeshis: one storing notes in a lungi, the other laundering them through London. A truly cashless Bangladesh is possible, but it will require our leaders to give up their favourite hobby: hiding wealth as if it were a national sport.

And perhaps that is why conversations around a cashless Bangladesh matter so much. It is not just another policy debate; it is a test of whether we want to move from cash-heavy chaos to cashless clarity. Until then, the joke's on us: our economy may not be cashless, but it is definitely clueless.

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

Trump raises pressure on Fed with call for governor to resign

AFP, *Washington*

President Donald Trump ramped up pressure on the US central bank Wednesday with a call for Federal Reserve Governor Lisa Cook to step down, as he repeatedly criticizes Fed Chair Jerome Powell for not lowering interest rates.

"Cook must resign, now!!!" Trump wrote on his Truth Social platform, sharing a Bloomberg news report on how the Federal Housing Finance Agency's director has called for greater scrutiny of Cook over a pair of mortgages.

FHFA director Bill Pulte -- a staunch ally of Trump -- had reportedly written a letter to the US attorney general calling for an investigation of Cook while suggesting that she might have committed a criminal offense.

Cook said she had learned about it in a post on social media, and that the mortgage application took place "before I joined the Federal Reserve."

"I have no intention of being bullied to step down from my position because of some questions raised in a tweet," she said in a statement to AFP.

But she said she would take questions about her financial history "seriously" and was "gathering the accurate information to answer any legitimate questions and provide the facts."

Donald Trump

The Trump administration has pursued allegations of mortgage fraud against high-profile Democrats who are seen as political adversaries of the president.

It was not immediately clear if such a probe will take place targeting Cook, the first Black woman to serve on the central bank's board.

The president is also limited in his ability to remove officials from the central bank.

A Supreme Court order recently suggested that Fed officials cannot be taken out of their jobs over policy disagreements, meaning they have to be removed for "cause," which could be interpreted to mean wrongdoing.

The US leader's targeting of Cook, who sits on the Fed's rate-setting committee, comes after his repeated broadsides against Powell while the central bank kept the benchmark lending rate unchanged this year.

On Tuesday night, Trump again called for a "major rate cut," saying there was "no inflation" and claiming that the Fed's policymaking was harming the housing industry due to elevated mortgage rates.

He called Powell "a disaster" in a social media post.

Although the US consumer price index, a key inflation gauge, was steady at 2.7 percent in July, it remains higher than it was a few months earlier.

Fed officials have been trying to ensure inflation is kept in check -- despite the effects of Trump's sweeping tariffs -- while balancing risks to the labor market as they mull the right time for further rate cuts.

Cook took office as a Fed governor in May 2022 and was reappointed to the board in September 2023. She was sworn in later that same month for a term ending in 2038.

Trump buys more than $100m in bonds

REUTERS, *Washington*

US President Donald Trump has bought more than $100 million in company, state and municipal bonds since taking office in January, according to new disclosures which shed further light on the vast holdings of America's billionaire president.

The forms, posted online on Tuesday, show the Republican former real estate mogul made more than 600 financial purchases since January 21, the day after he was inaugurated for his second term in the White House.

The August 12 filing from the US Office of Government Ethics does not list exact amounts for each purchase, only giving a broad range.

They include corporate bonds from Citigroup, Morgan Stanley, and Wells Fargo, as well as Meta, Qualcomm, The Home Depot, T-Mobile USA and UnitedHealth Group.

Other debt purchases include various bonds issued by cities, states, counties and school districts as well as gas districts, and other issuers.

The holdings cover sectors that could benefit from US policy shifts under his administration, such as financial deregulation.

A senior White House official said Trump continued to file mandatory disclosures about his investment portfolio but that neither he nor his family had a role in managing or selecting the bonds, which are managed by a third-party financial institution.

Federal ethics officials certified the reports, which are in compliance with applicable laws, according to the official, who declined to be named.

Trump, a businessman-turned-politician, has said he has put his companies into a trust managed by his children.

China considers yuan-backed stablecoins to boost global currency usage

REUTERS

China is considering allowing the usage of yuan-backed stablecoins for the first time to boost wider adoption of its currency globally, sources familiar with the matter said, in a major reversal of its stance towards digital assets.

The State Council - China's cabinet - will review and possibly approve a roadmap later this month for the greater usage of the currency globally, including catching up with a US push on stablecoins, said the sources.

The plan is expected to include targets for usage of the Chinese currency in the global markets and outline the responsibilities of domestic regulators, they said, adding that the roadmap will also include guidelines for risk prevention.

The country's senior leadership is also expected to meet for a study session as early as the end of this month, focusing on yuan internationalisation and stablecoins, which are gaining momentum worldwide, said one of the sources.

In that meeting, senior leaders are likely to deliver remarks to set the tone for stablecoins and define the boundaries of its application and development in business, said the source.

China's plan for the usage of stablecoins, if approved, would mark a major shift in its approach towards digital assets. The country banned cryptocurrency trading and mining in 2021 due to concerns about the stability of the financial system.

China has long aspired for the yuan to achieve global currency status, akin to the dollar or euro, reflecting its weight as the world's second-biggest economy. However, its tight capital controls and its trillion-dollar annual trade surpluses have worked against that aim.

Those restrictions are likely to be a key hurdle to the development of stablecoins as well, market participants have said.

Stablecoins are a type of cryptocurrency designed to maintain a constant value. They are usually pegged to a fiat currency such as the US dollar and are commonly used by crypto traders to move funds between tokens.

The yuan's share as a global payment currency, fell to 2.88 percent in June, its lowest in two years, according to payment platform SWIFT. In contrast, the US dollar commanded a 47.19 percent market share.

China places strong capital controls to manage flows in and out of the border, with a few connect schemes permitting capital to be deployed in some key offshore market such as Hong Kong.

In the US, President Donald Trump backed stablecoins days after his inauguration in January and is establishing a regulatory framework that helps legitimise dollar-pegged cryptocurrencies.

An employee counts 100 Chinese yuan banknotes at a bank in Hefei, Anhui province. China has long aspired for the yuan to achieve global currency status, akin to the dollar or euro. PHOTO: AFP/FILE

Their underlying blockchain technology enables instant, borderless and round-the-clock transfer of funds at low cost, giving stablecoins the potential to disrupt traditional daily money moves and cross-border payment systems.

Financial innovation, specifically stablecoins, is viewed by Beijing as a promising tool for yuan internationalisation amid the growing influence of US dollar-linked cryptocurrencies in global finance, said the sources.

Details of the plan are expected to be unveiled in the coming weeks, with Chinese regulators, including the central bank, the People's Bank of China (PBOC), being assigned implementation duties, said the sources.

The sources declined to be named as they were not authorised to speak to the media.

The State Council Information Office (SCIO) did not immediately respond to Reuters requests for comment. The PBOC could not be immediately be contacted for comment outside of normal business hours.