



Bangladeshi migrants are working in a construction farm at Dubai

Encouraged by BB move, migrant workers living mostly in Middle East, UK and EU countries are preferring mobile banking channel to send their money to their near and dear ones, migrant workers living in these countries told the daily.

"Sending our money through mobile financial services is quick, secured and low cost", said Mejbuddin, a migrant worker living in Saudi Arabia.

"Once we used unofficial channel to send money quickly to our. The situation is changing fast. Sending through banks partnered with bKash is too fast, secured and cost effective", he said.

With mobile phone coverage generally surpassing 80 per cent of the population, a senior BB official said, Bangladesh has a bright potentiality to address many of the challenges currently faced by rural remittance recipients using MFS as the last mile delivery solution.

Out of 56 banks, only 17 have their own MFS services to remit money instantly to the beneficiaries while bKash has largest clientele base across the country with around 3 million subscribers mostly living in remote areas and remittance recipients. A number of commercial banks use bKash as the last mile delivery solution of remittance money to the recipients in real time.

A World Bank study says 65 percent of the total value of remittances goes to rural areas in Bangladesh. High cost of sending money, which is more than twice the 3 per cent set for high volume corridors by the international community in its Sustainable Development Goals remains as the big hurdle to higher inflow of remittance through official channels.

The global average cost of sending \$200 was 7.1 percent in the first quarter of 2018, more than twice as high as the Sustainable Development Goal target of 3 percent. Major barriers to reducing remittance costs are de-risking by banks and exclusive partnerships between national post office systems and money transfer operators.

So, an efficient model to channel formal remittance of small tickets at lower is the demand of time, industry experts say. bKash has filled up the gap", Major General (rt) Sheikh Monirul Islam of bKash Limited said.

"Our payment innovation helps banks to reduce fees dramatically, increasing the earnings sent back to migrants' friends and families-and supporting economic growth", he said.

He said rural remittances are very important for Bangladesh because remittances 'count' more in small towns and villages where living expenses are lower, and typically the cost of sending remittances to rural areas is higher than to corridors linking high-volume urban markets.

Long, costly and potentially dangerous treks from isolated villages to urban financial institutions could soon be replaced by instantaneous transfers of funds from one country to another using mobile phones, he mentioned.

After a sliding trend, Bangladesh's remittance inflow experienced 17 percent growth in FY 2017-18 amounting to \$15 billion, when remittance inflow through mobile financial service (MFS) operators jumped by 49.6 per cent to 28.34 million.