



In Sweden, people are buying flowers from a footpath shop paying through mobile phone

people in UK will have embraced and fully adopted the use of smart-device swiping for purchases they make, nearly eliminating the need for cash or credit cards, according to Pew Research Centre. Hong Kong-based research investment company CLSA expects Chinese electronic payments volume to quadruple to 300 trillion yuan by 2021. Cash payments across Australian businesses are predicted to fall below 5 per cent by 2019 and below 2 per cent by 2022, creating a virtually cashless society.

Sweden is now leading the journey towards being the first country to become cashless as use of cash has dropped to 1 per cent of its Gross Domestic Product (compared to 10% in the Eurozone) and many shops, restaurants and other businesses simply refuse to accept cash. Bangladesh is not far away from the global journey but moving ahead fast on the road to a cashless society thanks to rapid growth of its mobile financial services (MFS) led by bKash, the second largest MFS player in the world with more than 30 million users across the country. More than 50 million people mostly living in rural areas are now using MFS services and most urban people are avoiding cash and using debit and credit cards in their shopping thanks to impressive performance of commercial banks led by Dutch Bangla Bank.

Industry experts say the proliferation of mobile phones has, in some developing countries, allowed payment systems to leapfrog those in more advanced economies. With its robust MFS industry, which experienced an astronomical 120 percent growth a year since 2011, Bangladesh has a bright opportunity to leverage the advantages of cashless society. Introduction of QR code in bKash and other MFS services recently has already added fuel in the process and helping Bangladesh to move faster on the road to a cashless society.

But the reality of a completely cashless society is still more of a pipe dream. A lot of issues are pending as barriers in the way of the road, which have generated debate over a cashless society. Some argue that a lot of things would stay uncut in a cashless society which would create problems for those in debt- who would find it more difficult to budget and those living in remote villages. And for countries like Bangladesh, some industry experts fear that the dream for a cashless society might be faded as the regulatory bar on MFS transactions remain the big barrier on the road.

So, the crucial questions are: Is the cashless society a reality or a dream? How can Bangladesh get benefits from the cashless society?

Let us have a closer look on the global move to get the best answers.