

bKash have made Bangladesh a role model to the world, say experts

P R Biswas

Bangladesh Bank Chief Economist Faisal Ahmed has said that inclusive digital financial services like bKash have made Bangladesh a role model to the world in terms of creating financial activities at the grass-roots level. In the last few years, MFS have brought over five crore unbanked people under financial services.

Talking to Digital finance, the central bank official said the flow of money into the rural parts of Bangladesh, through MFS, has increased quite significantly in the last five years. On an average, transactions worth Tk. 1,038 crore are made through MFS accounts, while about 60 per cent of them in rural areas, he said quoting Bangladesh bank data.

Bkash enables consumers to obtain financial account information and conduct transactions with their financial institution using mobile banking services, and to make payments, transfer money, or pay for goods and services through mobile payments, he noted.

At present, 17 of the 19 banks granted permission to run MFS are providing services. Of these, Brac Bank's bKash and Dutch Bangla Bank's Rocket top the list.

Bhuban Chandra Biswas, Additional Secretary, Banking Division of Finance Ministry sees mobile financial services open a new vista for the grass roots level marginal entrepreneurs as well as the common people of all strata for improving their life standard across the country.

Bangladesh is going ahead with the policy to foster mobile banking, particularly in rural areas where bank branch facility is not available, he said.

Dr. Ramiz Uddin, the Head of Results Management and Data at the Access to Information (a2i) Programme of the Prime Minister's Office sees the role of MFS is tremendous in strengthening women empowerment in rural areas.

"More than 50 per cent women and rural low-income people are using mobile financial services particularly bKash and it has opened up new avenues to make them self-sufficient", he said.

According to central bank data, the number of registered mobile bank accounts stood at 5.69 crore at the end of

September this year. Volume of transactions through MFS channel rising slowly as the central bank brought down from February the daily ceiling of mobile cash-in to Tk. 15,000 from Tk. 25,000, while slashing the maximum cash-out limit to Tk.10,000 from Tk. 25,000 as part of its move to curb illegal use of MFS.

Mobile Financial Services (MFS) in the country plays an energetic role to foster rural socioeconomic development



by removing the barriers to basic financial access, economic development of women providing them access to easy and secure transfer of money, remittance and saving facilities, together with increasing the bargaining and decision-making power in the family.

According to the World Bank report, 66% people in Bangladesh live in rural area, most of them did not have a bank account. However, to establish bank branches across the rural area is not a suitable option because of costs and regulatory restrictions as the central bank only grants to open maximum 15 branches in a year.

The official reports from World Economic Forum, World Bank, Asian Development Bank, HSBC Global Research, Standard and Poor's and Goldman Sachs show that Bangladesh economic and social development, especially mobile financial services for boosting rural development, with immaculate projection that the country would make significant progress in the days to come.

(The writer is a Special Correspondent of the daily Asian Age & Vice Chairman of BJFCI.)