Remarks by Deputy Permanent Representative of Bangladesh at the breakfast event on Financial Inclusion in Bangladesh at the Indonesian Permanent Mission, New York on 13 March 2017

Excellencies, Ladies and Gentlemen,

I thank the Permanent Mission of Indonesia for organizing this event.

Bangladesh has made a broad social commitment for inclusive, equitable and environmentally sustainable socioeconomic growth 'leaving no-one behind', as espoused in the new sustainable development goals. The government has accordingly led proactively with the country's progress in sustainable development, with policy thrusts on massive digitisation to support financial inclusion and inclusive growth, alongside mitigation and adaptation response to climate change threats.

Despite having world economic shock in the recent past, Bangladesh has maintained a stable performance on macroeconomic indicators by registering a growth rate of more than 6 percent for the last few years. Bangladesh had targeted the new trajectory of 7 percent plus growth from the last fiscal year. Major macroeconomic indicators such as inflation, exports, remittances and fiscal position remained benign over the last decade.

Along with sound macroeconomic fundamentals, performance on the social indicators has been quite commendable, particularly in poverty alleviation, education, income and gender equality, adaptation to climate change, reduction of infant and maternal mortality and women's empowerment. With steady economic and social performance, Bangladesh had proudly joined the (lower) middle income group in 2015. The country is proceeding steadfastly to attain the upper-middle income status in the coming decade or so.

With all these policies in mind, to reap the benefit of a digitised economy, Bangladesh has introduced, developed and implemented broad-based networking, Union Information and Service Centre, Enterprise Resource Planning, Open Data Initiatives, Enterprise Data Warehouse, highly interactive website for government entities, e-tendering, e-education, e-learning and various apps to provide optimum opportunities to citizens.

Bangladesh Bank, the country's central bank, is supporting the government's efforts with its own initiatives by promoting financial inclusion and environmentally sustainable financing. In recent years, the core banking solution for the central bank and commercial banks, Credit Information Bureau's online services, electronic fund transfer, cheque imaging and truncation based automated clearing, and national payment switch for inter-operability of all plastic card-based services have been set up. **Mobile financial services have become the key tool of financial inclusion initiatives.**

Moreover, in most cases, money is being channelled from urban to rural areas, helping the rural economy. After shaping up all these retail channels, Bangladesh has recently launched real-time gross settlement or RTGS for high value payment. Under the present system, high-value interbank payments are done on the same day. But under RTGS, interbank high-value claims and obligations will be settled instantly.
The cumulative outcome of these steps is quick service and skill development in the financial sector, which has now been into a single thread. Moreover, transparency in the financial transaction has also been increasing steadily. A new dimension has also been added to the supervisory framework to combat corruption. All these concerted efforts to digitise the country have ensured rapid, transparent, decentralised and qualitative customer services.

For the last few years, Bangladesh has been trying to ensure sustainable growth through alleviating poverty by reaching out to a large number of people at the bottom of the pyramid using different development tools. In connection to these broad objectives, Bangladesh Bank has adopted diverse initiatives to accelerate the pace of financial inclusion through formulating and implementing inclusive policy measures. Bangladesh Bank has issued different circulars regarding the opening of no-frills accounts for underserved segments such as farmers, freedom fighters, government subsidy-holders, city corporation cleaners, garment workers, physically challenged people, small life insurance holders, natural disaster affected people, students and street children after completing simplified KYC formalities, agent banking, and disbursement of loans under refinance schemes.

To keep pace with those visions, need-based regulations have been formulated for agriculture, SME, sustainable banking and other environment friendly and productive sectors. The unique opportunity of opening no-frills bank accounts is actively serving as a channel to disburse safety net programmes funds or other allowances from government, collect utility bills, provide salaries, collect remittances, make payments on behalf of customers, and disburse adequate credit including easy agricultural loans from refinancing schemes. These accounts also encourage the users to enter the legal financial system and develop a habit of saving.

In Bangladesh a great many of the "newly-banked" are women, low-income families, rural people and members of marginalised groups such as religious and ethnic minorities. Bangladesh, however, has become a role model for financial inclusion, thanks to the regulatory moves by its central bank for guiding the banks, both private and public, in embracing financial innovative inclusive products even during the challenging time of global financial crisis. Ten-taka (12 cents) bank accounts for millions of farmers and social safety net beneficiaries, bank-led mobile banking, school banking, SME loans for women entrepreneurs and green banking are some of the inclusive financial products.

Thank you.