Mobile operators in Bangladesh have long wanted to sell 4G-enabled handsets in cooperation with manufacturers on instalments. The photo was taken from Chattogram city on Tuesday.

PHOTO: RAJIB RAIHAN

Mobile operators' handsets now in instalments

A SIM will be locked with the set until payment is cleared

MAHMUDUL HASAN

Customers now can avail handsets in instalments when purchasing connections as the telecom regulator has finally decided to give the greenlight to mobile network operators in this regard.

The phone will have to have at least two or more SIM slots. One of these slots will be dedicated for the SIM of the operator selling the phone and it would be locked to that specific operator.

In the other slots, customers have the freedom to use SIM cards from any operator of their choice, without any restriction, according to a document of Bangladesh Telecommunication Regulatory Commission (BTRC).

Customers will have to pay a down payment of 20 per cent to 40 per cent of the price and the period for instalments can run anywhere from a minimum of 3 months to a maximum of 12 months.

"After the payment of the instalment, the locked one will get unlocked," Shyam Sunder Sikder, chairman of Bangladesh Telecommunication Regulatory Commission, told The Daily Star.

The operators will be able to sign deals with mobile manufacturers to provide such handsets to customers, he added.

The customers cannot switch operators without paying the price of the smartphone.

A SIM (subscriber identification module) lock or network lock is a technical restriction built into mobile phones by manufacturers to restrict the use of the devices in specific countries or networks.

Operators in Bangladesh have long wanted to sell 4G-enabled handsets in cooperation with manufacturers on instalments.

A few years back, the Association of Mobile Telecom Operators of Bangladesh and handset manufacturers jointly placed a proposal to the telecom regulator to introduce it.

"There are many individuals who lack the ability to purchase a phone by paying the full price in a single payment. So, it will be a very positive thing for them as they have paid no interest despite paying the price in instalments," said Telecom Minister Mustafa Jabbar.

Customers will have to make a down payment of 20 per cent to 40 per cent of the price and the period for instalments can run from 3 months to 12 months

"We want to increase the penetration and this instalment facility will boost the country's overall mobile phone penetration rate," he said.

Besides, handset manufacturers will be able to sell their phones and operators can boost their customers base, he added.

Grameenphone has been advocating to enhance the accessibility of smartphones to the masses for quite some time, said Hossain Sadat, spokesperson at Grameenphone.

"This will not only increase smartphone penetration but also increase internet usage," he said.

"While we wait to receive the BTRC directive, we welcome the regulatory initiative as this will bridge the digital divide in our country and will accelerate our journey towards 'Smart Bangladesh'," he said.

Robi appreciates this initiative to introduce device locking in Bangladesh which is long pending, said Shahed Alam, Robi's chief corporate and regulatory officer.

"It will directly support the increase in smartphone users which is just over 50 per cent now," he said.

"It will also enable device manufacturers and MNOs to offer smartphones to marginalised populations through convenient ways to fast-track the smartphone adoption by mass people," he said.

Operators now sell phones mostly in collaboration with banks and customers must pay phones in equal monthly instalments, according to industry people.

But it was limited to very few customers, who were selected through rigorous document verification. Customers have to pay a big down payment in such cases.

"But this is different. Since the SIM will be locked into the device till all the payments are made, we will have the confidence to offer it to more customers in greater flexibility," said Alam.

"Even, we can now provide it to the customers living in the remote areas," he added.

However, Banglalink, the third largest operator, expressed apprehensions, saying that the significant amount of cash available to the operators could attract a larger customer base.

"We have always requested the regulator that before taking any regulatory action, they should take the competitive environment into account," saidTaimur Rahman, chief corporate & regulatory affairs officer.

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Indo-Bangla dialogue between think-tanks begins today

STAR BUSINESS REPORT

A two-day dialogue between one think-tank from India and another from Bangladesh will begin in Delhi today in order to discuss a wide range of bilateral issues.

The "India-Bangladesh Strategic Dialogue" is being jointly organised by the Centre for Policy Dialogue (CPD) of Bangladesh and the Ananta Aspen Centre in New Delhi, said a press release.

The event will bring together high-level policymakers, experts and partners from both countries.

Participants will deliberate on water sharing, and multimodal connectivity, including road, rail, water, coastal shipping, energy and digital connectivity, said the press release.

"Bilateral cooperation will be explored in novel areas such as monetary cooperation and technology transfer. The evolution of bilateral relations will also be assessed in the context of emerging geo-strategic circumstances."

It is anticipated that at a time when the two countries stand at important crossroads and are heading towards national elections,

READ MORE ON B2

China unveils $72b tax break for EVs

REUTERS, *Beijing/Shanghai*

China unveiled on Wednesday a 520 billion yuan ($72.3 billion) package of tax breaks over four years for electric vehicles (EVs) and other green cars, its biggest yet for the industry as it seeks to boost slower auto sales growth.

Weakening sales growth in the world's biggest auto market has raised concern over China's economic growth and while financial support was widely expected after an earlier government pledge to promote the industry, shares in major automakers jumped after the details were released.

"The extension by another four years beat market expectations," said Cui Dongshu, secretary general of the China Passenger Car Association.

New energy vehicles (NEVs) purchased in 2024 and 2025 will be exempted from purchase tax amounting to as much as 30,000 yuan ($4,170) per vehicle. The exemption will be halved and capped at 15,000 yuan for purchases made in 2026 and 2027, the Ministry of Finance said in a statement.

China had also previously offered a subsidy for EV purchases for more than a decade but the programme ended last year.

Chinese auto shares rallied after the announcement, with EV makers NIO also surged 3.5 per cent.

The new package extends the current NEV purchase tax exemption which expires at the end of 2023. NEVs include all-battery EVs, plug-in petrol-electric hybrids and hydrogen fuel-cell vehicles.

Cumulative NEV tax breaks, which were first introduced in 2014 and extended three times as recently as in 2022, exceeded 200 billion yuan as of last year, Vice Minister of Finance Xu Hongcai said at a press conference.

China had also previously offered a subsidy for EV purchases for more than a decade but the programme ended last year.

Xu said this year's exemption would top 115 billion yuan, indicating the new package of 520 billion yuan would be the biggest ever amount of tax breaks for the industry.

The tax incentives put NEVs on the front burner of a broad-based push to rekindle growth in the world's second-largest economy.

The government heavily promoted NEVs in recent years through incentives that supported the rise of local players such as Li Auto, NIO and BYD.

BYD, backed by Warren Buffett's investment company Berkshire Hathaway, now outsells Volkswagen branded cars in China and became the country's biggest auto maker by sales this year.

Analysts said the cap on the purchase tax exemption would help drive growth of cheaper models that are mainly produced by domestic firms rather than premium vehicles from foreign makers.

NEV sales suffered a hit earlier this year after the government ended the EV purchase subsidy programme, but bounced back after automakers including Tesla cut prices to defend market share and after the previous extension of the purchase tax exemption.

"This will aid China's EV growth," said Susan Zou, vice president at researcher Rystad Energy, anticipating EVs sales would grow 30 per cent in 2024, accelerating from 15 per cent estimated this year.

NEV sales rose 10.5 per cent in May from a month earlier, showed data from the China Passenger Car Association. They jumped 60.9 per cent from a year earlier when Covid-19 curbs still roiled auto production and sales.

Many local governments also announced fresh stimulus measures, expanding various incentives that they began rolling out this year to prop up sales.

The local government in Zhengzhou, capital of central Henan province, said on Wednesday it was handing out car purchase coupons totalling 50 million yuan between June and August, allocating 60 per cent of the amount to NEV purchases.

Musk eyes big India investment

REUTERS, *San Francisco/New Delhi*

Tesla chief executive Elon Musk said India's Prime Minister Narendra Modi was pushing the car maker to make a "significant investment" in the country, adding that such an announcement was expected soon.

His comments came after a meeting with Modi on Tuesday during the Indian leader's state visit to the United States. A source previously told Reuters that Musk would brief Modi on plans to set up a manufacturing base in India.

India has strong potential for a sustainable energy future including solar power, stationary battery packs and electric vehicles, Musk said, adding that he hopes to bring SpaceX's Starlink satellite internet service to India as well.

"He (Modi) really cares about India because he's pushing us to make significant investments in India, which is something we intend to do," Musk told reporters after the meeting.

"I am confident that Tesla will be in India and will do so as soon as humanly possible." Later, India's foreign ministry spokesperson tweeted saying Modi had invited Musk to "explore opportunities in India for investments in electric mobility and rapidly expanding commercial space sector." The South Asian country is now looking to allow some U.S. companies to initially collaborate with Indian firms for investments in its space sector, a source familiar with the matter told Reuters.

India opened the way for private launches in 2020 and wants its private space companies to increase their share of the global launch market by five-fold within the next decade. Executives of Tesla visited India and held talks with Indian bureaucrats and ministers last month on establishing a manufacturing base for cars and batteries in India.

READ MORE ON B2

European businesses in China fight post-Covid blues

AFP, *Beijing*

A faltering recovery, regulatory headaches and an increasingly politicised business climate are hammering European business confidence in China despite the country reopening its doors, according to a survey published on Wednesday.

Two thirds of European companies operating in China say it has become more difficult to do business in the country, according to an annual survey of 570 companies by the European Union Chamber of Commerce in China.

One in 10 are either planning to move their Asia headquarters out of the country or have already done so, said Jens Eskelund, president of the Chamber, with many choosing Singapore.

"Eleven percent of our members have already shifted investments out of China," he added in a briefing to journalists.

For nearly three years, the world's second-largest economy cut itself off with harsh lockdowns and travel restrictions intended to keep the Covid-19 pandemic at bay but which also disrupted factories and supply chains.

Chinese authorities abruptly announced the end of zero-Covid policies last December, raising hopes of an economic recovery after a rapid, massive wave of infections.

But six months on, the post-Covid economic rebound has faded and problems are mounting for foreign firms in China.

Of the companies surveyed, 60 percent said China's increasingly politicised business environment was an issue.

A vague anti-espionage law due to take effect in July, as well as the threat of war with Taiwan, which China considers a part of its territory, are among the top concerns.

There is "more and more government interference in business" since the end of Covid curbs, the manager of a French industrial group operating in east China's Shandong province told AFP.

Officials often target foreign firms with stricter regulatory enforcement while giving Chinese companies more lenient treatment, he said.

"Port charges are up 300 percent" from 2019, while local authorities have "signed favourable agreements with two Chinese groups that are setting up their factories next door," the manager said, asking to remain anonymous for fear of repercussions.

His company would keep their operations in China for now, as "the investment is too big".

But the uncertainty of working in China "undermines the confidence of customers, investors, and the board of directors", he told AFP.

The sudden about-turn on Covid also rattled the foreign business community.

China has created the impression that it is a country where things are "ultimately uncontrollable, as it can decide to close down overnight", a Beijing-based executive at a European company told AFP, also requesting anonymity.

Since the reopening, he has observed a "tightening of the rules" for foreign companies.

"They asked us to put people from the Party in our company, but we refused," he said, referring to China's ruling Communist Party.

PHOTO: AFP/FILE

A vendor looks at Chinese lanterns at a shop in Ruili, west Yunnan Province.