

Stocks fall for second day

STAR BUSINESS REPORT

Indices of the Dhaka Stock Exchange (DSE) fell for a second day yesterday as jittery investors went on a share selling spree amid price movements.

Following the preceding day's sharp fall, the DSEX, the broad index of the country's premier bourse, dropped 43.72 points, or 0.81 percent, from the previous day to close at 5,335 points.

The DSES index for Shariah-based companies shed 1.47 points, or 0.12 percent, to 1,189 points.

In the blue-chip segment, the DS30 index slipped 22.08 points, or 1.12 percent, to 1,942 points.

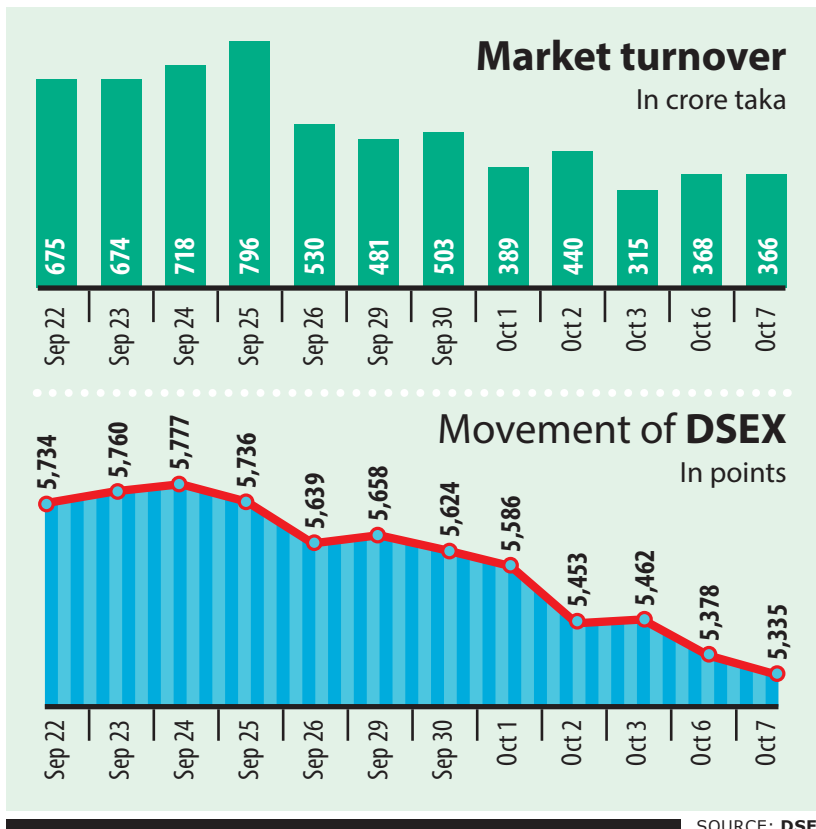
The Chittagong Stock Exchange witnessed a similar trend as the CASPI, the main index of the port city bourse, slipped by 154.50 points, or 1.02 percent, to settle at 15,012 points.

Out of 396 scrips that witnessed trade at the DSE, only 53 saw a price rise, 55 remained unchanged while the remaining 288 closed lower.

The day's turnover decreased by 0.44 percent to Tk 367 crore.

The banking sector dominated the turnover chart, accounting for 29.05 percent of the total.

Block trades, meaning high-volume transactions in securities that are privately negotiated and executed outside the open market, contributed another 5.6 percent.



Midland Bank was the most traded share, with a turnover of Tk 36.9 crore. Sector-wise, paper and printing, engineering and jute became the top three sectors to close in the negative

Jatri to expand into GCC market

STAR BUSINESS REPORT

Jatri, a digital ticketing platform that is revolutionising public transportation in Bangladesh, has announced its expansion into the Gulf Cooperation Council (GCC) market, starting with Saudi Arabia and the UAE, by introducing "Saafir".

It will offer travel packages for Umrah, catering to pilgrims seeking a seamless and fully managed experience.

The all-inclusive packages, available on the Saafir.co platform, feature door-to-door transportation, a range of accommodation options, and personalised support throughout the pilgrimage.

"Through this expansion, we aspire to redefine the travel experience across the GCC, blending cutting edge technology with unparalleled service to create a truly integrated and seamless journey for our users," Aziz Arman, cofounder and CEO of Jatri, told The Daily Star.

"Our vision is to set new standards in mobility, connecting people and places with efficiency and elegance."

The local startup, which was launched in 2019 and has secured foreign investment worth \$6 million till date, already struck a deal with Eilago, a leading travel tech focused startup in the GCC transport sector, with the aim of jointly offering seamless, integrated travel and transport solutions.

With flexible pricing plans and a user-friendly booking system, the Umrah packages are designed to cater to travellers of all budgets, making the spiritual journey smoother and more accessible than ever before, the startup said in a statement.

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27 progress to world stage of Nasa Space Apps Challenge

STAR BUSINESS REPORT

The Bangladesh phase of 11th edition of the Nasa Space Apps Challenge 2024 concluded on Sunday with 27 winners.

The winners will now compete at the world stage.

The Nasa Space Apps Challenge -- an initiative of the National Aeronautics and Space Administration (Nasa) of the US -- brings together talented individuals from 185 countries, including technologists, scientists, designers, artists, educators and entrepreneurs, to develop innovative solutions to global challenges.

The 36-hour hackathon began on October 4 this year.

The Bangladesh Association of Software and Information Services (BASIS), with support from the BASIS Students' Forum, organised the awards giving ceremony, which took place on Saturday at the auditorium of the American International University-Bangladesh (AIUB).

Helen LaFave, charg e d'affaires of the US embassy in Dhaka, and Nadia Anwar, founding member and chairperson of AIUB's board of trustees, were present.

In his remarks, BASIS President Russell T Ahmed said Bangladesh is not a country that backs down.

"We regularly face challenges and move forward. Our students have become local and global champions through their participation in the Nasa Space Apps Challenge, with some even securing jobs at Nasa," he said.

"BASIS has organised this competition for an 11th consecutive

year, and this continuity will keep our youth motivated and lead us to a fifth global victory," he added.

Nadia Anwar said this event is significant not only for the youth but also for advancing the future of science and technology.

"Science and technology have always been at the forefront of human progress, reshaping industries and societies. This will inspire our youth to become the scientists and technologists of tomorrow."



LaFave congratulated participants.

"This platform not only fosters innovation, but also ignites a passion for science and technology in our youth. It's remarkable that no other country has been a global champion three consecutive times. You should take pride in yourselves, and I hope to see another victory from you next year for the fifth time."

In 2018, Shahjalal University of Science and Technology's 'Team Olik' became the global champion in the 'Best Use of Data' category.

In 2021, 'Team Mohakash' from Khulna University of Engineering and Technology and Bangladesh Army University of Engineering and Technology became world champions in the 'Best Mission Concept' category.

China to flesh out economic stimulus plans after bumper rally

India may keep rate on hold

REUTERS, Mumbai

India's central bank is likely to keep rates steady on Wednesday, with a small number of investors betting on the probability of a change in stance to neutral, opening the door to rate cuts as economic growth slows and global rates ease.

The Reserve Bank of India (RBI) is seen maintaining the repo rate at 6.5 percent for a 10th straight meeting with more than 80 percent of the 76 economists in a Reuters poll forecasting no change in rates. It has held the repo rate steady since February 2023.

A dozen economists predicted a 25 basis-point cut, while one anticipated a drop to 6.15 percent. Nomura economists said they see a 55 percent probability of a rate cut in October while acknowledging it would be a close call.

Market participants believe the US Federal Reserve's 50-bp rate cut last month may prompt the RBI to start cutting rates sooner rather than later, with most now pricing in a December rate cut versus early 2025 previously.

"Given the undershooting in the initial Q1 GDP growth relative to the MPC's forecast, and the likely sizeable undershooting in the Q2 CPI inflation print as well, we believe a stance change to neutral may be appropriate in the October 2024 policy review," said Chief Economist at ICRA Aditi Nayar.

India's economic growth slowed to 6.7 percent in the April-June quarter from a year earlier as a decline in government spending during national elections weighed, but it remained the world's fastest-growing major economy.

High frequency indicators such as the manufacturing PMI slowed to an eight-month low in September, while services PMI eased to a 10-month trough, latest data showed.

AFP, Beijing

Top Chinese economic policymakers are expected to flesh out a raft of growth-boosting policies on Tuesday, after the announcement of long-awaited stimulus measures last month sparked a blistering stock market rally.

Beijing has struggled to kickstart the economy as officials target around five percent growth this year -- a goal analysts say is optimistic given the numerous headwinds, from a prolonged housing crisis to sluggish consumption.

After months of piecemeal tinkering did little to reverse the malaise, officials have unveiled a raft of measures from rate cuts to loosening house buying curbs aimed at getting money flowing again.

Hopes of that long-awaited "bazooka stimulus" have lit up stock markets, sending bourses in mainland China and Hong Kong surging more than 20 percent.

And with all eyes on the reopening of mainland markets following the Golden Week public holiday, officials from the National Development and Reform Commission will hold a news briefing at 10 am (0200 GMT) Tuesday.

Chairman Zheng Shanjie and others will discuss the rollout of "a package of incremental policies to solidly promote

economic growth", Beijing has said.

Analysts said they hoped officials would unveil further fiscal support measures such as trillions of yuan in bond issuances and policies to boost consumption.

But they cautioned that deep reforms

to the economic system to relieve the debt crisis in the property sector and boost domestic demand are needed if Beijing is serious about resolving the fundamental obstacles to growth.

"Unless China introduces structural



A worker checks newly-produced gas cylinders at a factory in Ruichang, in central China's Jiangxi province, on September 25. China has struggled to kickstart the economy as officials target around 5 percent growth this year -- a goal analysts say is optimistic.

PHOTO: AFP

Why our mobile data prices are higher than India, Pakistan

MUSTAFA MAHMUD HUSSAIN

Bangladesh's mobile data prices are among the highest in the region, surpassing Pakistan, India, and even developed countries like France and Italy. In today's world, access to affordable data is a necessity, not a luxury. It's the bridge between a mother staying connected to her children overseas, a farmer consulting a doctor via telemedicine, or a student in a remote village accessing the same quality education as a child in Dhaka. When the cost of data is high, we're not just raising prices, we're raising barriers to progress, education, and health.

The golden goose and the tax trap

Bangladesh's telecom sector is like a golden goose -- a powerful engine of economic growth. Yet, high taxes and fees are stifling its potential. The NBR imposed heavy taxes on mobile operators, discouraging innovation and expansion as they struggled to meet both the tax load and growing consumer demand. Without changes, Bangladesh risks sacrificing long-term growth for short-term revenue. In a country where the wealth gap is already wide, the high cost of mobile data creates a digital divide. While the wealthy enjoy fast, reliable internet, the majority of Bangladeshis are left disconnected. This isn't just about technology, it's about fairness, inclusion and equity for every citizen.

The heavy tax burden

The telecom industry in Bangladesh faces an overwhelming tax burden. Telecom companies are subject to VAT (15 percent), supplementary duty (15 percent), and a 1 percent surcharge on subscriber services, accounting for 25 percent of their revenue. On top of this, they bear corporate tax, SIM taxes, customs duties, and regulatory fees like revenue sharing (5.5 percent), the social obligation fund (1 percent), and spectrum amortization costs. These fees add another 15 percent to their costs. Ecosystem costs, including payments to TowerCo, NTTN, IIG and others, make up 18 percent while network operations, marketing, capital expenditures and financial costs account for around 26 percent. This leaves operators with a very low profit margin, making it difficult to improve service quality or reduce prices.

CDN barriers and content delivery

Bangladesh's lack of proper implementation of content delivery networks (CDNs) further contributes to high data costs and slow internet speeds. BTRC announced that IIG operators, the NIX, ANSS, and nationwide ISPs were allowed to set up caching servers with BTRC's permission. CDNs store data closer to users, reducing the need to pull data from international sources, which improves speed and lowers costs. However, bureaucratic delays have prevented CDNs from being fully adopted. Expediting CDN implementation could significantly reduce international bandwidth costs, improving both speed and affordability for consumers.

The second-order effect

Imagine you have a toy car, and you push it. The first thing that happens is the car starts moving (that's the first effect). Now, imagine the car bumps into another toy, making that toy move too. This is the second effect -- the ripple. Let's consider a real-life example in Bangladesh.

First-order effect: a telecom company introduces a more affordable data plan. Second-order effect: more people can afford internet access, which leads to improved access to information, online education, and digital services.

The ripple of cheaper data

Imagine students in remote villages accessing online lessons with affordable data. Like watering a garden, this would nurture a more knowledgeable population, driving growth in sectors like ICT, education, and healthcare. Now, picture a small business owner in a rural area setting up an online store with cheaper data, reaching customers far beyond their village. This would open doors to new markets and bring millions of unbanked citizens into the formal financial system through mobile wallets like bKash. More people online means more demand for services, jobs, and innovation, fueling Bangladesh's economy in ways that are just waiting to be unlocked.

What needs to change

Bangladesh is at risk of being left in the slow lane while countries like India and Pakistan surge ahead with cheaper, faster data access.

To unlock the potential of affordable mobile data, Bangladesh must:

Reduce the tax burden: Lower VAT, supplementary duty, and regulatory fees to allow operators to offer affordable data plans. The BTRC should ease its ecosystem costs and spectrum fees to enable more investment in network improvements.

Promote innovation: Lower taxes would encourage operators to invest in technologies like 5G, fostering competition, improving service quality and driving prices down.

Accelerate CDN adoption: The BTRC must fast-track CDN approvals, reducing international bandwidth costs and making data more affordable.

Conclusion

It's time for policymakers to recognize that affordable data is the key to unlocking Bangladesh's future potential. The time for action is now. We must reduce the tax burden on telecom operators, accelerate the adoption of new technologies and ensure that every Bangladeshi -- no matter where they live -- has access to fast, affordable internet. The future of our nation depends on it.

The author is a telecom policy analyst