Global uncertainty will 'certainly' hit growth

WB president says

AFP, *Washington*

The uncertainty kicked up by Donald Trump's stop-start tariff rollout will undoubtedly hit growth, the president of the World Bank said Wednesday, ahead of next week's semi-annual meeting of global financial leaders in Washington.

"Uncertainty and volatility are undoubtedly contributing to a more cautious economic and business environment," Ajay Banga told reporters, alluding to the market turbulence unleashed by the new US administration's tariff policy.

This uncertainty would "certainly" cause slower growth than previously anticipated, he added during the virtual event.

The World Bank and International Monetary Fund's (IMF) Spring Meetings kick off on Monday, with the Bank keen to promote its agenda to drive job creation in developing and emerging market economies.

> "Uncertainty and volatility are undoubtedly contributing to a more cautious economic and business environment," Ajay Banga said

But the gathering of finance ministers and central bankers will take place against a challenging international backdrop, with US President Donald Trump's tariff policy threatening to derail economic growth in many parts of the world.

Since taking office in January, the US president has imposed 25 percent levies on several sectors including, autos, steel and aluminum, as his administration seeks to redress what it says is an unfair trading relationship with the rest of the world.

The White House also imposed a new "baseline" tariff of 10 percent on most countries, and announced higher import taxes on dozens of trading partners, only to then temporarily roll many of them back.

China -- America's third-largest trading partner -- has been hit with a barrage of new tariffs totalling 145 percent overall. Beijing, in turn, has announced retaliatory tariffs of 125 percent on US goods.

The United States is the top shareholder at the World Bank Group, and has historically been a key driver of policy at the Washington-based institution, which has been led by a US citizen for most of its history.

Mobile phone operators in Bangladesh argue that using the SIM lock option would help ensure payments for the phone while also allowing them to offer a wider range of devices. PHOTO: STAR/FILE

Debate heats up over locking SIM slots for smartphone sales on EMI

MAHMUDUL HASAN

The major telecommunication companies in Bangladesh and their smaller peers are in a debate over whether they should be allowed to lock all SIM slots when selling smartphones on instalment plans.

SIM slot locking, also known as network lock, is a feature in smartphones that restricts the device's ability to use SIM cards from other carriers.

Mobile operators currently offer smartphones on instalment plans only to select corporate clients.

These do not include the SIM slot locking feature, although the Bangladesh Telecommunication Regulatory Commission (BTRC) in 2023 allowed it, albeit for just one slot, to facilitate instalment-based handset sales.

Overall, the mechanism failed to gain significant traction in the market.

In November last year, major operators Grameenphone and Robi formally requested the regulator to allow locking all SIM slots to ensure the instalment payments.

Keeping one SIM slot unlocked makes it impossible to effectively restrict customers from using other SIMs during the period set for instalments. This has made financial partners reluctant to provide funding for such schemes, said the duo.

The operators also demanded flexibility in fixing instalment amounts and periods based on customers' financial conditions or credit scores and preferences for repayment periods.

They also highlighted that a current regulatory condition stipulating that instalment packages can only offer locally manufactured smartphones prevents them from making internationally recognised models available.

Allowing the locking of all SIM slots will help expand affordable smartphone options while ensuring repayment security for instalment plans, according to documents the duo provided to the BTRC.

"Single SIM locking isn't working," Shahed Alam, Robi's chief corporate and regulatory officer, told The Daily Star.

"The current system leaves a scope for customers to default on payments while continuing to use other SIM slots, making the instalment model unsustainable for operators," he said.

This is also discouraging financial partners from taking part in this initiative, he said, adding, "We need locking for all SIM slots to make instalment plans viable."

However, in December last year, Banglalink submitted a counterproposal, urging to maintain the current single-SIM locking system.

> Mobile operators currently offer smartphones on instalment plans only to select corporate clients

The same is advocated by Teletalk, as both apprehend that it would otherwise give the larger operators unfair market power and reduce competition.

The SIM locking feature essentially traps customers within the confines of a single network, limiting freedom of choice, said Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink.

"If big operators, who already have higher profits and financial power, are allowed to lock all SIM slots, it could destroy the competitive balance in our market," he said.

He added that dominant operators might even offer handsets for free or with heavy subsidies, making it harder for smaller players to compete.

Rahman also said reduced competition could result in higher prices for mobile services and fewer choices for consumers in the long run.

"One network should remain open so people have the freedom to choose. Otherwise, it leads to monopoly," he said.

"Dual SIM users would lose flexibility, especially in remote areas with poor coverage. Even international travellers would face difficulties using local SIMs due to roaming restrictions," he said.

Nurul Mabud Chowdhury, managing director at Teletalk, said, "We don't support any policy that restricts customers from using the operator of their choice."

If all SIMs are locked to a single network, it takes away customers' freedom, he added.

However, there could be one approach which allows devices to be unlocked once dues are cleared, ensuring a balanced approach that benefits both customers and financial institutions, said Tanveer Mohammad, chief corporate affairs officer at Grameenphone.

"We aim to make smartphones more accessible by helping customers overcome financial barriers through flexible financing options and contract bundles," he said.

"By collaborating with financial partners, we plan to introduce attractive instalment plans with lenient terms," he said.

"To ensure sustainability and protect against potential misuse or defaults, financed devices should remain locked until the loan is fully repaid," he added.

Amid this debate, the BTRC's Systems and Services Division has submitted a proposal to the commission's highest policymaking body recommending approving the all SIM slot locking feature to boost smartphone penetration.

They argued that this move aims to increase smartphone sales, and thereby enable access to digital services like telemedicine, digital marketing, and agricultural information more easily.

The proposal includes several key conditions -- mobile operators would be

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Highway to justice on a rickshaw

MAHTAB UDDIN AHMED

Someone I know once joked, "In Bangladesh, legal process is like a traffic signal -- it exists, but nobody follows it." I know of a family that has been caught in a legal battle regarding land for decades. It is the kind of dispute that survives elections, grey hairs, and a few judges. They have won every round up to the top court, but the case? It is still pending outside the court. The legal system here is not just blind -- it is apparently waiting in traffic, hoping to dodge the maxim justice delayed is justice denied.

Now, let's look at our current Chief Advisor (CA) -- a figure many, including myself, genuinely admire for standing tall against the old political order and striving to bring sanity back into the system. He, too, once faced his share of politically motivated cases and painful harassment. But now that he is back in charge, his supporters and his legal matters are -- thankfully -- moving faster than VIP motorcades. As they should, perhaps. Justice should not be a hostage of politics, but it was.

Let's take the example of a fictitious character, Hamid -- a regular citizen who made the bold decision to seek justice against a powerful institution. Several years in, and the district court has not even stretched its legs. Why? Because the said institution is not interested in settling, delay is their strategy. Hamid was stunned to see ten lawyers show up -- some linked to the current regime, backed by big-name law firms at home and abroad. Half the defendants have already left the institution, and the rest are packing their bags. By the time a verdict arrives, they will be sipping cappuccinos somewhere out of reach. As Hamid's lawyer quipped, "In Bangladesh, there are 101 ways to delay a case". And that is the legal strategy in an institution that preaches "zero tolerance."

And Hamid's story is hardly an outlier. Ask any whistleblower, reformer, or even an unlucky soul who dared to challenge a well-connected entity or institution -- they all share the same plotline: delayed justice, exhausted savings, and the accused vacationing abroad. A teacher suspended for exposing corruption still awaits reinstatement while the accused enjoys promotion. A small entrepreneur spent years in legal limbo after a big conglomerate "borrowed" his idea. Even journalists fighting defamation cases filed by the mighty have learned the true meaning of patience. In Bangladesh, if you go up against the powerful, prepare to grow old waiting for justice.

Favoritism in justice and policymaking is not unique to Bangladesh -- it is universal. In India, VIPs get express service -- just ask Lalu Prasad or check Jio's policy playbook. In the US, wealth can soften crimes (remember the "affluenza" teen?). Russia jails critics like Navalny while oligarchs flourish. Malaysia dragged its feet with Najib's 1MDB scandal. Egypt shuts down NGOs -- unless they are government-approved. Power tilts the scale everywhere. Justice, it seems, now comes with a loyalty card. When institutions bend, the line between "rule of law" and "rule by law" gets blurrier. Bangladesh is only scaling the old game of injustice with its own cultural twist.

In the end, maybe justice in Bangladesh isn't broken -- it's just taking the scenic route. On a rickshaw with three flat tires. And a driver who stops for tea every ten minutes. While we continue cheering for reforms and putting our faith in those steering the nation, all we ask is that the rest of us be allowed to board the same highway to justice, preferably before our grandchildren inherit the court dates. Because right now, the only thing moving faster than justice is the rumour of its arrival. Let's not make equal opportunity become just another slogan -- like "Digital Bangladesh" printed on a form you have to submit in triplicate.

The author is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

China's US bond holdings are going nowhere fast

REUTERS, *Hong Kong*

With China and the United States engaged in a full-on trade war, anxious investors are asking which side can press its financial advantage given Beijing's vast holdings of US Treasuries. In truth the situation is more of a fraught equilibrium both sides have an interest in maintaining.

Commentators in Chinese state media have for years argued their government should use the debt to pressure Washington, whereas this week US Treasury Secretary Scott Bessent said those holdings - estimated at $1.1 trillion by Brad Setser of the Council on Foreign Relations - provide no leverage whatsoever.

Investors who watched a searing sell-off last week drive the benchmark 10-year yield as high as 4.59 percent aren't so sure. Clients are peppering money managers with questions about a long-feared doomsday scenario: China weaponises its holdings, dumping some or all of them to push up American interest rates, either to gain leverage in trade negotiations or punish US President Donald Trump for slapping triple-digit levies on Chinese goods.

These concerns have been heightened by a shift in recent years by Beijing to diversify foreign exchange reserves. Yet it needs a large pool of dollar debt on hand to sell if the yuan's exchange rate starts tumbling. Granted, the People's Bank of China has been wary of directly selling Treasuries to this end since 2015, when it burned through most of its reserves fighting runaway depreciation. But its alternative measures to manage its currency would pack little punch without the ultimate backing of the Treasuries holdings.

Even a limited paring down of these, delivered as a warning shot, would pose a serious danger. It would be difficult to arrange confidentially, and word of any sale would stoke fears of a total divestment and trigger a panic in global markets that would torch the value of China's remaining dollar-denominated holdings. That would drive up the yuan's relative value, delivering another blow to Chinese exporters.

Then there is the question of what China would do with the proceeds. Bessent has argued the Chinese central bank would have to buy the yuan, which would strengthen that currency - but it could simply hold the dollars accrued from Treasury sales instead. It could also opt to pile into other bond markets in Europe or Japan, though whether those governments would welcome purchases is another matter.

People walk across a bridge with a board showing the bond index at the financial district in Shanghai on April 7. China is the second-largest holder of American government debt, with direct holdings of $784 billion at the end of February. PHOTO: AFP

Yet, Bessent's broader point stands: weaponising Treasuries would be at best both dangerous and difficult for China. The gloves might one day come off if the People's Republic lets its currency float freely, but President Xi Jinping has expressed a strong desire to keep the yuan stable. For now, China's holdings of American debt will hamper more rapid financial decoupling - even if Beijing and Washington might prefer otherwise.

Investors sold off US Treasuries after President Donald Trump's April 2 announcement of tariffs on global trading partners. The benchmark 10-year yield was trading at 4.3 percent on April 16, still elevated from pre-levy levels.

China is the second largest holder of American government debt after Japan, with official data showing direct holdings of $784 billion at the end of February. Brad Setser, senior fellow at the Council on Foreign Relations, estimates total Treasury holdings by the People's Bank of China are closer to $1.1 trillion.