DHAKA THURSDAY MAY 15, 2025, JAISHTHA 1, 1432 BS • starbusiness@thedailystar.net

Star BUSINESS



# Draft telecom policy keeps door open for monopoly

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission's (BTRC) draft policy to reform its complex licensing regime arrives with bold promises — streamlining processes, encouraging competition, and attracting foreign investment.

Yet, beneath the surface, certain clauses lack clarity and may safeguard existing market inequalities, empower dominant players, sideline local entrepreneurs, and, in some cases, discourage foreign ownership, said experts.

At the core of the proposed reforms is the consolidation of the licensing structure in the telecommunications sector — where there are over 20 types of licences — into three broad categories: National Infrastructure & Connectivity Service Provider (NICSP), International Connectivity Service Provider (ICSP), and Access Network Service Provider (ANSP).

However, despite its aim to "promote local entrepreneurship by fostering fair competition," the draft guidelines place no limitations on foreign partners acquiring ownership stakes in any other BTRC licensees, which may end up opening the door to cross ownership and foreign control across all segments — without offering similar leverage to local entities.

Experts warn that this imbalance could lead to anti-competitive consolidation, policy loopholes, and further erosion of domestic participation in a sector vital to national digital sovereignty.

For instance, Axiata Group, which owns Robi Axiata; Telenor, which holds a majority stake in Grameenphone; and Veon, owner of Banglalink, will be eligible to simultaneously hold a stake in licensees from all three categories.

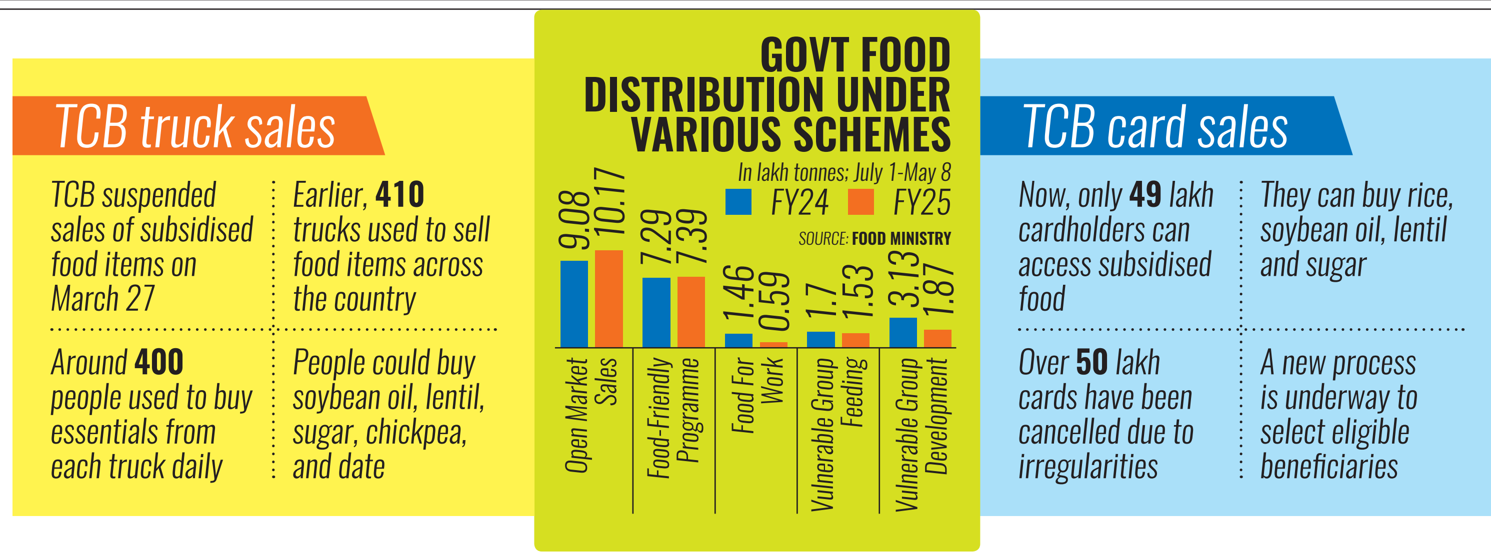
BTRC Chairman Md Emdad ul Bari said the policy had been designed this way to attract traceable foreign investment.

As an example, he cited Axiata Group's investment in edotco Bangladesh despite its existing stake in Robi Axiata.

However, experts have warned that this move could lead to discrimination, discourage local entrepreneurship, and potentially result in monopolistic practices.

Notably, this provision contradicts a clause in the draft itself, which prohibits ANSPs from holding ICSP licences.

READ MORE ON B3




# SUBSIDISED FOOD supply shrinks despite poverty fears

SUKANTA HALDER

Although inflation has remained at elevated levels for over two years, the sale and distribution of essential food items by public agencies showed a year-on-year drop until May of fiscal year 2024-25, raising fears that many vulnerable people in the country could be left contending with food insecurity.

For nearly one and a half months, the Trading Corporation of Bangladesh (TCB) has suspended sales of essentials, including edible oil, lentils, and sugar, at prices below market rates in urban areas, including Dhaka.

Explaining why, Mahbubur Rahman, secretary of the Ministry of Commerce, said that approval for selling essentials through TCB trucks needs to be obtained from the advisory council.

"The proposal for approval will be placed in the upcoming meeting. Once we get approval, sales will resume," he said.

Before the suspension, the state agency sold essentials to around 400 people from each truck on six days of the week.

Additionally, the TCB provides essentials at subsidised rates to 49 lakh families each month. The list was slashed from the one crore families that received support during the tenure of deposed prime minister Sheikh Hasina, after the interim government found anomalies in the beneficiary selection process.

Until May 9 of this fiscal year, public agencies — including the food and disaster management and relief ministries — distributed about 26.32 lakh tonnes of cereals, down 4 percent year-on-year, owing to a sharp fall in distribution under the Food for Work (FWP) programme, which is primarily run in rural areas.

Food ministry data show that the distribution of food among poor and low-income people also dropped under the Vulnerable Group Feeding (VGF) and Vulnerable Group Development (VGD) programmes, implemented by the Department of Disaster Management.

Significantly, the drop in the overall distribution of food under various social safety net programmes is being recorded at a time when overall inflation has remained above 9 percent for 26 consecutive months.

Amid persistent inflation, job losses, and a slowing economy, the World Bank last month projected that overall poverty in Bangladesh might rise to 22.9 percent in 2025, up from 18.7 percent in 2022.

The ratio of people living in extreme poverty — those earning below $2.15 a day — is expected to nearly double to 9.3 percent, pushing an additional 30 lakh people into this group, it said in its Bangladesh Development Update.

"This is deeply puzzling," Selim Raihan, executive director of the South Asian Network on Economic Modeling, said in reaction to the decline in public food distribution.

He said the condition of many middle-class families had worsened due to high inflation over the past two years.

Food inflation has been easing in recent months, but despite this slight decline, prices remain significantly high, he added.

READ MORE ON B3



# BGMEA election
## What panel leaders say

**The biennial election of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is scheduled to be held on May 31 to elect the executive committee of the trade body for the 2025-27 tenure. The BGMEA election is being contested by two major panels—Forum and Sammilito Parishad for 35 director posts. This time Mahmud Hasan Khan is contesting as the leader of Forum and Abul Kalam as leader of Sammilito Parishad. Refayet Ullah Mirdha of The Daily Star talked to them on their electoral pledges and priorities.**

### Separate ministry needed to boost RMG exports

MAHMUD HASAN KHAN

The Forum Panel leader wants a separate ministry for the garment industry as the sector has already grown to massive proportions and needs its relevant functions to be expedited to take it forward.

Currently, the commerce ministry is the line ministry for dealing with the garment industry. Khan said the commerce ministry was always busy with other activities.

He said if elected, he would appeal to the government for the creation of a separate ministry for the apparel sector.

He also has a plan to appeal for the launch of a separate fund to finance small and medium enterprises (SMEs) so that they can also grow bigger gradually by borrowing low-cost loans from this fund.

To counter the Covid-19 pandemic shock, Vietnam introduced such a fund to support the SMEs. He said the government should also fully digitalise and automate customs processes so that businesspeople can complete audits as soon as possible.

Khan wants more of the next generation to come to this business, be it through family inheritance or through individual efforts as new entrepreneurs.

It is possible if everyone plays a more dignified role in this sector by complying with rules and regulations, he said.

Regarding the BGMEA University of Fashion and Technology (BUFT), the Forum panel leader said he would try for the university to be run by the BGMEA again and would introduce a trustee board from the trade body to run the educational institution.

Khan is optimistic that this time too Bangladesh would be able to overcome challenges posed by US President Donald Trump's reciprocal tariffs.

He reasoned that the local manufacturers have gained a lot of experience facing a lot of challenges, such as withdrawal of quotas and Rana Plaza building collapse.

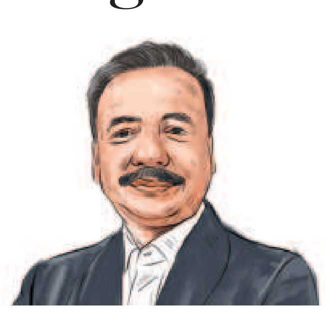
Bangladesh can negotiate with the Trump administration, such as by increasing the import of wheat, cotton, soybean and other products, for reducing the trade gap between the two countries, he said.

The graduation of the country from the group of least developed countries (LDCs) is a significant step forward, said Khan.

So, the country should also prepare for facing the new trends of business as preferential trade benefits will be eroded after the graduation in November 2026, he said.

READ MORE ON B3

### Revival of sick factories may be a game changer



MD ABUL KALAM

The Sammilito Parishad leader has a plan to help nearly 200 factories to reopen. These were shut down during and after the July-August uprising last year and for the labour unrest in 2024.

He is hopeful that this election will be free, fair and credible as a new voter list has been prepared after scrutiny and many ineligible people were delisted. He said he hated the use of the fake voter list last year.

Kalam said he would also try to get factory owners who failed to fulfil conditions to become voters.

Becoming a member of the BGMEA does not mean he or she can become a voter as there are some preconditions that need to be met, he explained.

As there is a good inflow of work orders from the international clothing retailers and brands, if the factories are revived, there will no problem in running those units, he said.

It is possible to resolve challenges of struggling factories by taking assistance from banks, he said.

Kalam said he would hold negotiations with the government for ensuring uninterrupted gas and power supply to the factories.

The insufficient supply has been impacting production and subsequently the exporters are having to bear expensive air shipments to maintain strict lead times set by international retailers and brands.

The ports and customs need to expedite their functions as the business is more competitive now than earlier. He said he would continue talks with the government about these important issues.

An intense negotiation with the Trump administration involving the garment exporters is very important as the US is Bangladesh's largest apparel export destination, said Kalam.

Import of cotton from the US may reduce the trade gap between Bangladesh and the US, he said, adding that this issue needs to be widely discussed.

If Bangladesh can address the energy crisis and can become successful in talks with the Trump administration, it is possible to take garment exports to $60 billion by 2030, he said. Annual garment exports now amount to nearly $42 billion.

The future of garment business is bright in Bangladesh because of the shift of work orders from China and Vietnam, although some European retailers are offering lower prices to the local exporters taking the advantage of the Trump tariffs, said Kalam.

READ MORE ON B3

# NBR staff observe pen-down strike over ordinance

STAR BUSINESS REPORT

Officials and employees of the National Board of Revenue (NBR) across Bangladesh observed a three-hour pen-down strike yesterday, protesting the government's recent ordinance to dissolve and restructure the country's revenue administration.

The protesters, under the platform "NBR Reform Unity Council", went to their workplaces at tax, VAT, and customs offices nationwide but refrained from doing any work from 10:00am to 1:00pm.

Only international passenger services, export operations, and budget-related activities were exempted from the strike.

The protest follows the government's decision last Monday to form two new wings — Revenue Policy Division and Revenue Implementation Division.

As per the ordinance, the policy division will handle tax policy formulation and setting tariffs, while the implementation division will oversee tax collection and enforcement of rules and regulations.

Critics within the customs and income tax cadres argue that the ordinance sidelines experienced tax professionals, transferring policymaking powers to officials from the general administration cadre.

**The strike is part of a three-day protest programme. Further pen-down strikes are scheduled for Thursday and Saturday, from 10:00am to 3:00pm**

They claim the final ordinance includes only a minor revision from the draft version, slightly narrowing the policy division's scope.

They also argue that the policy division will have to oversee enforcement of tax laws and evaluate collection performance — a provision that blurs the intended separation between policy and implementation.

A protester, speaking on condition of anonymity, said, "All other regular functions were suspended during these hours. We will continue the protest until our demands are met."

"This ordinance was issued unilaterally... it does not reflect the opinions of the officials and employees, despite repeated requests for an inclusive dialogue," she added.

The strike is part of a three-day protest programme. Further pen-down strikes are scheduled for Thursday and Saturday, from 10:00am to 3:00pm.

The strike in Chattogram led to the suspension of import-related customs clearance and assessment activities at Chattogram Custom House.

Mohammad Saidul Islam, deputy commissioner of Chattogram Custom House, said, "As per the prior decision, all officers and employees observed a three-hour pen-down strike today. Import assessments, examinations, and clearances were suspended during this time."

He added, "Essential services such as exports and airport passenger operations remained outside the purview of the strike.

READ MORE ON B3