



Johan Buse

MAHMUDUL HASAN

The telecom industry of Bangladesh is caught in a paradox. It is indispensable to the country's digital ambitions, yet weighed down by regulatory complexity, high taxation and market fragmentation, according to Johan Buse, chief executive officer of Banglalink.

"If you look at what the regulator is doing and some of the proposed changes, it actually really looks like people are trying to make a change," he said in an interview with The Daily Star.

"But if you take a few steps back, history will tell you it is a highly fragmented, complicated market, highly taxed," added the CEO of the country's third-largest operator. "Basically, not a place you want to be, I guess. Which is sad. That is the word I always use, it is sad and it is unnecessary."

The telecommunications sector in Bangladesh now faces a tax rate of 56 percent. This rate far exceeds that of neighbouring India, where the tax is around 25 percent. The rate is 35 percent in Sub-Saharan Africa, 24 percent in the Middle East and North Africa, and 24 percent in the Asia Pacific region. The average rate is 21 percent in Europe and 18 percent across Latin American countries.

Buse, who joined Banglalink from Singapore's StarHub where he led the Consumer Business Group, has decades of experience across Europe, Asia and

years ago. Today, it is a paperless digital hub where everything is app-based.

This digital transformation, he said, creates efficiency, ensures traceability and ultimately generates more taxable income.

Buse said Banglalink has invested heavily in building the digital backbone of Bangladesh.

"Over our past 20-year journey, Banglalink has made an overall investment of \$2.5 billion," he said, adding that \$300 million went into expanding the 4G network in the last four years.

For him, 4G is the real game changer. "...Because it provides the kind of speed and latency that enables people to do everything on their smartphones today."

The company's commitment, he said, is to bridge the digital divide. The CEO cited the

On the shrinking customer base of Banglalink, Buse said the company chose to focus on quality subscribers rather than chasing inflated numbers.

"There is this myth that we have 180 or 190 million subscribers. We do not," he said.

"The real number of users is more between 70 and 90 million. Last year, we consciously decided not to go after what we call rotational churn, the washing machine. This is the only country I know that has a SIM card tax. No other country charges for a SIM. It is unbelievable."

Taxation, Buse believes, is the biggest obstacle.

"The total tax burden for the industry is around 56 percent. If a customer pays us Tk 139, we are left with between

Tk 50 and Tk 60. That is a world record high for tax and a world record low for operators. That

initiatives going in the right direction, reducing fragmentation, improving quality, and recognising that telco is a scale business. That is positive."

On significant market power (SMP) regulation, he called for fairness.

"SMP should be tackled first. Number one, get the whole taxation regime sorted in a way that is attractive. Second, SMP is linked to fragmentation again. Create a framework where the smaller telcos have a viable chance to dip into the profit pool. It is not good for the country that one operator has 90 percent of the profit pool if you want to create competition."

Turning to Banglalink's digital ambitions, the CEO said they are certainly planning to venture into digital financial services.

"Half of Bangladesh is not banked. In our group, we have a proven track record in three countries, including Pakistan, where it even helped the government increase tax collection. So yes, we will pursue it."

He pointed to Banglalink's existing digital platforms.

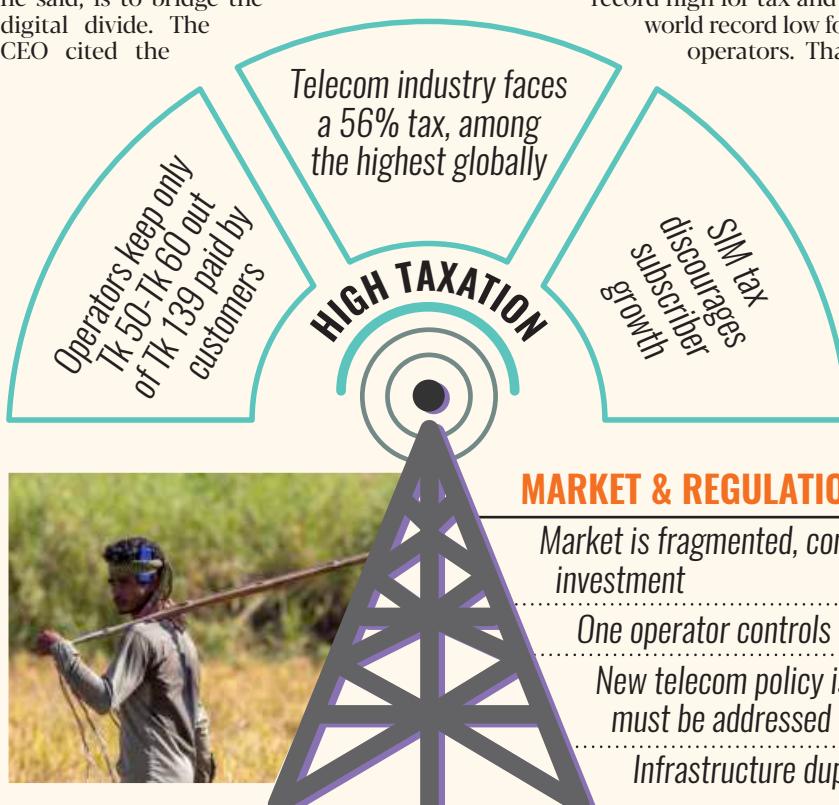
"Toffee is today the leading local OTT platform. We invested a lot in acquiring sports rights. My strong plea to linear channels is to wake up. Entertainment needs eyeballs. Look at people below 25, they do not watch linear channels anymore. They are on apps, YouTube, TikTok. If you protect your turf instead of sharing, you will get yourself out of

DIGITAL GROWTH & SERVICES

4G is the real game changer, not 5G

Banglalink invested \$2.5b over 20 years

It plans to expand into digital financial services



MARKET & REGULATION

Market is fragmented, complicated, and unattractive for investment

One operator controls 90% of profits, creating an imbalance

New telecom policy is a positive step, but SMP and fairness must be addressed

Infrastructure duplication across operators is wasteful

the Middle East. He previously worked at Ooredoo Oman as chief commercial officer and held senior roles at Deutsche Telekom, Croatia, AXIS and Singtel.

Now at Banglalink, he said he faces the challenges of a market in transition, shaped by political shifts and regulatory change. "I think the telecom landscape here is in transition."

According to him, the role of telecommunications is no longer just about being an industry in its own right but enabling broader communication.

"In the good old days that was just 'hello, hello'. But today that is much more, we facilitate data connectivity. The real role has expanded from just connecting people via voice to connecting businesses, connecting devices. Because if you connect telco, data, cloud and AI, all of a sudden, the world starts looking very different."

Drawing a comparison with Singapore, he said the country had little to offer except for its fish industry 50

role of technology in classrooms abroad.

In South Korea and northern China, a lot of classrooms are fully digital. No chalkboard anymore, just whiteboards, cheap tablets, everything centralised and traceable. The teacher communicates directly with the child through devices. That is the future.

And that is why we are here, to make sure anyone has access to the internet and data connectivity for a better life."

He said the reality for operators in Bangladesh is currently challenging. The first quarter of this year was "gloomy", Buse said, as customer numbers fell.

"The total sector has been declining in revenue since last year. That is partly due to changes in taxation and regulatory issues, which pushed us down as an industry," he said.

Still, he believes confidence is returning. "There are some positive trends coming to the industry."

is an issue."

The CEO said such burdens make investment difficult.

Expanding a 4G network usually costs \$300-\$400 million a year, which the CEO called a "serious" commitment. "But regulatory imbalance has left one operator dominating profits."

"In every country, there is always a number one operator with around 50 percent of the market. But never have I seen before that they have 90 percent of the profit. That is the issue here."

Buse said, "If that persists, the other operators have a very difficult conversation with their investors. We are all part of international groups. Investment goes where returns are best. Bangladesh needs to make itself more attractive as an investment destination."

On the government's new telecom policy, Buse was cautiously optimistic. "The positive baseline is that, finally, there is action taken. There are

business."

The company has also launched RYZE, an AI-powered youth-focused lifestyle app.

"This generation aged between 15-29 years makes up nearly a third of Bangladesh's population, an incredible source of energy, creativity, and potential. At Banglalink, we believe the youth deserve more than just connectivity, they deserve access to the right tools to thrive in a digital world. That is why we launched RYZE, a youth-focused brand that empowers young minds with AI-powered solutions and seamless digital access."

On infrastructure, he argued against duplication.

"It is ridiculous that every telco builds its own infrastructure. It is like every airline building its own airport terminal. Pan American World Airways did that once in the 60s, and it failed. The same logic applies here," added the CEO.

Japan pledges \$68b investment in India

AFP, Tokyo

Japan pledged Friday to invest \$68 billion in India during a visit by Prime Minister Narendra Modi to Tokyo, as the two countries agreed to deepen security ties.

"India's massive market is so full of potential that incorporating its vibrancy will help drive the growth of Japan's economy," Japanese Prime Minister Shigeru Ishiba told reporters.

Bilateral trade is currently worth over \$20 billion annually, heavily favouring Japan.

Speaking during Modi's two-day stopover before he visits China, Ishiba said Japan would boost investment in India to 10 trillion yen (\$68 billion) and would establish a cooperation initiative focusing on semiconductors and AI.

The two sides also pledged to bolster security cooperation, with Kyodo news agency reporting that the two had agreed to expand drills between Japan's Self-Defense Forces and the Indian Armed Forces.

The nations also expressed "serious concern" over the situation in the East China Sea and the South China Sea, in a separate joint statement, according to Kyodo.

"As the international situation grows more and more uncertain, Japan and India must join hands for the sake of peace and stability of the region," Ishiba told reporters.

Modi said that "India and Japan are fully committed to a free, open, peaceful, prosperous and rules-based Indo-Pacific".

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US appeals court finds Trump's global tariffs illegal

AFP, Washington

A US appeals court on Friday ruled that many of President Donald Trump's tariffs, which have upended global trade, were illegal – but allowed them to remain in place for now, giving him time to take the fight to the Supreme Court.

The 7-4 ruling by the US Court of Appeals for the Federal Circuit affirmed a lower court's finding that Trump had exceeded his authority in tapping emergency economic powers to impose wide-ranging duties.

But the judges allowed the tariffs to stay in place through mid-October – and Trump swiftly made clear he would put the time to use.

The appeals court "incorrectly said that our Tariffs should be removed, but they know the United States of America will win in the end," he said in a statement on his Truth Social platform lashing out at the ruling.

He added that he would fight back "with the help of the United States Supreme Court."

The decision marks a blow to the president, who has wielded duties as a wide-ranging economic policy tool.

It could also cast doubt over deals

Trump has struck with major trading partners such as the European Union, and raised the question of what would happen to the billions of dollars collected by the United States since the tariffs were put in place if the conservative majority Supreme Court does not back him.

Friday's case, however, does not deal with sector-specific tariffs that the Trump administration has also imposed on steel, aluminum, autos and other imports.

Since returning to the presidency in January, Trump has invoked the International Emergency Economic

Powers Act (IEEPA) to impose "reciprocal" tariffs on almost all US trading partners, with a 10 percent baseline level and higher rates for dozens of economies.

He has invoked similar authorities to slap separate tariffs hitting Mexico, Canada and China over the flow of deadly drugs into the United States.

The Court of International Trade had ruled in May that Trump overstepped his authority with across-the-board global levies, blocking most of the duties from taking effect, but the appeals court later put the ruling on hold to consider the case.

Friday's ruling noted that "the statute bestows significant authority on the President to undertake a number of actions in response to a declared national emergency, but none of these actions explicitly include the power to impose tariffs, duties, or the like, or the power to tax."

It added that it was not addressing if Trump's actions should have been taken as a matter of policy or deciding whether IEEPA authorizes any tariffs at all.

Instead, it sought to resolve the question of whether Trump's "reciprocal" tariffs and those imposed over trafficking



US President Donald Trump displays a signed executive order imposing tariffs on imported goods during a "Make America Wealthy Again" trade announcement event in the Rose Garden at the White House in Washington, DC.

BUSINESS

Who should be a bank CEO?

MAMUN RASHID

I was 40 when I became the youngest chief executive officer in a commercial bank in Bangladesh, and that too in a top global institution. Until then, my career had been rooted largely in Treasury, a function that demands an intimate grasp of liquidity, balance sheets and risks that are often invisible yet decisive for survival.

Those years taught me that leadership in banking is not only about growth but also about anticipating risks, preparing for volatility, and balancing ambition with prudence. I had also built my name in loan restructuring and recoveries, financial institutions risk management, and corporate and investment banking at home and abroad. Looking back, I often ask: if I were to scan the banking landscape of Bangladesh today, where should the next generation of CEOs come from?

The question has become even more relevant as the central bank has recently been forced to intervene in and restructure several troubled banks. A recurring theme in many of these cases is not only mismanagement but also a lack of leadership that understood risk. Too many of our CEOs did not come from risk-oriented functions, and it shows.

In banking, risk is not a department; it is the bloodstream that runs through every decision. If a leader cannot see how a credit decision today may become tomorrow's default, or how liquidity mismatches can spark crises, then the institution is exposed long before the headlines arrive.

Does this mean our future leaders should all come from credit? There is a strong case. Credit officers understand the fundamentals of lending, the heart of traditional banking. They assess business models, gauge repayment ability, and structure deals that align incentives. Yet there is a danger too. If the leadership pipeline is dominated by credit specialists, we risk risk-aversion as the default posture, choking innovation and growth in an economy

that badly needs both. Credit is foundational, but without the ability to see beyond balance sheets into new opportunities, a CEO may spend their career on the defensive.

What about corporate bankers, those who have grown up in relationship-driven businesses, connecting with large clients and managing portfolios that keep banks profitable? They bring scale, negotiation skills and an instinct for how markets breathe. But their training often emphasises revenue generation over institutional resilience. Without a grounding in risk or treasury, they may be tempted to chase short-term gains while overlooking structural vulnerabilities.

Balance sheet specialists, on the other hand, deserve more attention in this debate. Banks are first and foremost custodians of balance sheets. A leader who can read liquidity gaps, interest rate exposures, capital adequacy and systemic vulnerabilities with fluency is less likely to be caught off guard. Treasury, where I began, forces you to see the institution as a single organism whose survival depends on liquidity and prudence.

Banking, however, is no longer only about credit, deposits or even balance sheets. The future of the industry will be shaped by technology, artificial intelligence and data-driven decision-making. Already, fintechs are redefining customer expectations, and central banks are experimenting with digital currencies. The next generation of CEOs cannot afford to ignore these trends. Visionaries who can marry technology with banking fundamentals will be the ones to lead institutions forward. In an emerging world of personal wealth management, retail banking competency will also carry weight.

So where should our CEOs come from? The answer may not be a single department but a mindset. The next wave of leaders must combine the prudence of credit, the foresight of treasury, the customer focus of corporate banking, an understanding of wealth concentration, and the imagination of technology. Leadership in banking is not about being the smartest person in the room but about seeing the whole chessboard, anticipating moves before they come, and preparing institutions to weather both storms and seasons of growth.

The writer is the chairman of Financial Excellence Ltd

PHOTO: AFP/FILE

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