

Govt initiates process to seek investor for Nagad

STAR BUSINESS REPORT

The government has started the process of seeking new investors for Nagad, the much-talked about mobile financial service provider (MFS).

Early this week, the Bangladesh Investment Development Authority (Bida) has sought applications from a financial advisory firm to act as an "exclusive sell-side mergers & acquisitions adviser for a potential transaction" related to Nagad, an MFS under the Bangladesh Post Office.

The firms have been advised to submit their applications by September 15.

The Bida said the selected adviser will "assess and refine Nagad's positioning and value proposition."

"The firm will need to prepare marketing materials, identify and approach potential strategic and financial buyers," said the Bida in the advertisement seeking an Expression of Interest (EOI) from firms.

A senior Bida official said a high-level meeting recently approved the transition of Nagad into the private sector, leading to Bida's involvement.

The initiative comes as the Bangladesh Bank (BB), the regulator, finds that the Directorate of Posts does not have the capacity to run Nagad efficiently, making it necessary to bring in new investors.

Hence a competent institution needs to take over, said BB Governor Ahsan H Mansur earlier.

At an event last week, Mansur said various irregularities caused by the previous owners have been resolved.

Nearly 15 million fake or inactive accounts have been removed, and the institution is now on the path to restructuring.

Significant reforms have already been implemented in Nagad, he said.



Sugarcane are arriving by trawlers at Hatkhola fruit market in Barishal, ferried from nearby villages to quench the thirst of city dwellers. With the sultry weather driving people to roadside stalls for a glass of chilled cane juice, demand has surged in recent weeks. A bundle of 100 sticks now sells for Tk 1,500 to Tk 4,500, depending on quality. The photo was taken yesterday.

PHOTO: TITU DAS

Dollar holds firm in volatile week

REUTERS, Singapore/London

The US dollar held firm on Thursday in a volatile week as investors contend with a fragile bond market and data showing a weakening labour market, which has reinforced expectations the Federal Reserve will cut rates this month.

With the Fed focused on employment, Friday's crucial jobs report will help set expectations for the central bank's next few policy meetings. Data on Wednesday showed job openings fell to a 10-month low in July,

although layoffs remained relatively low. Separate surveys on private sector employment and monthly layoffs are due later on Thursday.

Traders are pricing in a near 100 percent chance of the Fed cutting interest rates later this month, up from 89 percent a week ago, CME FedWatch showed. They are also pricing in 139 basis points of easing by the end of next year.

The dollar edged up in relatively steady trade, reflecting investor wariness of making any big moves ahead of Friday's payrolls report.

Several Federal Reserve officials said labour market worries continue to underpin their view that rate cuts still lie ahead for the central bank, boosting expectations of an imminent rate cut.

Businesses held by local investors to foreign MNOs, further strengthening their dominance despite proven local capacity.

The new licensing regime allows existing licensees to obtain licenses under the updated framework, provided they meet the prescribed eligibility criteria and comply with the conditions outlined in the respective licensing guidelines.

Foreign ownership cap debate

Foreign ownership in the network access license category, which includes telecom operators, is capped at 85 percent, ensuring at least 15 percent domestic participation through joint ventures, public listings, or BTRC approved structures, while domestic investors may hold up to 100 percent equity without restriction. The existing operators will be given a three year period to offload 15 percent of their shares. Among the three private operators, only Grameenphone exceeds 15 percent local ownership, with Telenor holding 55.8 percent, Grameen Telecom 34.2 percent, and 10 percent by public and institutional investors. Robi Axiata is 61.82 percent Axiata, 28.18 percent Bharti Airtel, and 10 percent publicly held, while Banglalink is fully foreign-owned by VEON.

However, Robi and Banglalink expressed concerns due to the ownership cap.

"The policy promotes better service and innovation, but mandating a 15 percent local share offload may concern investors, who have already listed 10 percent of shares in the local stock market and invested billions with long-term plans," said Shahed Alam, Chief Corporate and Regulatory Affairs Officer at Robi Axiata.

While welcoming the new policy's provisions for active network and spectrum sharing, Taimur Rahman, Chief Corporate and Regulatory Affairs Officer at Banglalink, expressed concerns that mandated ownership requirements could discourage foreign investment.

Abu Nazam M Tanveer Hossain, a telecom policy expert, said excluding group-level entities from cross-licensing restrictions in the policy has minimal effect on large corporations, effectively imposing no real cross-ownership limits across the industry's three major layers, leaving the sector susceptible to distorted competition.

Leaders of the Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Knitwear Manufacturers and Exporters Association, Bangladesh Textile Mills Association, Bangladesh Tea Association, Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh, Bangladesh Jute Spinners Association, Bangladesh Jute Mills Association, Bangladesh Association of Pharmaceutical Industries, Bangladesh Association of Contact Centre and Outsourcing, and Bangladesh Agro-processors Association also expressed solidarity with the BEF.

Cabinet approves new telecom licensing

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The process of awarding many of these licenses has faced widespread criticism, with the BTRC identifying a lack of transparency in fund management in certain cases.

For example, in 2014, IGW operators formed a cartel under the IGW Operator Switch model, approved by BTRC without policy amendment, enabling market dominance and higher revenues for certain operators.

Transparency issues arose over Tk 631 crore in so-called Market Development Expenses, and over 95 percent of the amount was routed and spent through a single account under Salman F Rahman's Beximco Computers, prompting BTRC to refer the case to the Anti-Corruption Commission, according to BTRC documents.

However, Asif Rabbani, president of the IGW Operators Forum (IOF), said in the IGW sector alone, they invested Tk 5,000 crore, and many skilled engineers and technologists are working with them. So far, they have paid Tk 10,500 crore in revenue to BTRC.

"Yet, in the drafting of new policies and regulations, there is very little coordination with us. This is highly unacceptable and deeply disappointing," he said.

He added that the new policy risks transferring even the small

towards unification of licenses, moving away from fragmented licensing.

"We believe this will benefit the industry. At the same time, we urge the government to finalize and publish realistic guidelines at the earliest, as it is equally important for effective implementation."

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Employers, trade bodies concerned

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Employers cautioned that such blanket provisions disregard industrial realities, expose enterprises to manipulation by external groups, threaten workplace stability, and undermine investor confidence.

Instead of strengthening trade unionism, they warned, these measures could lead to fragmentation and disorder, harming both employers and workers.

The statement also noted that workers themselves have expressed apprehensions, recognising that the proposed reforms do not address their real needs for security, welfare, and sustainable livelihoods.

Bangladesh's challenges, the BEF said, lie not in passing laws on paper but in ensuring the

capacity of institutions and the workforce to enforce them. Weak labour inspection, under-resourced institutions, and ineffective monitoring remain major gaps.

The federation emphasised that meaningful reform requires investment in regulatory capacity, training, upskilling, and reskilling of workers and managers, alongside equipping officials with tools to enforce compliance.

Without addressing these fundamentals, repeated legal tightening will only create uncertainty, discourage investment, and risk instability in the labour market, it added.

Employers called upon the ILO and development partners to uphold tripartism and urged the government

to steer the process pragmatically, protecting national interests while advancing credible labour rights.

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