Robi faces complaints from GP, Banglalink over Airtel branding

MAHMUDUL HASAN

Robi Axiata is facing anti-competitive complaints from two of Bangladesh's largest telecom operators, Grameenphone (GP) and Banglalink, over its continued use of the Airtel brand, which they say violates conditions set during Robi's 2016 merger with Airtel.

GP, in a letter to the regulator in September, complained that Robi's use of the Airtel brand misleads customers, creates brand confusion, and allows Robi to benefit unfairly from Airtel's international reputation.

The letter, signed by CEO Yasir Azman, urged the Bangladesh Telecommunication Regulatory Commission (BTRC) to take action to maintain fair competition and protect consumer confidence.

GP also cited a December 2022 news report in which the regulator's Legal and Licensing Division stated that continued use of Airtel branding in violation of the merger terms could lead to regulatory action.

Just over a month later, Banglalink filed its complaint on the issue in October through a letter signed by Chief Corporate & Regulatory Affairs Officer Taimur Rahman. Banglalink submitted its complaint "in the public interest," citing a broader range of violations.

Banglalink's complaint highlighted two specific conditions from the BTRC's 2016 merger approval: Condition 20, which mandates all advertising and marketing be under the "Robi" name, and Condition 10, which prohibited Robi from using Airtel's "016" number series beyond a two-year period without prior written approval from the BTRC.

"Contrary to these binding directives," Banglalink's letter states, "Robi continues to actively issue SIM connections under the 016 number code and engages in widespread brand promotion and customer-facing operations under the 'Airtel' name."

The company notes there is "no publicly available evidence" of the BTRC granting an extension for this use.

Both complaints refer to the BTRC's responsibility under the Bangladesh Telecommunication Regulatory Act, 2001, to ensure fair competition in the telecom sector.

The two operators are demanding a formal investigation, with Banglalink asking the commission to direct Robi to stop using the 016 number series and Airtel branding and to clarify publicly whether any approvals exist for its continued use.

ROBI REJECTS ALLEGATIONS

Robi has rejected the allegations. Shahed Alam, chief corporate and regulatory officer, said the company has government and regulatory approval to use the Airtel brand.

"We wish to reiterate that the matter concerning the Airtel brand has been fully resolved. Both the telecom ministry and the BTRC have formally approved the use of our Airtel brand," he told The Daily Star.

"Furthermore, we can categorically confirm that there is no restriction -- either from the court or from our merger consent -- on marketing or operating under the Airtel brand," he added.

He emphasised that a single company can legally operate multiple brands, and that using a brand does not imply a separate legal entity.

"It is important to distinguish between a company and a brand. A single company may legitimately operate multiple brands, and the existence or use of a brand does not imply a separate legal entity. Any attempt to blur this distinction only serves to create unnecessary confusion among consumers and industry stakeholders," he said.

Major General (retd) Md Emdad ul Bari, chairman of the BTRC, told The Daily Star that the regulator "will proceed with the matter based on the law."

The telecom sector has seen multiple anti-competitive allegations in recent times. Earlier, Robi itself filed a complaint against GP at the Bangladesh Competition Commission, highlighting issues of unfair market practices.

Open-ended mutual funds can rebuild capital market trust

SHAHIDUL ISLAM

Mutual funds play a vital role in modern capital markets. By pooling savings from thousands of small investors and investing them in diversified portfolios of stocks and bonds, they help make the market more efficient, liquid and stable. For ordinary investors, mutual funds offer a simple way to take part in the market without having to research or monitor individual securities.

Yet the mutual fund industry of Bangladesh remains tiny and underdeveloped. Mutual fund assets amount to barely 3.5 percent of total equity market capitalisation, one of the lowest ratios in Asia. The limited size of the industry is not due to a lack of savings or interest. It reflects a deep trust deficit rooted in the structure and governance of the funds.

For many years, Bangladesh relied on closed-end mutual funds. These funds issue a fixed number of units for a fixed period, usually ten years. Investors can sell their units only in the secondary market, not back to the fund.

In principle, a fund's price should reflect the value of its underlying assets, or net asset value, known as NAV. In practice, most closed-end funds in Bangladesh trade at steep discounts, often 30 to 40 percent below NAV. Such discounts signal low confidence in how fund assets are valued and managed.

Once confidence erodes, investors in closed-end funds have no clear exit. They cannot redeem units at fair value and must accept whatever price the market offers. This lack of liquidity discourages new investors and traps existing ones. It is a flaw that continues to weigh on the industry.

There have been moments when the market has swung to the opposite extreme. At various points in financial history, closed-end funds in Bangladesh traded at irrational premiums, sometimes hundreds of percent above NAV. These prices had no economic basis. A mutual fund is a portfolio of securities, and its worth cannot exceed the value of those holdings. Such premiums show distortion, not value creation.

Across the world, open-ended mutual funds dominate. They issue and redeem units continuously at prices tied to NAV. Investors can buy or sell at fair value, which ensures equal treatment and market discipline.

Open-ended funds offer qualities that are essential for rebuilding trust in the capital market of Bangladesh. Investors can redeem units whenever they choose and receive the current NAV, which removes the risk of being trapped in a discounted or illiquid market.

Because investors can exit at any time, fund managers must maintain honest valuation and prudent portfolio management. Any lack of transparency may prompt redemptions, creating a natural corrective mechanism. Globally, more than 99 percent of mutual fund assets are held in open-ended funds, reflecting decades of evidence that this structure best protects investors while supporting market stability.

Bangladesh has begun to move in the right direction. The number of open-ended funds now exceeds the number of closed-end funds, although their combined assets remain smaller because most are recent. Almost all new approvals are open-ended, signalling a positive shift in regulatory and investor preference.

The securities regulator can build on this momentum by phasing out closed-end structures over time, requiring full transparency in NAV calculation and disclosure, and ensuring prompt redemptions for open-ended investors. These steps would strengthen investor protection and deepen the capital market by channelling long-term savings into professionally managed portfolios. A stronger open-ended fund industry would help reduce volatility, curb speculation and direct more capital towards productive enterprises.

The mutual fund industry of Bangladesh suffers not from a lack of potential but from a lack of trust. Investors have witnessed mispricing, weak governance and long delays in liquidation. The open-ended structure answers these concerns. It guarantees fair exit options, enforces valuation discipline and links the credibility of fund managers to daily performance.

If the aim is to rebuild confidence, attract long-term investors and align with global standards, then open-ended funds are essential. A mature capital market requires investors to believe that their money is fairly valued and easily accessible. Open-ended mutual funds can help make that possible.

The writer is the CEO of VIPB Asset Management Company

Bitcoin drops below $90,000

REUTERS, *Singapore*

Bitcoin slipped below $90,000 for the first time in seven months on Tuesday in the latest sign that investor appetite for risk-taking is drying up across financial markets.

The risk-sensitive cryptocurrency has erased 2025 gains and is now down nearly 30 percent from a peak above $126,000 in October. It traded down 2 percent at $89,953 in the Asia afternoon, having collapsed through chart support around $98,000 last week.

Market participants said a combination of doubts around future US interest rate cuts and the mood in broader markets, which have wobbled after a long rally, was dragging down crypto.

"The cascading selloff is amplified by listed companies and institutions

exiting their positions after piling in during the rally, compounding contagion risks across the market," said Joshua Chu, co-chair of the Hong Kong Web3 Association.

"When support thins and macro uncertainty rises, confidence can erode with remarkable speed."

Crypto stockpilers such as Strategy miners such Riot Platforms and Mara Holdings and exchange Coinbase have all slid with the souring mood. Markets were down across Asia on Tuesday, with particular pressure on technology shares in Japan and South Korea.

Cryptocurrency ether has also been under pressure for months and has lost nearly 40 percent of its value from a peak above $4,955 in August to trade 1 percent lower at $2,997 on Tuesday.

A bitcoin drawdown at the start of the year presaged a broader selloff that hit equities in April, after the announcement of US tariffs, leading to some nerves that the tumble in crypto could be a leading indicator or ripple outward.

US is the biggest recipient of Chinese loans: study

REUTERS, *Hong Kong*

The United States is the biggest recipient of China's lending activities globally, according to a study which tracked Beijing's credit activities and found it is increasingly lending to higher-income countries over developing countries.

The report, published on Tuesday by AidData, a research lab at US university William & Mary, said China's lending and grant giving totalled $2.2 trillion across 200 countries in every region of the world from 2000 to 2023.

China has long been seen as a creditor to developing countries through its Belt and Road initiative, but is shifting toward lending to advanced economies -- backing strategic infrastructure and high-tech supply chains in areas such as semiconductors, artificial intelligence and clean energy.

Beijing's portfolio size is two-to-four times larger than previous estimates suggest, AidData said, adding that China remains the world's largest official creditor.

More than three-quarters of China's overseas lending operations now support projects and activities in upper-middle-income countries and high-income countries.

"Much of the lending to wealthy countries is focused on critical infrastructure, critical minerals and the acquisition of high-tech assets like semiconductor companies," said lead author Brad Parks, AidData's executive director.

Flags of the USA and China are seen at a room before a meeting of the officials of the two countries in Beijing. More than three-quarters of China's overseas lending operations now support projects and activities in upper-middle-income countries and high-income countries.
PHOTO: AFP/FILE

The United States received the most official sector credit from China, more than $200 billion for nearly 2,500 projects and activities, the report said.

Chinese state-owned entities are "active in every corner and sector of the US", bankrolling the construction of LNG projects in Texas and Louisiana, data centres in Northern Virginia, terminals at New York's John F Kennedy International Airport and Los Angeles International Airport, the Matterhorn Express Natural Gas pipeline and the Dakota Access Oil pipeline, AidData said.

Beijing has financed the acquisition of high-tech companies, while Chinese state-owned creditors have provided credit facilities for many Fortune 500 companies including Amazon, AT&T, Verizon, Tesla, General Motors, Ford, Boeing and Disney, the report said.

Big Tech offsetting AI-linked emissions leaves carbon credits in short supply

REUTERS, *Belem*

Surging demand for high-quality carbon removal credits from tech giants to offset their AI-driven emissions is helping fuel a shortage that experts say is exactly what is needed to spur investment in the nascent market.

Heavy buying over the last two years by companies including Microsoft and Google made the credits nearly four times more expensive in 2024 than lower-priced credits pegged to forest-preservation projects.

Big Tech has collectively spent hundreds of millions of dollars since 2019, much of it in the last two years, on durable carbon removals, those that capture and store carbon dioxide for an extended period, the credit experts say. Overall, $10 billion has been spent in the spot market and longer-term offtake agreements combined, according to market tracker CDR.fyi.

Scientists say carbon-removal projects are essential for the world to slow global warming by offsetting emissions from industries, such as power generation, that continue to use fossil fuels.

Credits linked to projects such as biochar, in which biomass is converted into a charcoal-like substance that locks in carbon, or direct air capture, are seen as providing more secure, long-term removal of carbon. Those linked to restoring degraded land are also valued highly.

As tech companies expand data centers to power artificial intelligence, often using fossil fuels, their profits and greenhouse gas emissions are rising, underpinning demand for credits.

Many other companies were also leveraging AI to expand their businesses and using some of the returns to buy credits, said Brennan Spellacy, chief executive of climate tech firm Patch.

"The companies that are performing well are investing heavily, and the reason why these companies are performing well is AI. So AI's driving profit and profit's driving investment," Spellacy said on the sidelines of the COP30 climate talks in Brazil.

The tech giants have pledged to eventually eliminate their emissions on a net basis. The United States, however, has pulled out of the 2015 Paris climate treaty under President Donald Trump.

But a Hungarian company says it has found a way to turn it into road-ready concrete, replacing much of the stone normally used in the mix.

"We send strong demand signals through long-term offtakes to unlock a virtuous cycle of innovation, financing, and deployment," a Microsoft spokesperson told Reuters. "By anchoring large-scale projects, we both drive new supply while leaving headroom for other corporate buyers to enter," the spokesperson added.

Google parent Alphabet declined to comment.

BUYERS HAVE TO SETTLE

Credit supply has not kept pace with demand.

A third of requests to buy credits through the Patch platform were for biochar, yet it ultimately made up less than 20 percent of sales because of tight supply, Patch said.

Reforestation credits were requested 25 percent of the time, but sold 12 percent of the time.

"The desire for high quality is very real, and you can see it in the numbers. In 2024, there were 8 million tons of durable carbon removal purchased, and so far this year, it's 25 million," said Lukas May, chief commercial officer at carbon registry Isometric.

"That is certainly being driven a lot by the big tech companies."

To date, less than 1 million tons' worth of durable carbon removal credits have been issued, CDR.fyi data shows, mostly from biochar projects.

Given the supply crunch, more companies are looking to enter offtake agreements, which should help expand supply by giving certainty of sales to developers, May added.

"At the end of the day, extra demand will drive extra supply."

For some, the supply crunch solution is to generate your own credits.

Pure Data Centres Group, which counts large tech companies as clients, plans to spend 24 million pounds ($31.6 million) building the UK's biggest biochar project in Wiltshire to ensure it has enough.

A person points at a stack of trays holding treated limestone, used to absorb CO2 from the air, at a plant in Tracy, California.
PHOTO: REUTERS/FILE