

THE MOBILE RESET

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How will NEIR change the BANGLADESHI SMARTPHONE INDUSTRY

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Bangladesh is set to officially launch the National Equipment Identity Register (NEIR) system on December 16, 2025, to curb mobile smuggling, tax evasion, and the circulation of cloned or refurbished devices. However, following discussions with the business community, the government has extended the deadline for registering existing unregistered phones until March 15, 2026. By tracking each handset through its International Mobile Equipment Identity (IMEI) number, a unique 15 digit code assigned to every mobile phone.

A MARKET DOMINATED BY GREY DEVICES
For years, Bangladesh's smartphone

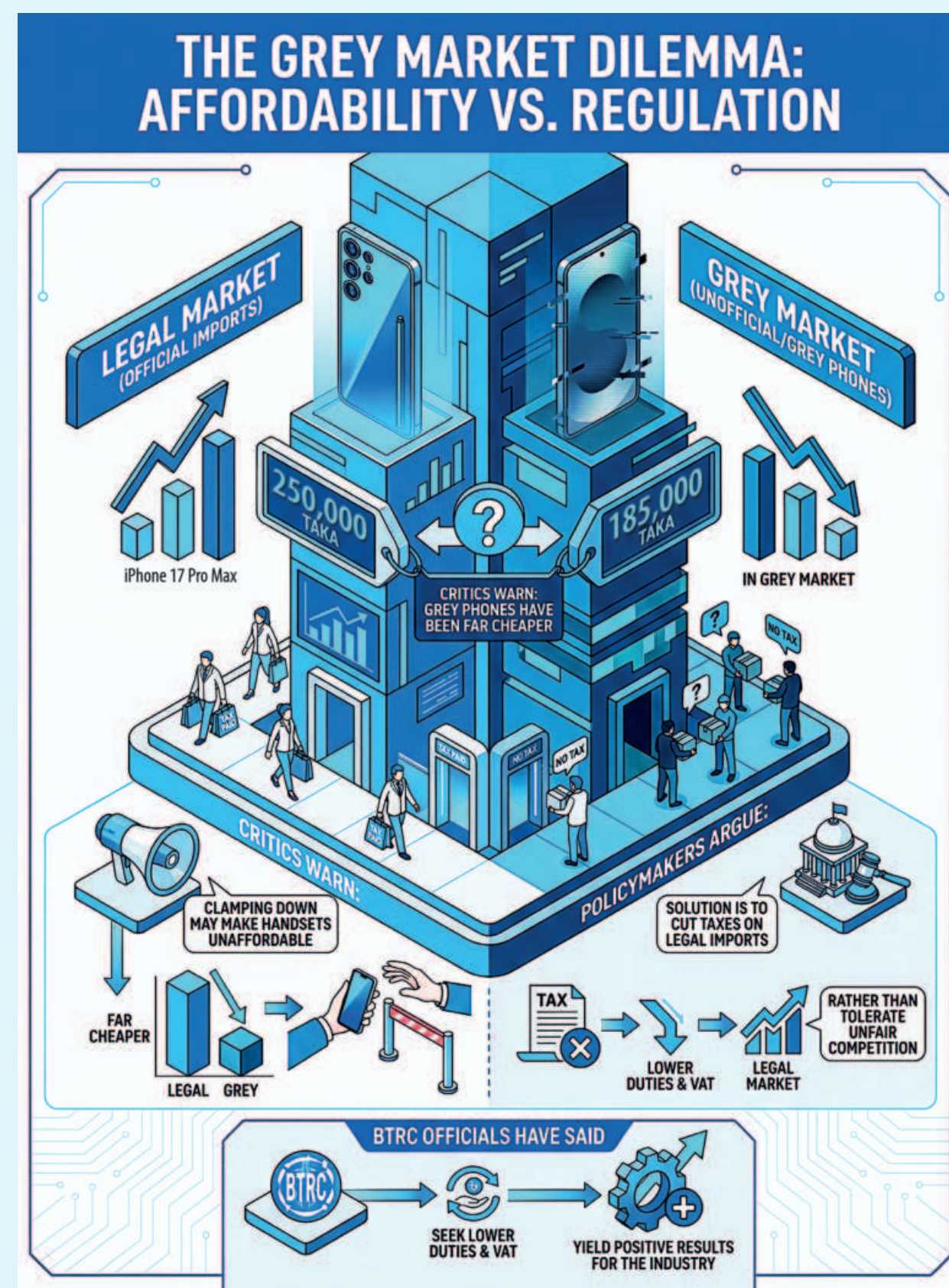
Despite the regulatory rationale, the introduction of NEIR has triggered strong opposition from segments of the mobile retail sector. In late November and early December of 2025, hundreds of mobile shops across the country closed in protest, citing high import taxes and the anticipated obsolescence of significant portions of their inventory. The Mobile Business Community Bangladesh (MBCB) argued that the new system would render unsold stock of grey-market phones worthless, creating financial losses for traders who have invested heavily in such devices.

market has been heavily reliant on unofficial imports. According to the Mobile Phone Industry Owners' Association of Bangladesh (MIOB), nearly 60 per cent of mobile devices in use are unregistered or grey-market handsets. These phones are often cheaper than authorised versions, drawing cost-conscious consumers. Many buyers seek second-hand iPhones or other popular models from local traders, benefiting from lower prices but taking on the risk of limited warranty or service support.

The prevalence of these unofficial devices has long posed challenges for regulatory authorities. Without proper documentation or registration, tracking stolen or counterfeit phones has been nearly impossible. Unofficial devices are often used for criminal activities like fraud and scams, according to the Bangladesh Telecommunications Regulatory Authority (BTRC). NEIR represents the government's effort to introduce a standardised, enforceable system for device registration, aiming to protect consumers and formalise the market.

HOW NEIR WORKS

The NEIR system functions by verifying IMEI numbers at the point of network activation. Mobile phones that are not registered in the NEIR database, including stolen or unauthorised devices, will



be blocked from accessing mobile networks after March 15, 2026. Any mobile that has been connected to a mobile network before December 16, 2025, will be automatically registered in the NEIR database.

As the NEIR moves toward full activation, regulators say the system will address one of the industry's most persistent problems: widespread IMEI cloning, which allows stolen or unauthorised phones to masquerade as legal devices. BTRC has said preventing cloning is central to NEIR's design, noting that a secure, tamper-proof IMEI database

is essential for curbing theft, illegal imports, and the resale of modified handsets. Consumers and business owners can check the legality of their devices online before NEIR comes into effect.

Nilima Hossain, an Android enthusiast said, "I was concerned that my phone would be disconnected after NEIR. But seeing that it would be automatically connected to NEIR gives me comfort. I hope that after NEIR implementation, the Police will take prompt action in recovering stolen mobiles."

RESISTANCE FROM TRADERS

Despite the regulatory rationale, the introduction of NEIR has triggered strong opposition from segments of the mobile retail sector. In late November and early December of 2025, hundreds of mobile shops across the country closed in protest, citing high import taxes and the anticipated obsolescence of significant portions of their inventory. The Mobile Business Community Bangladesh

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market phones worthless, creating financial losses for traders who have invested heavily in such devices.

With the ongoing situation, the closure of major shopping complexes in Dhaka and Chattogram highlighted frustrated consumers unable to access their usual sources for affordable smartphones. For some families and university students, the sudden shutdown represented both wasted time and missed opportunities to purchase second-hand devices at more accessible prices.

IMPLICATIONS FOR CONSUMERS

For everyday users, NEIR promises both advantages and challenges. On the one hand, it will likely reduce the circulation of stolen and counterfeit phones, providing a safer and more reliable consumer environment. Devices registered in the NEIR system are easier to track and recover if lost or stolen. Additionally, the move may drive broader adoption of official channels, which offer warranty protection, software updates, and after-sales support.

On the other hand, consumers accustomed to low-cost grey-market devices may face higher prices and reduced availability, at least initially. The transition could particularly affect those in lower-income brackets who rely on the secondary market to access popular smartphone models, including iPhones and mid-range Android devices.

Ahmed Iftekhar, an Apple enthusiast, said, "My wife's SIM was registered in my name. For income tax, I had to correct it in her name. This way, fraud detection can be easier. I hope the same thing will happen with the launch of NEIR in Bangladesh. But I would urge the government to reduce tax and VAT so that the consumers can benefit."

LONG-TERM INDUSTRY EFFECTS

Success depends on effective enforcement, tax reduction, and consumer education. If large numbers of users continue to seek grey-market options or if traders find ways to bypass the system, NEIR's impact may be limited. Moreover, the industry may experience short-term disruptions, as retailers adjust pricing, inventory, and sales strategies to comply with the new requirements.

With the implementation of NEIR, the government has announced plans to ease the transition by cutting mobile import taxes, which are currently at 61 per cent. The reduced duty structure – paired with tax and VAT adjustments for locally assembled mobiles – is designed to make legal handsets more affordable and limit the shock to consumers and traders once unregistered phones begin to be blocked.

Whether these measures can stabilise prices and steer buyers toward the formal market will become clearer only after NEIR takes effect. Ultimately, the buyers expect only one thing from the government and the business owners – good quality mobile devices at an affordable price.

