Yasir Azman

Telecom reforms gain pace, but investment challenges remain

Says Grameenphone CEO Yasir Azman

MAHMUDUL HASAN

After years of inertia, Bangladesh's telecom sector has begun to move again under the interim government, reopening long-stalled reform pathways even as deep structural problems continue to weigh on investment and innovation, according to Grameenphone (GP) CEO Yasir Azman.

"There were a lot of ups and downs," Azman told The Daily Star in a recent interview, noting that the industry has gone through "substantial change in terms of how the future will be defined."

He said the past year saw sustained work on long-delayed reforms, including drafting a comprehensive telecom licensing policy, preparations for the auction of the 700 MHz spectrum, issuance of a new quality of service directive and the enactment of a new telecom law.

These developments, he noted, brought both opportunities and fresh challenges.

He also pointed to a series of regulatory decisions that eased operational constraints, such as approving the sale of network-locked or SIM-locked handsets, withdrawing cap on the number of service packages, permitting voice over Wi-Fi, and enabling access to leased dark fibre.

Despite many headwinds and volatility, the GP CEO said he sees the developments through an optimistic lens. That optimism, however, was tempered by sharp criticism of the financial and regulatory environment.

The chief executive of the country's largest telecom operator identified tax burden as the biggest obstacle for the industry. "There are 40 percent corporate tax, 15 percent VAT, 20 percent supplementary duty, 1 percent surcharge, 5.5 percent revenue share, 1 percent SOF and then licence and spectrum fees."

"Unless these issues are resolved, investors' appetite will remain extremely limited. This is not a concern unique to Grameenphone; it affects all operators," he added.

Besides, he complained that operators are not only heavily taxed but also locked in unresolved disputes with the regulator. "In our 28 years of operation, not a single annual audit dispute has been resolved. So, we have not been able to get clear of financial disputes from inception to this day."

He said this uncertainty directly undermines investor confidence, noting that GP has "Tk 12,500 crore stuck in financial disputes with the regulator".

"All three private telecom operators are (fully or partly) owned by foreign investors. How will they decide to continue to invest heavily?" he said.

As a way forward, Azman suggested pursuing international arbitration. Otherwise, he warned, the disputes could remain stuck in court for another decade, increasing pressure on operators.

The GP CEO informed that discussions were underway with the Bangladesh Telecommunication Regulatory Commission (BTRC) to initiate arbitration.

On service quality, Azman rejected criticism that network performance has deteriorated, claiming that the latest regulatory report on the matter was flawed. The report identified frequent call drops, blurred video calls and no indoor network coverage in several locations across the country.

Azman said both operators and the regulator had agreed to dispute the weaknesses in the report's methodology.

He countered the report's findings with performance data, noting that the call drop rate now stands at 0.15 percent, far below the 2 percent threshold. He also said data speeds have improved significantly, with operators now delivering "more than 15 Mbps," while they struggled to reach 5 Mbps a few years ago.

He, however, acknowledged persistent coverage gaps. Elevated expressways, hospitals and other strategic locations still experience service drops.

"There are more than 200 spots in Dhaka where it's very difficult," he said, adding that operators often lack permission to install infrastructure. These remain operational challenges the industry must "take on our shoulders".

On pricing, he said recent changes in charging structures have altered how customers perceive costs. From the user's perspective, he acknowledged, "price is going up," but said company data showed otherwise.

"Our ARPU (average revenue per user) has not increased... Data price per MB has gone down by another 11 percent," he said.

He attributed the disconnect to changing consumption patterns, as customers shift from short-duration packs to monthly combo offers. "If you buy 2 kilogrammes of rice for Tk 100 and 5 kg for Tk 150, you feel you paid more, but per kg it's cheaper," he explained.

He argued that customers are now buying larger data volumes with longer validity, increasing total spending while reducing per-unit costs. He said it would take three to six months for users to fully adjust to this transition.

Azman also criticised regulatory constraints on competition and innovation, particularly for GP as a significant market power (SMP) operator.

"We need approvals for every product and service we launch... it takes years," he said, noting innovation is difficult under such conditions.

On 5G, he urged caution, arguing that expectations were ahead of reality. "5G is not for (individual) customers, it's for industries," he said, noting that there are only "5 percent to 7 percent 5G devices" in the market.

Everything is possible with 4G, provided that the speed is good, he said, emphasising the need to strengthen indoor coverage and address rural gaps before pushing for widespread 5G deployment.

Asked why GP has not applied for a digital banking licence while rivals Robi Axiata and Banglalink have, Azman said it was not a strategic priority. "We are experts in telecom; we should focus on our telecom."

He also addressed concerns over data security and SIM-related fraud, calling cybersecurity and privacy "the topmost priority".

While he cited steps such as shutting down thousands of suspicious retail points, he acknowledged that the ecosystem remains difficult to fully control.

Smartphone affordability, he said, is another structural constraint. Restrictions on SIM-device bundling and limited access to consumer credit have slowed smartphone adoption. Only recently, he noted, had SIM-locking been permitted, which could accelerate penetration.

Azman repeatedly linked the health of the telecom sector to broader national development.

"Without strong connectivity, we will not be able to progress," he said, pointing to digital services across health, education and business.

Asked about expectations from the new government after the upcoming election, he said a predictable business and regulatory environment is needed, where business can be conducted fairly and transparently.

"This is not about benefiting the operators; it's about benefiting the customers. If we can bring that perspective, all the problems will be solved," he said.

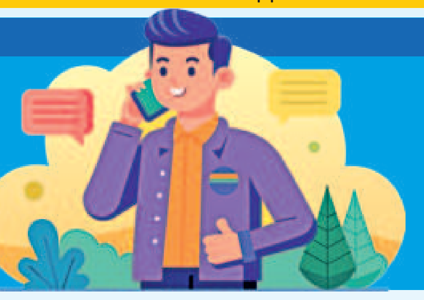
TAKEAWAYS FROM INTERVIEW

POSITIVE DEVELOPMENTS IN THE SECTOR

- Comprehensive telecom licensing policy formulated after years
- Preparations underway for 700 MHz spectrum auction
- New "Quality of Service" directive issued to raise service standards
- Sale of network-locked/SIM-locked handsets approved
- Cap on number of service packages withdrawn
- Voice over Wi-Fi and local roaming payments enabled

KEY CHALLENGES

- Unsustainable tax regime sharply dampening investor interest
- Long-unresolved financial disputes affecting all operators
- Coverage gaps on expressways, in hospitals and other strategic locations
- Smartphone affordability limited by SIM-device bundling restrictions



Driving export growth

MAMUN RASHID

The major causes of the multifaceted crises facing the country in the recent past have largely been the shortage of foreign currency and the continuous depletion of foreign exchange reserves. Recent upward trends in exports and remittances have helped ease the severity of these two pressures. While remittance inflows continue on an upward trajectory, export earnings are not showing similar momentum.

Export Promotion Bureau (EPB) data shows that export growth declined by nearly 14.25 percent in December 2025. In fact, export performance has been on a downward trend for five consecutive months in the current fiscal year. During the first six months of FY2025-26, Bangladesh exported goods worth $23.99 billion, compared to $24.53 billion in the same period of the previous fiscal year, marking a decline of 2.19 percent.

Many believe the current state of global trade, particularly the reciprocal tariffs imposed by the United States and the resulting erosion of the competitiveness of Bangladeshi products, has played a major role. Higher tariffs in the US market have pushed competing countries such as China and India to divert goods to European markets at relatively lower prices, causing Bangladesh to lose market share.

The domestic socioeconomic environment has also been unfavourable for business and investment over the past few years. The energy crisis, high inflation, elevated interest rates, the mass uprising, incidents of mob violence and other factors have slowed the pace of economic activity. Production has declined, while production costs have increased. Together, these pressures have discouraged new business ventures and fresh investment.

Adding to these challenges is the strain in relations with India. India remains a major trade partner of Bangladesh, not only for raw material imports and product exports, but also because Indian land ports have long played an important role in facilitating Bangladesh exports. The political transition following the mass uprising has affected bilateral diplomatic relations, creating new obstacles for cross-border trade.

A major structural weakness of the export sector is its excessive reliance on a single industry. Any slowdown in garment exports has a direct impact on overall export performance. According to EPB data, garment exports declined by 2.63 percent during this period.

Analysts have long stressed the need to diversify export products, yet little meaningful action has followed.

Competitiveness is the most critical issue in export performance, and there is little evidence of effective countermeasures. While competing countries are offering substantial incentive packages to exporters to offset the impact of reciprocal tariffs, Bangladesh has withdrawn cash incentives and other support, citing various justifications. As a result, competitors have managed to reduce production costs and offer lower prices, while Bangladesh has struggled to do so.

Some experts expect the current uncertainty to ease once an elected government takes office. However, sustainable export growth requires long-term and coherent planning. Alongside policy support, the government must take steps to remove deeper structural barriers.

Export products and destinations need diversification. Both public and private initiatives are required to reduce excessive dependence on ready-made garments. Relying on a limited number of markets for export earnings is equally risky. Along with identifying non-traditional export products, greater emphasis is needed on exploring new destinations. Diversification can reduce the volatility affecting the garment sector due to higher US tariffs and help foster domestic industrial growth. Export diversification should be aligned with industrial, import and financial policies to strengthen overall competitiveness.

The writer is an economic analyst

India's 2025 rice exports surge to near record

REUTERS, *Raipur*

India's rice exports jumped 19.4 percent last year to the second-highest on record after New Delhi lifted all export curbs, making shipments more competitive, government and industry officials told Reuters on Saturday.

An improved flow of rice from the world's largest exporter of the grain curbed shipments from rivals Thailand and Vietnam and drove prices in Asia to their lowest in nearly a decade, easing costs for poor consumers in Africa and other regions.

"Indian shipments rebounded quickly after the government lifted export restrictions" in March, said a government official, who asked not to be named as he was not authorised to speak to the media.

As supplies improved with record production, India removed the last of the export curbs imposed in 2022 and 2023. Exports rose to 21.55 million metric tons from 18.05 million in 2024, near the 2022 record of 22.3 million tons, the official said.

Non-basmati rice shipments jumped 25 percent to 15.15 million tons, while basmati exports increased 8 percent to a record 6.4 million tons, he said.

Non-basmati rice shipments rose sharply to Bangladesh, Benin, Cameroon, Ivory Coast and Djibouti, while Iran, the United Arab Emirates and Britain increased purchases of premium basmati rice during the year, said another government official.

India usually exports more rice than the combined shipments of the world's next three largest exporters: Thailand, Vietnam and Pakistan.

"Indian rice is very competitive compared with supplies from other exporting countries, with lower prices helping India regain lost market share," Nitin Gupta, senior vice president at Olam Agri India, said on the sidelines of the India International Rice Summit.

Brew, smell, and serve: AI steals the show at CES 2026

AFP, *Las Vegas*

AI took over Consumer Electronics Show (CES) 2026, powering coffee machines to brew the perfect espresso, a device to create your perfect scent, and ball-hitting tennis robots that make you forget it's human against machine.

ALEXA, MAKE ME AN ESPRESSO

German group Bosch presented a new feature for its fully automated 800 Series coffee machine (sold from $1,700) that can be synchronized with Amazon's Alexa voice assistant.

After a short night's sleep, users can order a double espresso with voice commands only, and the coffee maker will deliver. Some 35 different espresso options are available.

"We're one of the first manufacturers to really lean in with AI," explained Andrew de Lara, spokesperson for Bosch.

The century-old company, positioned at the high end of the market in the United States, wants to gradually bring AI into the kitchen, notably through its Home Connect mobile app, which already allows users to control several appliances remotely.

SCENT OF AI

South Korean company DigitalScent has developed a machine, already available in some airports, that creates a personalized fragrance based on your mood and preferences.

Once you have picked your preferences, it releases a scent that gives you an idea of the final result. You can then make adjustments before making your final decision.

Once you have placed your order, the machine uses AI to produce a virtually unique fragrance in a matter of seconds, choosing from a range of over 1,150 combinations.

The fragrance is contained in a small, portable vial, costing $3 to $4, according to a spokesperson.

GAME, SET, AI

Several start-ups unveiled new-generation ball machines powered by artificial intelligence.

While Singapore-based Sharpa already offers a convincing humanoid table tennis robot with a reaction time of just two hundredths of a second, there is no equivalent on the market for tennis.

A few days ago, China's UBTech posted a video online of its Walker S2 robot playing rallies with a human, but at a slow speed and without any real movement.

UBTech's robots are designed for industrial use rather than tennis courts and, in all likelihood, the video was produced solely to demonstrate the agility of the Walker S2 to attract business customers.

While we wait for the humanoid robot that can volley at the net, another Chinese company, Tenniix, is marketing a robot that sends balls at speeds of up to 75 miles per hour (120.7 kilometers per hour).

It has 10 different shots, some with spin, and even a lob that reaches eight meters high.

The basic version, which can hold up to 100 balls, will set you back $699, but the most complete version, at $1,600, includes cameras and wheels that allow it to move around.

The fast-moving machine uses AI to analyze the trajectory of your cross-court forehand and fires off a ball from about where a real-life return shot would most likely come, giving the player the impression of a real rally.

"There's a real rhythm," says Run Kai Huang, spokesperson for Tenniix, "as if you were playing with a real person."

The photo shows a Bosch 800 Series coffee machine displayed during the annual Consumer Electronics Show in Las Vegas, Nevada. Users can order a double espresso with voice commands only, and the coffee maker will deliver.

PHOTO: AFP

Gold set for weekly gain

REUTERS

Gold prices rose on Friday and were on track for a weekly gain, as investors weighed weaker-than-expected US payrolls data along with broader policy and geopolitical uncertainty.

Spot gold was up 0.5 percent at $4,496.09 per ounce as of 01:31 p.m. ET (1618 GMT), and was set for about 3.9 percent weekly gain. Bullion hit a record high of $4,549.71 on December 26.

US gold futures for February delivery settled 0.9 percent higher at $4,500.90.

US nonfarm payrolls in December rose by 50,000, missing expectations of a 60,000 gain, while the unemployment rate eased to 4.4 percent, below forecasts of 4.5 percent.

"Payrolls are showing us a poor job creation environment. Potentially more (geopolitical tension), somewhat higher oil prices, which are inflationary, uncertainty and an easing Fed — all a combination for precious metals," said Bart Melek, global head of commodity strategy at TD Securities.

Market participants continued to factor in at least two Federal Reserve rate cuts this year, a backdrop historically favorable for gold.