

Bangladesh trails regional peers with 53% internet penetration

ADB report says mobile finance and health platforms show promise, but gaps remain in connectivity and system integration

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Bangladesh's current internet penetration stands at 53 percent, placing it behind regional leaders such as Bhutan at 88 percent and the Maldives at 85 percent, but broadly in line with several neighbouring countries, according to a recent Asian Development Bank (ADB) report.

Internet coverage stands at 57 percent in India and 56 percent in Nepal, while Sri Lanka has achieved near-universal 4G coverage but records relatively low active usage of 51 percent.

The ADB, in its Digital Public Infrastructure: Landscape and Opportunities in South Asia report released last month, identified affordability constraints and low digital literacy as the primary barriers to internet adoption in Bangladesh.

It said the most pressing challenges facing the country are a stagnating internet penetration rate and a widening digital gender gap.

Only 19 percent of women in Bangladesh access mobile data, compared with 36 percent of men, the report said.

Rural users are also 29 percent less likely to access mobile internet than their urban counterparts, a disparity compounded by a functional digital literacy rate of just 49 percent. As a result, large segments of the population remain excluded from the country's digital transformation despite high mobile phone ownership.

The report examined the above-mentioned six South Asian countries, assessing the state of digitalisation and the maturity of their digital public infrastructure (DPI).

It also identified institutional gaps and high-impact opportunities for reform and investment, with the aim of helping countries leapfrog legacy systems and improve public service delivery for underserved populations.

The report found that Bangladesh's foundational digital identity system also lags behind its neighbours. The Smart National ID currently covers around 40 percent of the population.

In contrast, India's Aadhaar system has achieved near-universal coverage of 99 percent. Even smaller countries such as Bhutan and the Maldives have recorded higher coverage, at 46 percent and 47 percent respectively.

Crucially, the report noted that Bangladesh's NID system lacks open APIs and a consent-based architecture, limiting its ability to function as a universal building block for the economy. These shortcomings limit its ability to function as a universal digital building block for public services and the broader economy.

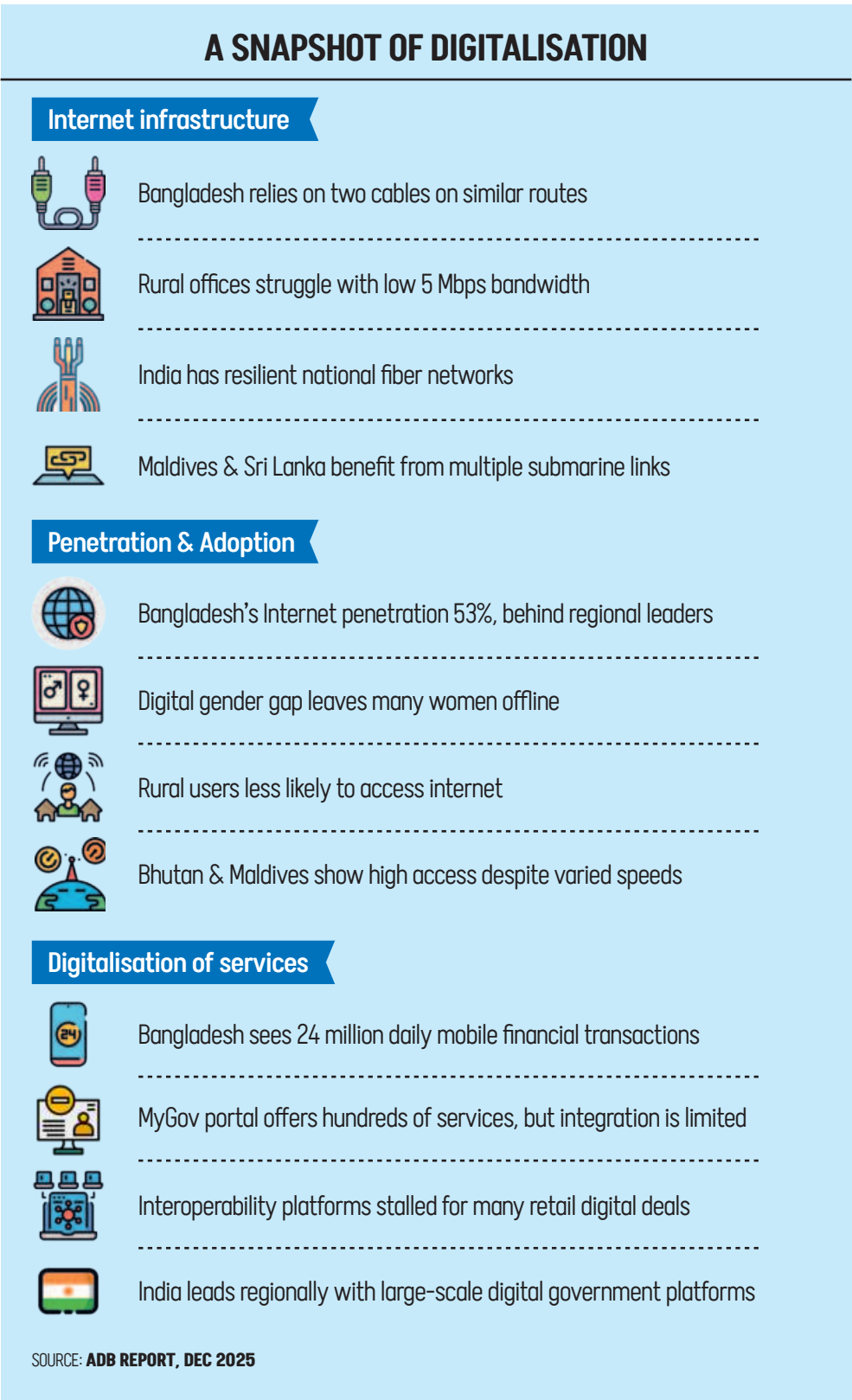
Bangladesh also remains vulnerable in terms of physical connectivity.

The country relies on two international undersea cables that follow similar routes, increasing the risk of widespread outages, whereas Sri Lanka and the Maldives benefit from more resilient connectivity through multiple, geographically diverse submarine links.

At the operational level, many rural government offices in Bangladesh are forced to function under low-bandwidth conditions, sometimes as slow as 5 Mbps, constraining their capacity to deliver digital services effectively.

Institutional fragmentation is another major bottleneck for Bangladesh, the ADB notes.

Unlike India, which has established specialised and empowered bodies such as the Unique Identification Authority of India (UIDAI), Bangladesh's digital governance landscape is characterised by overlapping mandates among the ICT Division, the Bangladesh Computer Council and Aspire to Innovate (a2i).



The absence of a binding legal framework to mandate integration across digital systems has left core registries operating in silos.

In the agriculture sector, for example, soil, water and weather data are managed by different ministries with no common architecture to link them. Similar fragmentation is evident in digital payments.

While India's Unified Payments Interface (UPI) powers about 85 percent of retail transactions, Bangladesh's interoperability platform, Binimoy, is described in the report as "stalled", leaving more than half of retail transactions cash-based.

THE CROWN JEWEL AND THE 'PHYGITAL' BRIDGE

Despite these challenges, the ADB report noted that Bangladesh has developed global-

standard expertise in several niches. The mobile financial services (MFS) ecosystem has taken the spot of the crown jewel of the country's digital transition.

Platforms such as bKash and Nagad have emerged as regional powerhouses, facilitating nearly 24 million transactions a day. bKash alone has 75 million registered customers and accounts for about 75 percent of transaction market share.

Supported by a nationwide network of around 379,000 agents, MFS has become the primary driver of financial inclusion in Bangladesh.

Another notable success is the country's "phygital" bridge. Bangladesh has built a network of around 9,500 digital centres that serve six to seven million rural users each month.

NOVOAIR increases flights on Dhaka-Ctg route

STAR BUSINESS REPORT

Private airline NOVOAIR has announced the launch of a second flight on the Dhaka-Chatto gram route to meet rising passenger demand and improve travel flexibility.

Currently operating one daily flight between the two cities, NOVOAIR will introduce the new service from January 26. It will operate four days a week – Monday through Thursday – according to Mofizur Rahman, managing director of NOVOAIR.

"Chatto gram is one of the country's most significant commercial and tourism destinations," Rahman said. "Given the rising demand from passengers and the need for more travel flexibility, we have decided to increase the number of flights on this route."

The existing flight departs from Dhaka at 1:15pm and returns from Chatto gram at 2:40pm. The new flight will leave Dhaka at 4:15pm and return from Chatto gram at 5:40pm.

UK annual inflation rises

AFP, London

Britain's annual inflation rate rose more than expected in December, official data showed Wednesday, reinforcing expectations that the Bank of England will hold off on cutting interest rates next month.

The Consumer Prices Index (CPI) rose to 3.4 percent in December, compared to 3.2 percent in November, the Office for National Statistics (ONS) said in a statement.

The analysts' consensus forecast had been for inflation of 3.3 percent.

However, price pressures are widely expected to ease in 2026, with inflation set to move closer to the Bank of England's two-percent target.

The ONS attributed December's rise to higher tobacco prices, airfares and food costs.

Along with weak unemployment figures and some recent positivity on the economic growth front, the inflation numbers will be used by the BoE to determine its next moves on interest rates.

A quiet warning from the Barind

MD TANJIL HOSSAIN

The northwestern region of Bangladesh has long been vulnerable to drought. Located within the Barind Tract, Rajshahi is characterised by low rainfall, high temperatures and a farming system heavily dependent on irrigation. What farmers have sensed for years that rainfall is declining has now been confirmed by long-term data. The evidence suggests that rainfall in Rajshahi is not only falling but doing so steadily, posing serious risks to agriculture, water security and rural livelihoods.

An analysis of annual rainfall data from 1990 to 2023 shows a statistically significant downward trend in Rajshahi. On average, the region is losing about 10.8 millimetres of rainfall each year. While this annual reduction may seem small, its cumulative impact over more than three decades is considerable. The slow but persistent decline is turning drought in the Barind from an occasional climatic shock into a structural, long-term challenge.

The first effects of declining rainfall appear as meteorological drought, marked by delayed, reduced or erratic rain. Over time, this develops into agricultural drought as soil moisture declines, sowing is delayed and crop growth is disrupted. In Rajshahi, where farming depends heavily on irrigation, particularly for Boro rice, lower rainfall directly increases pressure on groundwater resources.

This growing dependence on groundwater is already visible. In many areas, water must now be pumped from greater depths, raising irrigation costs through higher energy use and equipment expenses. For small and marginal farmers, these costs are becoming increasingly difficult to manage. If current trends continue, declining rainfall will not only reduce crop productivity but also undermine farm incomes and long-term food security.

Of course, drought itself is not new to the Barind. What is new is its persistence.

In the past, droughts were episodic, severe in some years and less so in others. The current evidence points instead to a consistent long-term decline in rainfall. With high statistical confidence showing that the rate of change is clearly negative, this pattern can no longer be dismissed as random variability or a run of bad years. It is a clear warning of a changing climate.

This reality calls for a rethink of agricultural policy. Reactive measures, such as post-disaster relief and short-term compensation, are no longer enough. What is required is a proactive, forward-looking approach rooted in climate evidence.

First, crop planning must adjust to lower rainfall. Priority should be given to expanding drought-tolerant and short-duration crop varieties suited to Rajshahi agro-climatic conditions. Gradual diversification away from water-intensive systems, especially heavy reliance on irrigated rice, would reduce vulnerability and production risks.

Second, water management strategies must evolve. Reducing pressure on groundwater through rainwater harvesting, surface water storage and managed aquifer recharge is essential. Water-efficient irrigation practices, such as Alternate Wetting and Drying in rice cultivation, offer practical options that can cut water use without reducing yields.

Third, farmers need timely and reliable climate information. Stronger drought early warning systems and seasonal rainfall advisories can support better decisions on planting, irrigation and crop choice. Long-term rainfall trend analysis should be built into local agricultural planning and extension services.

Finally, climate-related risks must be addressed through social and financial protection. Crop insurance, adaptation grants and access to affordable credit can help farmers cope with rising uncertainty. Climate change may not be caused by farmers, but its impacts fall disproportionately on them.

The Barind region of Rajshahi is changing quietly. Rainfall is declining slowly, yet the consequences are building quickly. Decisions delayed today will mean higher costs tomorrow, in the form of lower yields, higher production expenses and growing livelihood insecurity.

The data sends a clear message. The question is whether policy responses will arrive in time.

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Gold zooms past \$4,800

REUTERS

Gold prices surged to a record above \$4,800 per ounce on Wednesday, as investors sought the metal as a safe haven following a broad selloff in US assets amid heightened tensions between the US and NATO over Greenland.

Spot gold climbed 2.1 percent to \$4,862.19 per ounce by 0837 GMT, after scaling a record \$4,887.82 earlier in the session. US gold futures for February delivery climbed 2.2 percent to \$4,869.40 per ounce.

"It's the loss of trust in the US caused by Trump's moves over the weekend to tariff European countries and increase coercion in trying to take Greenland. (The move in gold) reflects fears about global geopolitical (tensions)," said Kyle Rodda, a senior market analyst at Capital.com.

On Tuesday, Trump said there was "no going back" on his goal to control Greenland, refusing to rule out taking the Arctic island by force and lashing out at NATO allies.

He later said, "we will work something out where NATO is going to be very happy and where we're going to be very happy." Meanwhile, French President Emmanuel Macron said Europe would not give in to bullies or be intimidated, in a scathing criticism of Trump's threat of steep tariffs at Davos.

"I think crossing \$4,800 just reinforces that people don't want to sell gold before \$5,000. It's a combination of the traditional supporters for gold, which is rising debt, a weakening dollar and geopolitical uncertainty," said Nicholas Frappell, global head of institutional markets at ABC Refinery.

The dollar index languished at a near one-month low after White House threats over Greenland triggered a broad selloff in US assets, from the currency to Wall Street stocks and Treasury bonds.

Global LNG supply set to jump in 2026

REUTERS, Singapore

Global liquefied natural gas (LNG) output is set to jump this year, easing constraints seen since the 2022 Ukraine war and dampening prices, which could spur demand including from top importers China and India, analysts say.

This year marks the start of a large wave of supply that analysts expect to last until 2029, depressing prices that could drive more demand from emerging economies.

"2026 is expected to be a transitional year for the LNG market," said Kpler. "The market is expected to move away from tightness toward ample availability, with sufficient supply even as winter demand and storage needs emerge, particularly in Europe."

SUPPLY

Estimates from S&P Global Energy, Kpler and Rystad Energy forecast at least 35 million metric tons of new capacity coming online this year, primarily from the US and Qatar. This could lift global LNG supplies by up to 10 percent year-on-year, with 2026 supply forecasts from Kpler, Rystad, ICIS and Rabobank in a range of 460 million and 484 million metric tons.

Projects like Golden Pass LNG on the US Gulf Coast and Qatar's North Field expansion are expected to contribute sizable volumes, while output is set to ramp up from Corpus Christi and Plaquemines LNG in the US, LNG Canada and the Greater Tortue Ahmeyim projects

offshore Senegal and Mauritania.

The additional supply will pressure global prices, with analysts from Rabobank, Rystad and Kpler predicting a range of averages for Asian spot LNG from \$9.50 to \$9.90 per million British thermal units (mmbtu) in 2026, down from an average of \$12.45 in 2025.

Rystad and Kpler gave forecasts for gas prices at the Title Transfer Facility in the Netherlands, the European benchmark,

to average in a range of \$9.50 to \$9.74 per mmbtu this year, down from an average of \$14.20 in 2025.

With Asia LNG and European gas prices easing, price spreads to US benchmark Henry Hub will narrow, squeezing US LNG export margins at a time when feedgas costs are rising, said analysts at Vortexa, Rabobank and S&P Global Energy.

CHINA, INDIA TO DRIVE DEMAND

Asia's LNG demand, which slipped in



This aerial photograph shows the jetty of the Dhamra LNG Terminal Private Limited in India. Asia's LNG demand is forecast to recover this year thanks to China and India as lower prices spur additional spot purchasing.

PHOTO: AFP/FILE