

# Star BUSINESS



## Legal fights heat up in telecom sector

Operators trade complaints over pricing and branding while court stays regulatory limits on market leader



### Deregulation necessary to rebuild state institutions Says Finance Minister Amir Khosru

STAR BUSINESS REPORT

Bangladesh has become "an over-regulated country", and serious deregulation is now essential, Finance and Planning Minister Amir Khosru Mahmud Chowdhury said on his first day in office at the Secretariat yesterday.

"We have to liberalise and create a level playing field for every citizen to participate in the economy and reap the benefits," he said.

The minister said that rebuilding public institutions would top his agenda, describing them as being in a "very bad shape".

"We must address the decay of state institutions. We must ensure professionalism, transparency, and efficiency in the institutions. This is very important. In the absence of institutions, no programme will work properly," said the new minister.

The BNP led alliance formed the government on Tuesday after a landslide victory in the recent national election. Before taking up office, ministers visited the National Martyrs' Monument in Savar to pay tribute to the heroes of the 1971 Liberation War. They later went to the Secretariat, met officials and briefed reporters.

Chowdhury said the July uprising in 2024 has reshaped public expectations, and economic policies must reflect that shift. The immediate task, he said, is to restore the health of state bodies.

"Our key priority is to recover institutions and bring professionalism,

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MAHMUDUL HASAN

Corporate rivalry in Bangladesh's telecom sector is nothing new. Operators have long competed fiercely on price, network quality, and subscriber acquisition. But 2025 saw that rivalry erupt not through marketing campaigns, but through formal complaints, regulatory challenges, and court petitions.

Such open legal confrontation of this kind is rare in the industry, comprising one of the largest subscriber bases in South Asia.

The disputes drew in three separate institutions – the Bangladesh Telecommunication Regulatory Commission (BTRC), the Bangladesh Competition Commission (BCC), and the High Court.

They touched on issues ranging from predatory pricing and brand misuse to the validity of a regulatory framework designed to check the dominance of the market's largest player.

None of the cases reached a definitive conclusion by year-end. But together, they raised questions about competitive fairness, regulatory capacity, and the direction of an industry navigating a more difficult operating environment.

ANTI-COMPETITIVE COMPLAINTS

The first and most significant legal action of last year came on January 21, when Robi Axiata, the country's third-largest operator, filed a formal complaint with the BCC, accusing Grameenphone (GP), the country's largest operator, of abusing its dominant market position through predatory pricing and excessive SIM subsidies.

Robi said such alleged practices violated the Competition Act 2012, claiming GP "continues to disrupt the natural course of competition

RIVALRY IN TELECOM SECTOR				
<b>GRAMEENPHONE</b>				<b>ROBI AXIATA</b>
Faces complaints over pricing, subsidies, dominance				Filed complaint alleging predatory pricing
Challenges competition probe				Says dominance harms competition
Secures court stay on SMP enforcement rules				Defends Airtel brand use as fully regulator-approved
Denies regulatory favouritism, cites compliance				Prefers resolving disputes outside courts when possible
<b>BANGLALINK</b>				<b>Sought investigation in public interest by regulator</b>
Filed complaint over Airtel branding				<b>Warned of investor concerns amid profit concentration</b>
Questioned continued issuance of 016 series SIMs				
<b>WHAT EXPERTS SAY</b>				
Market saturation fuels aggressive rivalry	Slowing revenue intensifies pressure on all operators	Telcos shifting from innovation to litigation tactics	Legal battles seen as attempts to capture rivals' revenue	Regulator should steer competition toward service improvements

in the mobile telecom sector to maintain its dominant position."

The allegation carried weight given GP's scale: the operator leads the market in subscribers, revenue, and profit by a considerable margin, and has been formally designated a Significant Market Power (SMP) operator by the BTRC since 2019.

Robi's complaint argued that GP's commercial practices made genuine competition difficult to sustain and narrowed the prospects for new market entrants. Banglalink filed a broadly similar complaint in the months that followed.

Grameenphone rejected the allegations. It told The Daily Star that it has a publicly declared maximum retail price of Tk 350 per SIM card and does not sell SIMs below cost.

Any discounts, it said, are offered independently by retailers. The operator also defended

its commission structure, citing higher investment and regulatory costs.

The defence was technically straightforward, but the underlying grievance, that the market's profit distribution has become heavily skewed toward a single operator, remained alive.

When the BCC opened an investigation into the allegations, GP challenged its jurisdiction. By December, the High Court had stayed the inquiry.

AIRTEL BRANDING DISPUTE

As the BCC complaint wound through the system, GP, in an apparent tit-for-tat move, opened a second front.

In September, it wrote to the BTRC alleging that Robi's continued use of the Airtel brand violated conditions attached to the regulator's approval of Robi's 2016 merger with Airtel Bangladesh. Grameenphone argued that Robi's ongoing use of the Airtel brand misled consumers and allowed the operator to unfairly benefit from Airtel's established global reputation.

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### Govt initiates process for LDC graduation Muktadir says

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The government has begun the process to seek a deferral of the country's scheduled graduation from the least developed country (LDC) club at the end of this year, newly appointed Commerce Minister Khondaker Abdul Muktadir said yesterday.

"The process has been initiated by the Ministry of Commerce, and in coordination with the Economic Relations Division (ERD), necessary communications and procedures will be expedited," a commerce ministry statement said.

Business leaders had been urging the authorities to delay the graduation, prompting the new government to act swiftly.

"Although there was no obligation to send a letter in this regard within the first week, the government has started working on the issue from today [Wednesday]," the minister told journalists after assuming office at the Secretariat in Dhaka.

He said about 85 percent of the country's export earnings still come from apparel. This overreliance has slowed export growth.

Stressing the need to broaden the export base, Muktadir said the government would support private sector investment to help open up new markets.

Asked about market conditions during Ramadan, Muktadir sought to reassure consumers. If supplies remain steady, he said, prices should stay stable.

"The government has sufficient stock of essential commodities for the month of Ramadan and the period afterwards,

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### Inflation to ease in coming months: BB

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Bangladesh Bank (BB) expects inflation, which has remained high in recent years, to ease in the coming months due to strong rice and winter vegetable harvests and declining global commodity prices.

In its quarterly report for July-September 2025, published yesterday, the central bank said it, along with other government agencies, has worked hard to control inflation and support lower-income groups.

Measures such as removing Letter of Credit (LC) margin requirements for rice, onions, dates, sugar, pulses, and edible oil imports, along with Trading Corporation of Bangladesh (TCB) truck sales, are expected to reduce prices of essential goods.

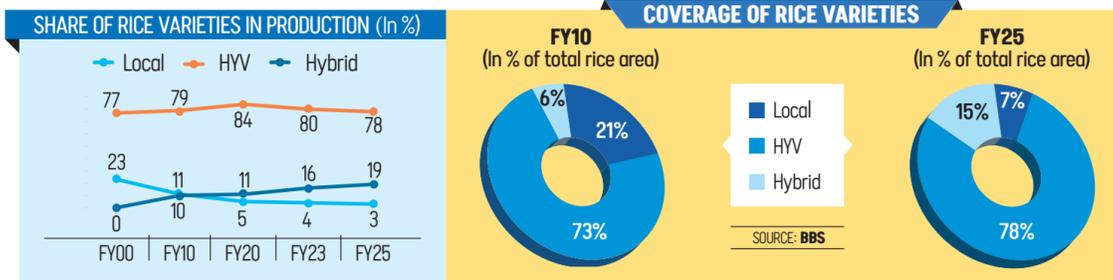
Favourable Aman rice and winter vegetable production, stable exchange rates, rising foreign reserves, and easing global commodity prices are also likely to help keep inflation in check.

The central bank is expected to gradually ease its tight monetary policy once inflation consistently falls.

The report said that inflationary pressures eased in the first quarter of the current fiscal year, mainly due to ongoing monetary tightening. However, the decline has been slow, and inflation

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## Hybrid rice coverage doubles in five years



SOHEL PARVEZ

Bangladesh has recorded a sharp jump in hybrid rice coverage as many farmers gradually move away from farming inbred and local varieties, looking for higher yields and profits.

Hybrid rice, a type of rice bred from two very different parental lines, occupied 15 percent of the total rice area of 2.83 crore acres in the fiscal year 2024-25.

Five years ago, hybrid crops covered 8 percent of the total rice area, according to the Bangladesh Bureau of Statistics (BBS). In FY21, hybrids covered only 6 percent of the rice area.

As such, the share of hybrid grains in total rice production shot to 19 percent of 4.06 crore tonnes in FY25, up from 11 percent in FY20.

"Hybrids are replacing HYV rice (High-Yielding Varieties) in the field as the total rice cultivation area remains stationary," said Mohammad Masum, president of the Bangladesh Seed Association.

The government allowed the cultivation of hybrid rice by the end of the 20th century. Back then, it was alien to farmers in this country. Its adoption by farmers had been slow initially as Chinese hybrid varieties were coarse grained, and the rice used to become sticky after boiling.

This led seed companies to look for slender, non-sticky and short-duration hybrid seed

varieties to win over growers. Eventually, they succeeded.

The scenario began to change after 2015, and the cultivation area of the improved varieties expanded gradually.

"We saw that the demand for coarse varieties was not growing much. Then, we started working on slender and non-sticky varieties," he said, adding that the slender varieties are mostly brought from India.

"Now China is coming up with slender varieties," said Masum, also chairman of Supreme Seed Company Ltd, one of the leading seed producers and marketers.

**Hybrid rice, a type of rice bred from two very different parental lines, occupied 15 percent of the total rice area of 2.83 crore acres in the fiscal year 2024-25**

As per BSA estimates, Bangladesh now requires 20,000-21,000 tonnes of hybrid rice seeds, and up to 80 percent of the seeds are produced locally by importing parental lines.

FH Ansarey, director of ACI Ltd, one of the leading seed sellers, said better quality and around 15-20 percent higher yields are the reasons behind hybrids becoming increasingly popular over inbreds.

"The hybrid varieties are adaptable to local

conditions," he said, adding that hybrid rice is grown mainly in the northern districts, northeastern haor districts, and central districts such as Gopalganj.

Anwar Faruque, former agriculture secretary, said until recently, hybrid rice was concentrated in the Boro cultivation season. Now its cultivation has expanded to the rainfed Aman and partially to the Aus season, according to the BBS data.

"Farmlands are declining. From this perspective, increasing the farming of hybrid rice is good because it provides a higher yield," he said.

Masum said the hybrid rice cultivation area would expand, provided it can compete with varieties that have higher yields than those of HYVs developed by the Bangladesh Rice Research Institute (BRRI).

The public research agency is developing HYVs with higher yields and climate-stress-tolerant traits, he said.

He hoped that the hybrid area could expand to 30 percent of the total acreage.

"Yields of hybrid rice are increasing continuously. So, there is a good prospect," said Ansarey.

Jiban Krishna Biswas, former director general of BRRI, said the prices of hybrid seeds, which farmers have to buy from the market, are high.

"So, it will be better if seeds developed by BRRI are promoted among growers. This will save the cost of imports, too," he said.

### Graft drained 35% of large project costs in 16 years: study

STAR BUSINESS REPORT

A new study has found that more than one-third of the total cost of large infrastructure projects over the past 16 years has been eaten up by corruption and inefficiency.

"Billions of dollars have been effectively wasted due to inflated contracts, collusive pricing, and procedural weaknesses," said Mushtaq Khan, professor of economics at SOAS University of London and one of the three study authors.

Khan unveiled the findings at a roundtable on public debt and governance held in Dhaka yesterday, organised by the research-based think tank Change Initiative.

The study, titled Corruption in Infrastructure Projects in Bangladesh and Sri Lanka: Implications for Public Debt, reviewed 42 major infrastructure projects undertaken between 2009 and 2025. It was carried out by the SOAS University of London in partnership with Change Initiative for the Bangladesh part.

Around 35 percent of total project costs were lost to corruption and inefficiency, the study found.

Researchers looked at projects spread over 15 distinct subsectors, which were grouped into six broad meta-sectors for comparative assessment: transport and connectivity, power and energy, maritime and ports, rail and metro systems, economic zones, and urban and utility infrastructure.

However, Khan did not cite the actual figure lost to corruption.

Bangladesh is moving from a "moderate debt" position toward a solvency risk trap, the study warns. Statistical shielding and hidden liabilities have further increased this risk, as it is difficult to verify the actual state until a moment of liquidity crisis arrives.

It is much like taking a long-term mortgage, but even if the procurement price increases and contracts do not ensure real results, the interest bill arrives on time, while the results do not, the study noted.

According to the findings, projects awarded through open international competitive bidding were found to be significantly cheaper. In contrast, direct government-to-government deals consistently drove up costs by more than 400 percent compared to more transparent alternatives.

"When only politically connected firms participated in bidding, prices tended to be collusive and substantially higher.

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