

Star BUSINESS



US trade deal boosts Wi-Fi but threatens revenue

Bangladesh also risks falling out of step with Asia-Pacific spectrum plans by opening the entire 6 GHz band for unlicensed use

MAHMUDUL HASAN

Bangladesh will open the entire 6 gigahertz (GHz) band for unlicensed use, allowing devices such as smartphones, laptops, routers, smart TVs and VR headsets to use this spectrum, according to the reciprocal trade deal with the United States.

With this additional spectrum allocated for Wi-Fi, Bangladesh will have more than enough capacity to support connected devices simultaneously, but it may come at the cost of mobile connectivity, on which the country's internet ecosystem heavily relies.

The deal also could cost the telecom regulator significant future revenue from spectrum auctions, officials at the Bangladesh Telecommunication Regulatory Commission (BTRC) said.

Besides, industry experts say that making both the lower and upper parts of the band licence-free could leave the country out of step with regional spectrum plans. This could lead to signal interference near borders and slower growth of mobile networks in the longer term.

In simple terms, think of the 6 GHz band as a long road. It starts at 5.925 GHz and ends at 7.125 GHz, giving a total width of 1,200 MHz.

This road is divided into two sections. The lower part, from 5.925 GHz to 6.425 GHz, spans about 500 MHz. It works like a public road, open to all. It is now mainly used for Wi-Fi, home internet and smart devices, and does not require a licence.

The upper part, from 6.425 GHz to 7.125 GHz, covers about 700 MHz. This section is more like a toll road. Companies must pay the government to use it, and it is usually reserved for mobile networks such as 5G.

Under the reciprocal trade deal, this "toll road" would also be opened up for free use. In effect, the entire band would become licence-free.

While that could improve internet speeds indoors and support a growing number of connected devices, it raises two key concerns.

First, most countries in the Asia-Pacific region plan to keep the upper portion for mobile services. If Bangladesh takes a different approach, signals using the same frequencies on either side of the border could interfere with each other.

Second, giving up the upper band means the telecom regulator would lose the option to sell that spectrum to mobile operators in future, potentially reducing a major source of revenue.

Telecom industry insiders say that US companies such as Amazon, Apple, Meta Platforms, and Google make devices, cloud services, streaming platforms, and smart-home products that rely heavily on Wi-Fi.

For them, more spectrum means better performance and sales for their products worldwide.

"Opening the upper 6 GHz spectrum band for licence exempt WLAN/RLAN use may stimulate connectivity and innovation, but it also reduces potential fiscal revenues from spectrum auctions while increasing regulatory demands related to interference management and enforcement," said MA Razzaque, chairman of Research and Policy Integration for Development (RAPID).

"The benefits of such spectrum liberalisation may accrue disproportionately to foreign technology firms and device manufacturers, given Bangladesh's

BANGLADESH TO OPEN ENTIRE 6 GHZ BAND UNDER US TRADE DEAL

Total bandwidth: 5.925-7.125 GHz (1,200 MHz)

CURRENT DIVISION

Lower 6 GHz (5.925-6.425 GHz, 500 MHz):

Licence-free, supports Wi-Fi, home internet, IoT

Upper 6 GHz (6.425-7.125 GHz, 700 MHz):

Licensed, reserved for 5G mobile networks

TRADE DEAL CHANGE: Entire 6 GHz band to become licence-free

POSSIBLE IMPACT

- Faster Wi-Fi
- More modern devices
- Improved performance for cloud, streaming, and smart-home services

RISKS

- Misalignment with regional spectrum plans, cross-border interference
- Loss of future government revenue from spectrum auctions

still evolving digital infrastructure, regulatory capacity, and limited domestic high-value technology production," he added.

RISK OF FALLING OUT OF STEP WITH THE REGION

Bangladesh, one of the world's most densely populated countries with more than 180 million people, faces rapidly rising demand for mobile broadband.

Projections suggest around 2,000 MHz of spectrum will be needed for International Mobile Telecommunications (IMT) services, yet mid-band availability remains limited.

To prepare, the government has already included the upper portion of the 6 GHz band in its national frequency allocation plan as a licensed band for mobile networks.

Dhaka has also submitted its position to the International Telecommunication Union (ITU), backing regional harmonisation of the upper 6 GHz band for licensed mobile use.

Several countries, including India, China, Sri Lanka, the Maldives, Laos and Cambodia, are pursuing similar plans.

Telecom experts say a sudden shift could disrupt that alignment and increase the risk of interference.

Anamika Bhakta, senior director at Robi Axiata, told The Daily Star that harmonisation within a region is crucial. It shapes the device ecosystem and determines how quickly a band matures. A lack of alignment, she said, can create interference issues in border areas.

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Section 301: A new trade test from Washington

MG QUIBRIA

The new US investigations do not, in themselves, raise tariffs, but they are a reminder that Dhaka remains vulnerable to legal and political trade pressure despite the recent bilateral agreement.

Just when Dhaka might have hoped that its trade tensions with Washington were entering a more manageable phase, the United States has opened a new line of pressure.

ANALYSIS

On March 11, the Office of the US Trade Representative (USTR) launched Section 301 investigations into 16 countries for alleged "structural excess capacity and production in manufacturing sectors". Bangladesh was on the list. The following day, the USTR opened a second round of investigations — covering 60 economies — into failures to take sufficient action to prohibit the importation of goods produced with forced labour. Bangladesh appeared there too.

The timing is no accident. On February 20, in *Learning Resources v. Trump*, the US Supreme Court ruled that the president's use of the emergency powers law IEEPA to impose sweeping tariffs was unlawful. But the decision did not end American tariff activism; it merely redirected it toward statutory channels with firmer legal foundations. The US government then turned to Section 122 — used for balance-of-payments problems — as a temporary replacement. Yet Section 122 is a limited device: it allows tariffs of up to 15 percent for only 150 days.

Section 301, by contrast, was waiting in the wings as the more durable instrument. US Treasury Secretary Scott Bessent has said that even after the Supreme Court reduced the president's power to impose tariffs under IEEPA, the United States could still raise nearly as much money from tariffs by using other laws.

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BB removes a director from Islami Bank board

STAR BUSINESS REPORT

Bangladesh Bank (BB) has removed Md Abdul Jalil, independent director and executive committee chairman of Islami Bank Bangladesh, one of the largest shariah-based banks.

Officials of the BB, speaking on condition of anonymity, on Monday said multiple allegations had been submitted against Abdul Jalil and that he had been warned on several occasions.

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Arief Hossain Khan, executive director and spokesperson of BB, confirmed the removal but did not comment on the reason.

Jalil was appointed by the central bank on August 22, 2024, as an independent director to the reconstituted board of Islami Bank after the fall of the Awami League-led government on August 5 of the same year.

Jalil's appointment was part of the BB's bid to dissolve the previous S Alam-dominated board and form a new one comprising five independent directors.

Before removing Jalil, the new governor of BB held a meeting with the board of Islami Bank, raising questions about various aspects of the bank's operations, officials said.

After Jalil's removal, the BB appointed SM Abdul Hamid, an experienced banker and a chartered accountant, as the new independent director.

Middle East tensions may slow remittance inflows: BB

STAR BUSINESS REPORT

Remittance inflows could slow due to migration disruptions and economic uncertainty in the Middle East amid the US-Israel war on Iran, according to a Bangladesh Bank (BB) quarterly report on remittance published Monday.

The escalating war in the Gulf region has already pushed up the prices of oil, liquefied natural gas, fertiliser, and sulphur, as Iran effectively controls the Strait of Hormuz — through which one-fifth of global oil exports and nearly one-third of global fertiliser shipments pass.

The crisis has forced the cancellation of more than 600 Middle East-bound flights from Bangladesh, mostly affecting migrant workers.

Since fiscal year 2014-15, 8.6 million migrants have found jobs abroad, with Saudi Arabia employing 48 percent of them. Overall, Middle Eastern nations — including Saudi Arabia, Oman, Qatar, the UAE, and Kuwait — accounted for 75 percent of all overseas employment, according to the Bangladesh Economic Review 2025.

The region contributed nearly half of the more than \$30 billion in remittance Bangladesh received in FY26.

The BB report for October-December said remittance earnings are expected to remain relatively resilient.

"However, smooth inflows of remittance would depend on easing geopolitical tensions. Despite high remittance inflows with a large stock of existing migrant workers, remittance growth could slow due to migration disruptions and economic uncertainty in host countries," it said.

"The magnitude of the impact will largely depend on the duration and geographic spread

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'Artificial shortage' pushes up edible oil prices

Retailers say; wholesalers blame supply constraints

SUKANTA HALDER and MOHAMMAD SUMAN

A sudden spike in edible oil prices was observed over the last week, which retailers claim was caused by immoral traders creating an artificial shortage, whereas wholesalers have pointed to the Gulf war situation influencing the global market and consumer behaviour.

The demand for soybean and palm oil in the country during Ramadan is 3 lakh tonnes, whereas importers have brought in 3.66 lakh tonnes in anticipation of the month, according to a Ministry of Commerce document.

Visiting several kitchen markets in Dhaka and Chattogram on Monday, correspondents found that edible oil is being sold above the maximum retail price.

Consumers are paying Tk 3 to Tk 10 more per litre for edible oil in the retail market, according to retailers in different parts of the country.

Five-litre bottles of soybean oil all but vanished from the market in some areas as Ramadan reached the mid-point. Some traders even limit the number of such bottles an individual can buy.

Abul Hashem, a trader at Moulvibazar, a wholesale hub for sugar and edible oil in the capital, said he has been receiving only a single carton of five-litre bottles of soybean oil, whereas the demand is for five cartons.

As a result of this scarcity, demand has shifted to loose soybean oil, raising its price

as well, he said.

As per Trading Corporation of Bangladesh (TCB) data, on Monday, loose soybean oil was sold at Tk 185 to Tk 193 per litre, up from Tk 175 to Tk 186 a week ago, a 4.71 percent rise.

Five-litre bottles of soybean oil were sold yesterday at Tk 950 to Tk 955, compared to Tk 920 to Tk 955 a week ago, marking a 1.60 percent increase.

Meanwhile, Super palm oil was sold at Tk 165 to Tk 170 per litre yesterday, up from Tk 162 to Tk 165 a week ago, marking an increase

of approximately 2.45 percent.

WHOLESALE TRADERS CITE GLOBAL INFLUENCE

Wholesale traders in Chattogram are blaming global uncertainties triggered by the US-Israel war on Iran for a rise in edible oil prices.

According to trading sources and delivery order traders, two weeks ago, palm oil traded at Tk 5,850 per maund, rising to Tk 5,900 to Tk 5,920 after the war began. It now sells at Tk 6,200 per maund.

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OpenAI's AGI chase is a tricky mix of concept and contract

REUTERS, New York

Imagine a wildly successful partnership that dissolves once something happens. Except it's not clear what this event is, whether it's occurred, or even if it's possible. That's the challenge facing OpenAI and Microsoft as they contemplate the possible arrival of artificial general intelligence. The opacity of their agreement, and the huge sums of money at stake, make it almost inevitable that a theoretical debate will turn into a contractual dispute.

The concept known as AGI is the point where autonomous systems can match or surpass humans at intellectual tasks. In Silicon Valley this is both an aspirational goal and existential threat. Creating a self-learning system could, theoretically, result in outcomes ranging from a golden age for humanity to extinction.

OpenAI was founded in 2015 with this explicit objective. Sam Altman, Ilya Sutskever, Elon Musk and others set out to create AGI, which they defined as "highly autonomous systems that outperform humans at most economically valuable work, for the benefit of all humanity". In line with the idea that the love of money is the root of evil, OpenAI was founded as a non-profit.

Ego and goodwill were not sufficient, though: the AI race also required huge financial resources. So the company established a for-profit arm in 2019, and a partnership with Microsoft. The software giant invested \$1 billion and provided computing infrastructure in exchange for access to OpenAI's technology. The startup insisted that, once AGI was achieved, exclusive rights for the technology would revert to the startup.

This was probably an easy concession to make at the time. Yet as AI systems have rapidly grown more capable, defining AGI has become a less abstract question. On measures such as visual reasoning, English-language understanding, or competition-level math, advanced systems have surpassed average human benchmarks, according to Stanford Institute for Human-Centered AI.

Here's where the conceptual debate turns into a contractual one. Like Supreme Court Justice Potter Stewart's subjective explanation of obscenity — "I know it when I see it" — AGI was poorly defined. OpenAI's clause was neither concrete nor easily observable, as researchers at Google pointed out in a 2023 paper which tried to lay out a framework for such declarations.

Take the provision that the milestone would be reached when systems could outperform most humans at economically valuable work. What does "most people" mean? Can you measure this without deployment in the real world, or if use is slowed for legal or ethical reasons? Finally, the economic value of many jobs is hard to define.



OpenAI CEO Sam Altman speaks at OpenAI DevDay, the company's annual conference for developers, in San Francisco, California.

Meanwhile, training and deploying AI models requires voracious amounts of cash. Microsoft, Alphabet, Meta Platforms and Oracle have sharply increased capital expenditure in response to these needs and plan to spend over \$700 billion this year. As a startup without existing revenue sources, OpenAI needed support.

Microsoft ended up pumping in a total of \$13 billion. That wasn't enough for OpenAI, though, and the increasingly complex agreement between the two companies, several parts of which depended on the AGI clause, chafed with both sides.

Other industries have learned that vague agreements and large sums of money don't mix. Take catastrophe bonds, which help companies lay off the financial risk from hurricanes, floods or pandemics. These events are rare, but the \$1.4 trillion bill from a storm hitting a big US city like Miami might make the whole insurance industry teeter. So companies bring in outsiders willing to take on gigantic but low-probability risks in exchange for payments. Initially opaque agreements led to bitter disputes, such as the five-year legal fight between a reinsurer and bondholders over what exactly was covered following a 2008 hurricane.

Catastrophe bonds have since moved towards more concrete and easily

observable triggers, lowering uncertainty and avoiding disputes. Think of measuring wind speeds at a specific location, say, rather than overall insurance industry losses or whether a government declares a state of emergency.

In biotech mergers, companies use contingent payments to bridge the gap between buyer and seller when valuing experimental drugs. These usually incorporate non-debatable triggers, like whether the US Food and Drug Administration has approved the treatment by a certain date.

OpenAI and Microsoft have since reached a form of détente, probably because extended negotiations might end up with both sides losing out. A new agreement, signed late last year, says an independent panel must verify any OpenAI claim that AGI has been achieved.

Microsoft keeps a 27 percent stake in the company, most recently valued at \$840 billion, and has the right to some technology until 2032, even if AGI is achieved. Sam Altman's company now can pursue partnerships or an initial public offering. There is still reason for tension, though. OpenAI sends about 20 percent of its revenue to Microsoft, and that essentially goes away if AGI occurs. Such a large financial shift would make a big difference to OpenAI's finances as it prepares to sell stock to the public.

The argument over how to define AGI hasn't really been settled. Sam Altman said late last year in a podcast that people didn't really notice and it didn't change the world much, but "we built AGI". Microsoft CEO Satya Nadella appears to focus more on large effects, claiming last year that AGI would be "senseless benchmark hacking" and the real benchmark of success would be the world economy growing at an improbable 10 percent.

The debate has also moved on. Even AI evangelists like Altman admit AI still does some things poorly, such as complex reasoning and the ability to learn. He now touts the idea of superintelligence and AI systems doing things humans cannot do, or systems doing jobs, like being US president, better than a human. That's still a woolly definition, though.

Altman is still chasing. OpenAI's recent \$110 billion fundraising included a big contribution from Amazon which could hang on whether the company goes public or achieves AGI, the Information reported.

In an interview with CNBC following the agreement, Altman said AI progress remains rapid, and since AGI is a "near-term thing", the company isn't doing new deals that stop when it's reached. That timeline may be optimistic, but if so, the dispute still has time, and incentive, to flare up again.

Alibaba shakeup hints at an AI business model

REUTERS, Hong Kong

How do you make money from artificial intelligence? The question has plagued both US and Chinese technology giants from OpenAI to Alibaba. But there are signs that the \$325 billion e-commerce giant and compatriots in the People's Republic have a glimmer of an answer.

Alibaba on Monday announced it is separating its AI businesses from its cloud computing arm. That implies it will no longer focus on bundling a full technology stack, from cloud infrastructure to foundational models to applications and software, for enterprises. Just as well. That strategy has disappointed in part due to Chinese firms' reluctance to spend heavily on IT services. Sales from the cloud division are forecast to hit 156 billion yuan, or \$23 billion, in the fiscal year to March 2026, per Visible Alpha, up an impressive 32 percent but still below OpenAI's mooted annualised revenue as of February.

Wu's newly-formed Alibaba Token Hub Business Group will be better placed to tap into the country's recent craze for digital assistants that can manage emails and calendars, among other tasks. The viral popularity of OpenClaw, an open-source agent that anyone can install on their devices and grant broad access to, has prompted Alibaba, Tencent and other rivals to launch their own versions for consumers and businesses.

Digital assistants are powered by AI models that consume tokens. Unlike chatbots, OpenClaw and its ilk are continuously making decisions



People visit an Alibaba booth during the World Artificial Intelligence Conference in Shanghai.

and executing tasks 24/7; an OpenClaw agent consumes tens to hundreds of times more tokens a day than a chat session, estimates Poe Zhao, a China tech analyst and founder of Hello China Tech. Users can decide which models to run their agents on.

That has changed the economics of consumer AI, which largely relied on charging subscriptions for chatbots — a strategy that never took off in China, where people are generally used to free or low-cost apps. Agents may change that. Upstart MiniMax, for instance, whose low-cost models have attracted many OpenClaw users, said its annual recurring revenue for February topped \$150 million, nearly double its 2025 sales, and that average daily token consumption of its flagship model has grown sixfold compared to December. That signals consumers and companies are at least willing to pay for tokens.

Prime Bank FinTech gets central bank nod to operate MFS

STAR BUSINESS DESK

Prime Bank FinTech Limited, a subsidiary of Prime Bank PLC, has been recently awarded a licence to operate Mobile Financial Services (MFS) in the country.

This enables Prime Bank FinTech to formally launch its own brand of MFS services in Bangladesh.

According to a press release, with this regulatory approval, Prime Bank FinTech is set to reshape the country's digital financial ecosystem by addressing the vast untapped spaces.

The goal is to move beyond traditional competition and foster a collaborative market environment that prioritises financial literacy and inclusive growth.

By acting as a digital guardian for users, this will aim to bridge the gap for the unbanked and empower every individual to navigate the cashless economy with confidence and security.

Prime Bank FinTech will operate its



MFS under a dedicated brand identity. The brand will work closely with regulators, partners and stakeholders to ensure compliance, operational excellence and a seamless customer experience as it prepares for its formal launch.

Section 301: A new trade test from Washington

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These include Section 301; the temporary tariffs announced on February 20 under Section 122; and Section 232, which allows tariffs on imports said to threaten national security.

These Section 301 investigations are not tariffs. Not yet. The formal process follows public comments, which close on April 15. Hearings on the structural excess-capacity investigations begin on May 5; hearings on the forced-labour investigations begin on April 28. Consultations and findings come after that. No tariff wall faces Bangladesh tomorrow. But the legal scaffolding for one is being erected.

The excess capacity investigation deserves scrutiny because its economic logic is tenuous. USTR identifies Bangladesh as exhibiting structural excess capacity and production. The implicit argument is that Bangladesh's garment success reflects a government-distorted production base harmful to US workers.

This argument collapses under closer scrutiny. Jeffrey Sachs of Columbia University — one of the world's leading development economists — has argued that "excess capacity" is a meaningful trade complaint only under narrow conditions: if a country is producing goods for which there is no genuine global demand, or if it is exporting them at a loss.

Where a country is simply an efficient, low-cost producer of things

the world actually wants, the term becomes, in his words, not an analytical category but a political weapon. Nicholas Lardy of the Peterson Institute sharpens the point further: if producing more than you consume domestically is the offence, then the United States — which exports roughly 80 percent of its domestically produced semiconductors — is guilty too.

So is Germany, which exports nearly 80 percent of its cars, and Japan, which exports around half its automotive output.

Bangladesh exports labour-intensive garments for which there is obvious demand. That is not a distortion; it is not the artifact of government policies such as subsidies, state financing, and industrial planning that allow factories to keep producing even when market conditions do not support it — it is comparative advantage.

The "excess capacity" label has ceased to be an analytical category and has become a political one, deployable against competitive exporters whenever domestic pressures require it. Its economic foundations may be thin; its legal consequences are not. Bangladesh should challenge the reasoning in the forthcoming comment process. It should also take the threat seriously.

The forced-labour investigation appears to rest on two linked concerns: whether Bangladesh is doing enough to keep goods made with forced

labour out of its imports and supply chains, and whether any failure to do so gives its manufacturers an unfair cost advantage over American firms. This aspect of the US case may have more traction because the underlying concern is not entirely implausible. Washington removed Bangladesh from its Generalized System of Preferences in 2013 over labour-rights failures, only months after the Rana Plaza collapse killed more than 1,100 workers. Since then, Bangladesh has made some important but incomplete progress through inspections, legal reforms, and compliance programmes. Yet enforcement has remained uneven and, at times, visibly weak.

The February trade agreement had already dealt with this. Bangladesh committed in writing to "prohibit forced labour imports and strengthen collective bargaining rights." Washington is now investigating whether those commitments were genuine, making this notably the first time Section 301 has been used to target a government's alleged inaction on forced labour as an "unreasonable" trade practice.

There is, however, a certain irony in Washington's present posture. The United States is invoking labour rights as a basis for trade enforcement, even though it has itself ratified only a limited number of International Labour Organization conventions; indeed, it

has not ratified some of the most important ones on freedom of association and collective bargaining.

That does not make forced labour any less unacceptable, nor does it excuse Bangladesh, where reform remains incomplete. But it does underline a familiar asymmetry in international trade politics: powerful countries often demand, through trade instruments, standards that they have accepted only selectively.

Moral inconsistency on the part of the stronger party does not, however, absolve the weaker party of its legal exposure.

What must Dhaka do now? Three things follow. First, engage Section 301 processes before April 15. This is not a formality — it is an opportunity to present evidence, challenge the excess-capacity charge, and distinguish Bangladesh's circumstances from China's, the economy these investigations were primarily designed to target.

Second, treat labour governance as a trade priority. Weak enforcement and supply-chain opacity are no longer domestic governance failures — they are external vulnerabilities. Implementing the February agreement's labour commitments in a visible and verifiable manner would make it harder to sustain the forced-labour investigation.

Third, hold no illusions about what bilateral agreements with Washington can achieve. Bangladesh is not the primary target here —

China's goods trade surplus was nearly \$12 trillion in 2025, about 70 percent of the global total; Vietnam's bilateral surplus with the US hit \$178 billion; Mexico's reached \$197 billion.

By comparison, US goods imports from Bangladesh totaled \$9.5 billion in 2025, while the US goods trade deficit with Bangladesh was \$7.1 billion. Yet in April 2025, Bangladesh faced a proposed tariff of 37 percent — steeper than Germany's, higher than Japan's, and above most of the world. The logic had little to do with Bangladesh's bilateral relationship and everything to do with Washington's political imperatives.

The larger lesson is sobering. The US Supreme Court ruling may have restricted one route for presidential tariff action, but it did not make countries like Bangladesh immune from US trade pressure.

It merely redirected that pressure into more structured and perhaps more durable legal forms. While Section 301 is, in itself, not the tariff, it is the basis for future tariff action. Bangladesh would do well to recognise that now, before the next stage of pressure begins.

The writer is an economist and public affairs commentator whose work explores trade, development, governance, and democratic change in Bangladesh and beyond. He can be reached at mgquibria.morgan@gmail.com

Stagflation risk

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While Europe would certainly face inflationary pressures on energy too, it was also seeing a growth "stimulus" as it dramatically ramps up defence spending, after Washington "made it very clear that you cannot depend on the US for your defence", he said.

Trump's policies had meanwhile significantly weakened the US economy even before the war, he maintained. Stiglitz pointed to troubling

indicators, like the lack of labour force growth in 2025 and last month's hike in unemployment.

And while there had been growth, it had been "unbalanced", he said, with around a third coming from the creation of artificial intelligence data centres.

The stock market, meanwhile, "is doing well because it's dominated by AI and tech firms", he said.

"If you look at the rest of the stock market, it's just languishing." At the same time,

Stiglitz said he expected to see Trump's tariff policy boost inflation.

Typically, when applying tariffs, a country could expect to see the value of its currency rise, since it is buying fewer goods abroad, which should lower inflation, the economist said.

But in this case, he pointed out that "the dollar has gotten weaker".

That, he said, is because "Trump has destroyed confidence in America and the dollar".

BB asks banks, payment firms to set up cashless units

STAR BUSINESS REPORT

Bangladesh Bank (BB) has instructed banks, mobile financial service providers, payment service providers and payment system operators to establish a dedicated "Cashless Bangladesh Unit" at their head offices by March 31 to accelerate digital transactions nationwide.

The central bank issued a circular in this regard on Monday, aiming to reduce dependence on cash and expand digital payment services to customers at the grassroots level under the broader Cashless Bangladesh initiative.

As per the directive, each bank must establish a full-fledged unit supervised by a deputy managing director or an equivalent official linked to payment system operations.

For mobile financial service providers, payment service providers and payment system operators, the unit will be supervised by an official directly below the managing director.

Each bank must establish a full-fledged unit supervised by a deputy managing director or an equivalent official linked to payment system operations

Banks must assign at least four officials to the unit, while MFS, PSP and PSO operators must appoint at least two officials.

The central bank said Bangla QR and Bangladesh's digital payment ecosystem have expanded significantly in recent years through interoperable digital payment infrastructure, mobile financial services, internet banking, point-of-sale terminals and online payments.

According to the circular, the unit will prepare and implement institution-specific roadmaps for expanding digital payments, accelerate merchant onboarding through Bangla QR channels, and regularly monitor customer registration in institution-owned mobile applications.

The unit will also oversee staff training, awareness campaigns, seminars, customer protection measures, complaint resolution and risk mitigation related to digital transactions.

In addition, institutions have been asked to submit annual implementation reports to their boards and send copies to BB by the last working day of March each year.



Chattogram's handmade shoe factories have seen a marked decline in business since the 1990s. A surge in demand before Eid brings temporary relief to these small factories and the seasonal workers they employ.

PHOTO: STAR

Eid revives Ctg's fading handmade shoe industry

SIFAYET ULLAH, Ctg

A nearly tangible sense of urgency permeates the air as workers focus on a variety of tasks. A group of them are cutting leather pieces while others attach soles with glue. Some focus on decorative designs while another group packs finished shoes for delivery.

This scene has become common in Chattogram's handmade shoe factories as Eid-ul-Fitr approaches.

For most of the year, the industry remains slow. An uptick in demand before Eid brings momentary relief to small factories and the seasonal workers they employ, industry stakeholders say.

Most of these factories are located in the Madarbari, Nalapara, and Kamal Gate areas under the Sadarghat police station. Visiting them, this correspondent found workers rushing to complete orders.

A large portion of the orders—marketed towards Eid shoppers—has been delivered already, factory owners say. However, some people wait till the last few days of Ramadan to purchase footwear. The last of the orders made in these factories will be picked up to accommodate such

eleventh-hour shopping.

"Usually, we work eight to ten hours a day. But now we are working extra hours to deliver orders before Eid," said Mohammed Mizan, a shoemaker at a small factory in Madarbari.

His colleague, Jasim Uddin, said that workers do not get daily wages—they are paid based on production.

"Usually, we work eight to ten hours a day. But now we are working extra hours to deliver orders before Eid," said Mohammed Mizan, a shoemaker at a small factory in Madarbari

"If a team produces one dozen pairs of shoes, we may receive around Tk 2,000 as payment. We divide the money among ourselves," he said.

Unlike in other sectors, wages in this profession have not increased, Jasim said.

This traditional trade has been on the decline for years, owners and workers say.

"The golden age of the handmade shoe industry is over. We have not received the

expected number of orders this year," said Mohammed Sadek, owner of Tarik Shoe Factory.

Nowadays, the trade is kept alive by a loyal group of customers who continue to buy handmade shoes as part of tradition, he said.

According to the Chattogram Khudro Paduka Shilpo Malik Group, around 150 handmade shoe factories are currently operating in the port city, a sharp drop from the 400 factories active in the late 1990s.

Tarek Haider, general secretary of the group, said the market is now dominated by cheaper, machine-made shoes imported from China and India.

"Handmade shoe factories are struggling to compete. Although business remains slow throughout the year, sales increase before Eid. The profit we make during this time helps us cover losses from other months," he said.

He urged the government to impose proper duties on imported shoes and reduce VAT on raw materials, adding that local factories must adopt modern machinery alongside traditional craftsmanship to remain competitive.

Burimari port to stay shut for 11 days

S DHIP ROY

Import and export activities at Burimari Land Port in Patgram upazila of Lalmonirhat will remain suspended for 11 consecutive days starting from March 17.

The decision came after an emergency meeting between business leaders from Bangladesh and India to determine a mutual holiday schedule, according to a notification issued Monday.

During this period, the movement of all cargo trucks and commercial operations will remain halted. However, passenger movement through the immigration checkpoint will remain normal

Burimari port will remain closed on Tuesday, March 17, for Shab-e-Qadr, followed by the Eid-ul-Fitr holidays beginning March 19.

Traders also decided to add an additional holiday on March 18 to bridge the gap, with the port further observing a break on March 26 for Independence Day.

During this period, the movement of all cargo trucks and commercial operations will remain halted. However, passenger movement through the immigration checkpoint of the land port will remain normal.

Faruk Hossain, president of the Burimari C&F Agents Association, said, "Considering Eid and other public holidays, we decided on the 11-day suspension after discussions with traders from both sides."



All commercial activities will resume as usual from March 28, he added.

Sub-Inspector Saifur Rahman, officer-in-charge of the immigration unit at the Burimari Land Port Police Checkpost, confirmed they had been formally notified of the trade suspension but reiterated that the passage of travellers would not be affected.

Mahmudul Hasan, assistant director (traffic) of the Burimari Land Port Authority, said that since traders have opted not to operate during the festive period, port activities naturally come to a standstill.

Muhammad Mohi Uddin, deputy commissioner of the Burimari Land Customs Station, added that while export-import remains closed until March 27, internal customs office activities will continue on a limited scale, except on official government holidays.

Fed expected to keep rates steady as Iran war impact looms

AFP, Washington

The US Federal Reserve opened its two-day meeting on Tuesday with policymakers expected to keep interest rates unchanged as they digest weak economic data and gauge the economic effects of the Iran war.

The central bank's rate-setting Federal Open Market Committee (FOMC) began its gathering at 10:30 am Eastern time (14:30 GMT), a central bank spokesperson said.

The meeting comes as the Fed battles stubbornly high inflation and weak demand in the US labor market, with its dual mandates potentially at odds with one another.

The US-Israel war on Iran, launched on February 28, is also expected to have major economic implications, with oil prices surging and supply chains disrupted.

Rising oil prices are expected to



PHOTO: REUTERS/FILE

The Federal Reserve building is set against a blue sky in Washington. The Fed battles stubbornly high inflation and weak demand in the US labor market, with its dual mandates potentially at odds with one another.

have knock-on global inflationary effects, including in the United States, where price increases have remained above the Fed's long-term two-percent target for years.

US average gasoline prices have increased around 27 percent since the start of the war, according to the AAA motor club's gauge.

Analysts have also warned of the conflict causing supply chain disruptions and oil shortages that will drag down economic growth.

Central banks tend to ignore the inflation effects of short-term price shocks, but it is unclear how long the war in Iran will drag on.

US households have been battered by years of higher-than-expected inflation after the Covid pandemic.

In January, the Fed's preferred inflation gauge came in at 2.8 percent, with core inflation rising by 3.1 percent, its highest level since March 2024.

'Artificial shortage'

FROM PAGE B1

Soybean oil prices also increased from Tk 7,100 to Tk 7,350 per maund at the wholesale level.

Anwar Hossain, a wholesale trader at Chattogram's Khatunganj market, said edible oil has seen the sharpest rise out of all kitchen market commodities. Supplies have declined, driving prices upward.

Unless supply improves, prices are unlikely to stabilise, he said.

As per National Board of Revenue (NBR) data, during the first six months of fiscal year 2025-26 (FY26), crude soybean oil imports fell to 3.03 lakh tonnes from 3.63 lakh tonnes, while palm oil imports rose to 8.23 lakh tonnes from 7.11 lakh tonnes.

Taslim Shahriar, deputy general manager of Meghna Group of Industries, which markets the Fresh brand of edible oil, said that recent price hikes in edible oils are largely driven by panic buying.

He also said that traders are reacting to sharp increases in global prices. Soybean oil rose to around

\$1,260 to \$1,270 per tonne, and palm oil climbed to \$1,230 to \$1,240 per tonne.

On average, soybean oil and palm oil prices have risen by about \$100 per tonne. Typically, their prices differ and do not align closely, but at present, they have nearly converged, Shahriar explained.

While import volumes had been sufficient during Ramadan, sudden shifts in consumer behaviour and global market volatility have disrupted the supply and demand balance, pushing prices upward, he added.

On Sunday, March 15, Commerce, Industries, Textiles and Jute Minister Khandaker Abdul Muktadir said at an event that attempts to create artificial shortages in some retail areas may occur, but this does not reflect the overall market situation.

He said that in the event of global conflict, supply pressure and price increases may occur. However, the government will take necessary measures to keep products within consumers' purchasing power.

Middle East tensions

FROM PAGE B1

of the US-Iran conflict. A brief conflict may have only limited effects, whereas a prolonged regional crisis could significantly reduce remittance inflows and intensify pressure on the external sector of Bangladesh.

Remittance inflows grew 20 percent year-on-year to \$8.67 billion in the October-December period of FY26, reflecting growing confidence among the Bangladeshi diaspora in banking channels.

The BB said the surge also showed that policy measures contributed to higher remittance inflows.

The highest volume of remittances came from Saudi Arabia, accounting for 15 percent of total inflows, followed by the United Arab Emirates, which accounted for 13.54 percent.

During October-December of FY26, a total of 293,474 migrant workers, including 18,225 women,

migrated from Bangladesh. Of the total, Saudi Arabia accounted for 64 percent, followed by Qatar (9.21 percent), Singapore (6 percent), and Kuwait (3 percent).

The BB said remittance inflows play a crucial role in supporting foreign exchange reserves, strengthening macroeconomic stability, easing external sector pressure, and enhancing overall economic resilience.

It noted that the contribution of remittance to gross domestic product (GDP) has been increasing, reaching its peak in FY25.

This higher inflow of remittances led to an estimated remittance-to-nominal GDP ratio of 7.66 percent in the second quarter of FY26.

In addition, remittances' share relative to exports and imports showed significant improvement during the same period.

US trade deal boosts Wi-Fi

FROM PAGE B1

"Most of the Asia Pacific countries, along with Bangladesh, have already adopted the upper 6 GHz band for licensed IMT spectrum, which will finally be approved at the World Radiocommunication Conference 2027 and will be included in the Radio Regulations of ITU. Accordingly, BTRC has already developed the roadmap for releasing the upper 6 GHz band," she said.

"Going against the flow of other countries within the Asia Pacific region will isolate Bangladesh in terms of using the 6 GHz band."

If both the upper and lower parts of the band are made licence-free, the government would also lose substantial revenue from future spectrum sales to mobile operators,

Anamika further said. "So, from the country's interest perspective, it will not be prudent at all to keep both the upper and lower parts of the 6 GHz band for licence-exempt," she added.

QUESTIONS OVER CONSULTATION

A BTRC official said current projections show that around 500 MHz in the lower portion is enough to support Wi-Fi, WLAN, low-power indoor and Internet of Things (IoT) services. Bangladesh has already agreed to open this part for unlicensed use.

Officials stress that keeping the upper band for licensed mobile services is vital, both to maintain network quality in a densely populated market and to protect a

major future source of government income.

According to Anamika, a huge amount of spectrum will be required in the near future for the mobile operators to support the digital economy of the country. There is scarcity in the IMT band. So, it will not be possible to support them without the upper 6 GHz band.

Asked about the deal, BTRC Chairman Major General (ret'd) Md Emdad Ul Bari said there are regional differences in how the 6 GHz band is used, and the regulator is still examining the implications of the agreement.

In Bangladesh, spectrum allocation has long been a significant source of revenue. Since 2005, Bangladesh has earned more than Tk

43,000 crore by assigning 396.6 MHz of spectrum to mobile operators. In January alone, the regulator sold spectrum in the 700 MHz band at Tk 237 crore per megahertz.

However, four BTRC officials told The Daily Star that the BTRC's views were not sought before the deal was finalised by the interim government.

Two officials said that the regulator has already drafted a letter to the government explaining why the upper part of the 6 GHz band should remain reserved for licensed use.

Telecom expert Abu Nazam M Tanveer Hossain said a decision of this scale should ideally be reviewed by a technical body, with input from the regulator. "We would like to know that such discussions did take place."

Iran war sparks fuel fears, slows Eid motorcycle sales

MARKET TREND AND SALES



Eid sales surged early but lost momentum later



Sales were about 30% higher initially than a year earlier



Momentum dropped sharply in recent weeks



Eid typically lifts sales by 30-35% compared to regular months

DEMAND SLOWDOWN

- Fuel anxiety spread quickly among buyers
- Rural customers turned cautious



FUEL-RELATED DISRUPTIONS

Fuel rationing disrupted market momentum

Panic buying was reported at filling stations

SALES VOLUME INDICATORS

Average monthly sales stand at around 39,000 units

Sales rise to nearly 52,000 units ahead of Eid

JAGARAN CHAKMA

Motorcycle sales ahead of Eid-ul-Fitr initially surged but have recently slowed as uncertainty in global energy markets – triggered by the US-Israel war on Iran escalating – has raised concerns over fuel availability and costs, dampening consumer enthusiasm.

Industry insiders say the conflict has pushed up global oil prices, raising worries about fuel availability and triggering panic buying.

Although the country meets the lion's share of its petrol and octane demand domestically, disruptions in global supply and the crude price shock have affected these segments, slowing motorcycle purchases during what is usually a peak season.

Subrata Ranjan Das, deputy managing director of ACI Motors, said the Eid season began with strong sales momentum before concerns over fuel availability and rising costs began to weigh on buyers.

"The market had a promising head start before the war brought on disruptions. If we compare this Ramadan with the

past one, motorcycle sales were about 30 percent higher than last year before the fuel crisis began," he said.

However, momentum slowed in recent weeks as concerns spread, particularly in rural areas.

"During the Eid month, sales are usually about 30 percent higher than in a regular month," he said.

Monthly sales normally stand at about 39,000 to 40,000 motorcycles but rise to around 52,000 units ahead of Eid, according to industry insiders.

"Once fuel availability returns to normal, sales momentum should recover," Das said.

He also warned that rising global oil prices and a stronger dollar are increasing cost pressures for importers and distributors. "This may eventually affect prices in the market," he added.

Shah Muhammad Ashequr Rahman, chief marketing officer of Bangladesh Honda Private Limited, said the market had started picking up ahead of Eid but suddenly slowed as panic over a possible fuel shortage spread at refuelling stations, even though there was no real supply

disruption.

"The Middle East crisis has caused anxiety among motorcycle users about fuel availability, which has dampened sales ahead of Eid – a period that usually contributes significantly to annual sales," he said.

Rahman highlighted that motorcycles are increasingly becoming a practical and reliable mode of transport for daily commuting.

"Demand for motorcycles usually rises ahead of Eid as people prepare for travel and festive activities," he said.

"Almost all brands offer attractive campaigns and benefits during the Eid season to share the joy of the festival with customers," he added.

INDUSTRY OUTLOOK REMAINS MIXED

Shafkat Sakin, head of marketing at Suzuki Bangladesh, said it is still too early to assess the full impact of Eid on motorcycle sales as the market has faced several challenges.

"Eid sales have not closed yet, so it is difficult to give a concrete number right now."

Suzuki has seen strong demand for specific models due to promotional offers, but Sakin said this does not reflect the performance of the entire market.

"If you compare the entire industry with last year, the market is still behind," he said.

"The market structure has changed compared with last year. Some big players are not as active, and there has also been a shift towards electric vehicles. These factors are influencing the industry numbers."

While final sales figures will only become clear after the Eid season ends, Sakin said the overall outlook remains mixed.

"I sense that this year's Eid-ul-Fitr will still be the peak sales period for motorcycle brands, but it may not be as strong as last year," he said.

He also pointed to fuel availability concerns as a factor slowing purchases.

"In some cases, customers are buying motorcycles but taking delivery several days later. If they cannot easily access fuel, they hesitate to use the bike immediately," Sakin said.

The case for simplifying income tax law

MASUD KHAN

Bangladesh's Income Tax Act, 2023 marked an important legislative milestone. It replaced the decades-old 1984 ordinance and reorganised the framework of income taxation. Yet for many taxpayers, individuals and businesses alike, the system still feels complex, compliance heavy and uncertain.

The complexity did not emerge overnight. It developed gradually through successive amendments aimed at addressing revenue leakage and combating evasion. Each new anti-avoidance provision, withholding requirement, exemption or special rate may have been justified at the time. However, over decades, these incremental additions have produced a system layered with special cases, cross-references and administrative discretion.

While the 2023 act reorganised the structure, much of this accumulated complexity remains embedded within it. If Bangladesh seeks to improve voluntary compliance and sustainably raise its tax-to-GDP ratio, simplification must now move beyond structural reorganisation to substantive refinement.

One major source of complexity lies in the proliferation of exemptions and sector-specific incentives. Over time, reduced rates and special treatments have been introduced to stimulate investment and promote priority industries.

While incentives can serve legitimate policy goals, their accumulation fragments the tax base and increases interpretational disputes. Different sectors receive different treatments, sunset dates are often unclear, and the overall revenue cost is rarely transparent.

A more disciplined approach would involve consolidating exemptions into a coherent schedule, publishing an annual tax expenditure statement estimating the fiscal cost of each incentive, and introducing automatic expiry unless explicitly renewed. Simplification does not require eliminating incentives; it requires structuring them transparently and preventing indefinite expansion.

Another area requiring reconsideration is the breadth of withholding tax. Bangladesh relies heavily on withholding at source across a wide range of transactions, and in practice it often operates as a quasi-final tax or minimum tax.

While withholding is an effective enforcement tool, international practice shows a more focused approach. In most OECD countries, withholding is primarily confined to wages, dividends and interest, not imposed across dozens of transaction types.

When withholding extends too broadly, it increases compliance burdens, creates cash-flow distortions, and effectively transforms intermediaries into tax administrators. Rationalising withholding categories and clarifying which deductions are adjustable versus final would reduce friction without undermining revenue objectives.

Complexity is shaped not only by statutory length but also by how predictably the law is applied. Where tax authorities possess broad discretion in rejecting accounts, estimating income or invoking anti-avoidance provisions, uncertainty increases. Even well-drafted provisions can feel opaque if outcomes depend heavily on administrative interpretation.

Countries with stronger reputations for tax certainty – the United Kingdom, Australia and Singapore – place significant emphasis on clear, published guidance and advance rulings. Tax authorities issue detailed practice notes explaining how specific provisions will be interpreted, thereby reducing ambiguity and disputes.

A meaningful step toward simplification in Bangladesh would be publication of an official, consolidated, annotated version of the Income Tax Act in both Bangla and an authoritative English translation. This version should integrate the Act, relevant rules, schedules, circulars and amendments into a single updated text, accompanied by practical illustrations and structured FAQs aligned directly with statutory provisions. Such clarity reduces interpretational conflicts and promotes voluntary compliance.

Finally, limiting arbitrary discretion in assessments is essential. Clear statutory thresholds for audits, defined criteria for rejecting accounts and transparent procedural safeguards reduce unpredictability. When taxpayers perceive that outcomes depend less on individual interpretation and more on consistent application of published standards, compliance improves naturally.

Simplification is about designing a system that ordinary taxpayers can understand, comply with confidently and perceive as fair. The 2023 act has provided a structural reset. The next phase should focus on transparency, restraint, certainty and coherence.

The writer is the chairman of Unilever Consumer Care Ltd

Stagflation risk in US 'quite high' Says Nobel-winning economist Stiglitz

AFP, Geneva

The war in the Middle East has put the United States at high risk of falling into stagflation, Nobel Prize-winning economist Joseph Stiglitz told AFP on Monday.

Even before the war erupted on February 28 with a barrage of US and Israeli strikes on Iran, Stiglitz said the US economy was already "close to stagflation" – a troublesome blend of high inflation and anaemic growth.

There were a number of "readings for slow growth before the war", he said in an interview at the United Nations' European headquarters in Geneva, "and this just... pushes us over the brink".

The Middle East war has virtually halted activity in the strategically vital Strait of Hormuz, through which a fifth of the world's crude oil supplies and a substantial amount of gas normally run, sending oil prices soaring.



Global oil prices have surged by 40 to 50 percent after Iran choked off the waterway and attacked energy and shipping industry targets in the Gulf in response to the US-Israeli war against the Islamic republic.

This has sparked fears of a shock to a global trading system, which is already under stress from US President Donald Trump's tariff offensive as well as the fragmentation of supply chains since the Covid-19 pandemic and Russia's war in Ukraine.

Stiglitz, who jointly won the Nobel Economics Prize in 2001 for his analysis of markets with asymmetric information, said the United States was the country most at risk of falling into stagflation, as it did during the oil shocks in the 1970s.

"The risk of stagflation seems to be quite high for the US," said the professor at Columbia University in New York.

The situation elsewhere was not as clear-cut, said Stiglitz, who served as chief economist at the World Bank in the late 1990s after being the chairman of US president Bill Clinton's council of economic advisers.

READ MORE ON B2

Middle East war: global economic fallout

AFP, Paris

Here are the latest economic events in the Middle East war on Tuesday:

STOCKS RISE AS OIL PUSHES HIGHER

Oil prices resumed their push higher as several countries pushed back against US President Donald Trump's demand that they help secure the Strait of Hormuz, while Iran continued to target crude-producing neighbours.

Traffic in the Gulf waterway through which a fifth of global crude oil passes has been severely disrupted by the war.

International benchmark Brent North Sea crude pushed up 2.6 percent to \$102.84 per barrel, while the main US contract West Texas Intermediate had increased 2.4 percent to \$95.77 at around 0230 GMT.

DRONE STRIKE SPARKS UAE OIL FIELD FIRE

A drone strike caused a fire at a major oil field in the United Arab Emirates, authorities said, as Iran continued its drone and missile strikes across the Gulf.

The Shah oil field, located 230 kilometres (143 miles) south of Abu Dhabi city, has a production capacity of approximately 70,000 barrels of crude oil per day, according to the UAE's state-owned energy giant ADNOC.

DRONE ATTACK TARGETS IRAQI OIL FIELD

Two drones targeted a major southern Iraqi oil field, an oil ministry spokesperson told AFP, after the second attack in four days.

Majnoon oil field was "targeted by two drones, one hit a telecommunication tower," oil ministry spokesperson Saheb Bazoun said, adding that there had been no damage.

A security official confirmed the attack and said the second drone had targeted the offices of an American firm operating at the site.

PAKISTANI TANKER TRANISTS HORMUZ

A Pakistani oil tanker transited the Strait of Hormuz with its automatic transponder system activated, monitor Marine Traffic said, the first such voyage by a non-Iranian tanker

since the start of the war.

Marine Traffic said on X that the 237-metre-long Pakistani-flagged oil tanker had a draft of 11.5 metres, indicating it was heavy and likely loaded.

IEA HINTS AT MORE RELEASES

International Energy Agency chief Fatih Birol said more strategic oil stocks could be released if necessary to limit the fallout of the virtual blockade of supplies through the Strait of Hormuz owing to the war on Iran.

"In terms of government stocks and industry stocks held under government obligation, if you combine them, there will be still over 1.4 billion barrels remaining, which means we can do more later as and if needed," Birol said in a video statement.

UAE'S ADNOC 'SUSPENDS' LOADING OIL AT FUJAIRAH TERMINAL

The UAE's state-owned energy giant ADNOC halted the loading of oil into storage tanks at their Fujairah facility, a source with knowledge of the operations told AFP Monday, following repeated strikes on the energy installation.

Fujairah is home to a major port where Iranian attacks have already

targeted oil storage tanks. The port is also home to a key oil export terminal just at the entrance of the Strait of Hormuz.

IRAR HOPES TO REVIVE PIPELINE

Iraq is hoping to ship up to 250,000 barrels of oil per day to a port in Turkey via a rehabilitated pipeline that has been out of service for years, its oil minister said, after the US-Israeli war on Iran cut off its main export route.

The amount would be just a fraction of the roughly 3.5 million barrels per day (bpd) that Iraq exported before the conflict, mostly through its southern Basra port and the Strait of Hormuz.

JAPAN STARTS RELEASING OIL STOCKS

Japan said it was beginning the release of its strategic oil reserves after the International Energy Agency indicated earlier that the release would begin in Asia and Oceania before other regions.

IEA members agreed on March 11 to tap oil stockpiles to cushion the surge in prices caused by the war – by far the largest ever response of its kind. The IEA said releases in Europe and North America would start before the end of March.



A worker changes the price label of fuel at a petrol station in Manila yesterday. Oil climbed again in Asia after prices retreated a day earlier.

PHOTO: AFP