



Farm workers spread and turn corn grains under the scorching sun in Premtoli area of Godagari, Rajshahi. This season's widespread corn cultivation yielded about 40 maunds per bigha. After harvesting and threshing, grains are dried in fields and on roads and sold at Tk 1,160 per maund, though farmers said slightly higher prices would have increased profits. The photo was taken recently.

PHOTO: AZAHAR UDDIN

Telecom experts call for abolishing voice floor price

Mandatory minimum voice call rate should be phased out, they say

STAR BUSINESS REPORT

Telecom experts yesterday called on the government to phase out the country's mandatory minimum voice call rate, known as voice floor price, arguing that the Tk 0.45-per-minute rate, unchanged since 2018, is hindering digital inclusion and placing an undue burden on low-income users.

The call came during a policy seminar, titled "Steps the New Government Should Take to Make Mobile Services Citizen-Friendly", organised by the Telecom and ICT Policy Advocacy Platform (TIPAP) and the Voice of Reform, at BDBL Bhaban in Karwan Bazar.

Moderated by TIPAP co-convenor Fahim Mashroor, the seminar featured a keynote presentation, titled "Removal of Voice Floor Price: Paving the Way for Digital Progress in Bangladesh" by Mahtab Uddin Ahmed, former managing director of Robi.

"When the floor was introduced in August 2018, 4G had just been launched, only 18 percent of the population used the internet, and smartphone household penetration was around 28 percent," said Ahmed, a telecom consultant.

"Now 4G covers nearly 100 percent of the country, 5G trials are underway, and household smartphone ownership has risen to 72.8 percent. The rationale for maintaining the floor price has completely expired."

He noted that Bangladesh remains one of the few countries globally still enforcing such a minimum rate, adding that it disproportionately affects rural and low-income users who cannot access free internet-based voice services like WhatsApp or other OTT platforms.

Ahmed presented data showing that the floor price adds roughly Tk 387 crore in monthly revenue to operators, largely at the expense of ordinary citizens.

"The bulk of this revenue has come

from the lower income population, who still rely heavily on traditional voice calls," he said.

Using figures from the fiscal year 2023-24 (FY24), Mahtab pointed out that Grameenphone posted a 60 percent earnings before the deduction of interest, taxes, depreciation and amortisation (EBITDA), a financial metric used to evaluate a company's core operating performance and cash flow margin.

Robi's EBITDA was 51.1 percent, and Banglalink's was around 43-44 percent.

"Operators are profiting; citizens are not," he said.

Ahmed proposed a six-point reform roadmap, including a gradual reduction of the voice floor from Tk 0.45 to Tk 0.00 by the end of 2026, with quarterly reductions of Tk 0.15. Fahim Mashroor highlighted the broader implications of the minimum voice call rate for Bangladesh's digital economy.

"Millions of citizens, particularly in

rural areas, are paying above-market rates for basic voice calls. Gradual removal of the floor, with proper safeguards, is not a threat to the industry-- it is the most consequential regulatory reform we can make to expand digital inclusion, empower fintech, and enhance regional competitiveness," he said.

Mohammad Farhan Alam, assistant director of the systems and services division of the Bangladesh Telecommunication Regulatory Commission (BTRC), supported the call for a careful, phased approach.

"A cost review has not been conducted since 2018," he said.

"Gradual removal [of the voice floor price] will benefit consumers while giving operators time to adjust."

Shahed Alam, chief corporate and regulatory affairs officer at Robi Axiata, suggested that a comprehensive cost study should be conducted before removing the voice floor price.

BKMEA seeks changes to amended labour law

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The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) has sought changes in the labour law, which was amended during the immediate past interim government, as the trade body claims their opinions were not addressed in the final gazette.

At a press conference at the trade body's Dhaka office yesterday, BKMEA President Mohammad Hatem said the definition of workers that was agreed upon in the meetings of the Tripartite Consultative Council (TCC) was not included in the gazette.

In the final gazette, the officers and executives of factories and companies have also been classified as workers.

Moreover, in the TCC meetings it was decided that if a factory management adopts the government-sponsored Progoti Universal Insurance Scheme, it would serve as the provident fund for them, Hatem said.

But in the final gazette, it was stated that workers must apply for the Progoti Universal Insurance Scheme to be entitled to the provident fund, he added.

Otherwise, factory owners will have to manage the provident fund separately for workers who did not apply for the Progoti Universal Pension Scheme. This results in double expenditure for factories, and management also needs to recruit separate officers to handle the provident fund, which is costly, he said.

The government should change these issues in the amended labour law before taking it to parliament for further debate, the BKMEA president said.

Opec+ hikes oil output quotas

AFP, Vienna

The Opec+ oil cartel agreed on Sunday to again increase oil production quotas, while warning that repairing energy facilities, such as those damaged in the Middle East war, is "costly and takes a long time".

For the second month in a row, Opec+ countries -- which include key oil producers Russia and Saudi Arabia, as well as several Gulf countries that have been targets of Iranian airstrikes -- agreed to raise quotas by 206,000 barrels per day (bpd) from May.

But Opec+ warned that damage to energy infrastructure increases oil market volatility, potentially hitting global supplies well into the future.

Its statement also stressed "the critical importance of safeguarding international maritime routes to ensure the uninterrupted flow of energy".

The text did not mention the Iran war directly, but the conflict -- which has roiled global energy markets and caused prices to surge -- clearly weighed on the decision.

Sri Lanka struggles to avert economic collapse over war

AFP, Colombo

Sri Lanka is struggling to prevent a repeat of its spectacular economic collapse four years ago, as the prolonged Middle East war compounds the fallout from a deadly cyclone in November.

President Anura Kumara Dissanayake has rationed fuel, raised its price by a third and increased electricity costs by up to 40 percent since the war began disrupting global energy supplies.

Panic buying fuel in Sri Lanka has brought back memories of 2022, when the economy tanked, with inflation hitting 70 percent after Colombo defaulted on its \$46 billion external debt.

The accompanying protests toppled the once-powerful president, Gotabaya Rajapaksa, who was accused of mismanagement and corruption.

But the Frontline Socialist Party (FSP) that led the "Aragalaya", or struggle, that ousted Rajapaksa has warned that Dissanayake's administration may be facing an implosion.

"We believe that a response to this economic crisis will come politically," FSP politburo member

Duminda Nagamuwa told AFP.

"Because of the strength of the (government's) mandate, this economic shock is still being absorbed by the people without exploding politically," he said.

Dissanayake's leftist JVP, or the People's Liberation Front, won a two-thirds majority at the November 2024 parliamentary elections after his own victory two months earlier in the presidential poll.

INTO AN ABYSS

A vendor at Colombo's Pettah night market, Wasantha Jayalath, 55, said he voted for Dissanayake in 2024 hoping for better times, but felt the situation was getting worse.

"We voted... thinking that a good, self-sufficient era would dawn for our country," Jayalath told AFP. "There is no such situation; instead, what we realise is that the country is going further into an abyss."

A trader at the capital's main wholesale market, Priyantha Sudharshana Silva, 53, is not blaming the administration for the crisis.

"Protesting won't help because the country is already in a difficult position," Silva told AFP. "We believe that moving forward, even with these difficulties, is a significant achievement."

RMG tax breaks

FROM PAGE B1 international practices, and rationalising withholding tax rates.

AmCham also highlighted the need to promote digital financial inclusion and support sustainable industries. Their recommendations included lowering duties on smart cards and POS machines, offering incentives for digital payments, rationalising minimum tax rates, and

creating a fully digital, time-bound tax refund system.

The meeting was attended by representatives from several business chambers, including EuroCham Bangladesh, Bangladesh-China Chamber of Commerce and Industries, and India-Bangladesh Chamber of Commerce and Industry, who shared their proposals ahead of the 2026-27 fiscal year budget.

Inflation eases to 8.71%

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Birupaksha Paul, professor of economics at the State University of New York, echoed the sentiment, saying the decline in inflation is not significant. "Expected inflation is on the rise and most of it is fear driven."

Ashikur Rahman, principal economist at the Policy Research Institute (PRI), said the March moderation should be read with caution.

"The spike observed in February was largely driven by a temporary surge in consumption, typically associated with heightened political and electoral activity.

"Such demand-side pressures tend to be short-lived, and the subsequent correction in March reflects the dissipation of this transient effect rather than a structural easing of inflationary pressures," he said.

The economist pointed out that the broader inflation outlook remains fragile. Rising global fuel costs from the Middle East conflict could force adjustments in administered energy prices, with direct and second-round effects on transport, production, and food supply chains.

Besides, he added, "Supply chain disruptions stemming from the conflict could elevate import costs, particularly for essential commodities, thereby feeding into domestic inflation."

Hussain, meanwhile, noted that government-set fuel prices remained

unchanged, with even an expected April adjustment deferred. "If fuel prices had been adjusted at the pump level, the impact would have shown up in the CPI," he said. "But the impact is inevitable."

For instance, he pointed out that the exchange rate already saw an impact in March. In the interbank market, the rate increased by nearly one taka. But the effect of that on import prices will take time -- likely showing up in April -- because payments for March imports were largely made earlier.

Prof Islam said the divergence between declining food inflation and rising non-food inflation suggests the recent improvement is narrow and not yet indicative of a broad-based disinflation. He expects inflation to remain relatively sticky in the near term, with the Middle East conflict posing a significant upside risk.

In this context, PRI's Rahman said macroeconomic management must stay vigilant.

He backed Bangladesh Bank's contractionary monetary policy stance as "necessary to contain demand-side pressures," but added that monetary policy alone would not suffice.

"Complementary fiscal discipline and targeted supply-side interventions, particularly to stabilise food markets, will be critical in anchoring inflation expectations and safeguarding macroeconomic stability in the months ahead," he said.

Stocks plunge amid war

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Among the major turnover leaders, Asiatic Laboratories Limited fell 4.52 percent, followed by ACME Pesticides Limited (3.81 percent), Summit Alliance Port Limited (0.99 percent), and Dominage Steel Building System Limited (1.35 percent).

Out of the traded issues, only 25 advanced, while 354 declined and the rest remained unchanged.

According to a daily market update by Shanta Securities, the downturn

was driven by negative movements in travel and leisure, banking, and paper and printing stocks, despite gains in debentures, information technology and miscellaneous sectors.

No sector ended in positive territory, with mutual funds, ceramics and jute among the worst performers, said UCB Stock Brokerage Limited.

At the Chittagong Stock Exchange, the CASPI index also declined, shedding 228.40 points, or 1.55 percent, to close at 14,473.09.

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transport disruptions adding uncertainty, households are already pulling back. Non-essential purchases are being put off as people are repairing old appliances rather than replacing them."

He added that sales during the last Eid were weak. With shorter operating hours and logistical strain, the upcoming season could be worse if sales centred on the upcoming Eid-ul-Azha falter.

He said that none of the effects would remain isolated. "When one slows, others follow. Reduced cash flow at one end ripples across the market, shrinking overall activity."

Against the backdrop of energy shortages and a tight business climate, Syed Nasim Manzur, managing director of Apex Footwear, proposed an alternative aimed at striking a better balance.

Govt to borrow Tk 5,000cr

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directly, Tk 71,575 crore from commercial banks, and Tk 9,564 crore from non-bank sources.

As per the FY26 budget, borrowing targets from non-banking systems and foreign sources were set at Tk 21,000 crore and Tk 96,000 crore respectively.

Analysts note that borrowing directly from the central bank carries particular inflation risks. However, a structural factor has enabled the current pace of commercial bank borrowing: anaemic private sector credit demand.

Private sector credit growth fell to a decade-low of 6.03 percent in January and remained unchanged in February, BB data show. With few private borrowers, commercial banks have been willing to lend to the government instead.

"The government generally

He suggested shifting shop hours from 1pm to 9pm. The idea is to reduce electricity use during the hotter midday peak while keeping the busy evening hours intact.

Rather than imposing blanket closures, the footwear manufacturer advocated "smart load management", including keeping air conditioners at 25 °C or above, reducing decorative lighting in malls, adopting energy-efficient equipment and enforcing stricter discipline over energy use at the store level.

Setting out the broader picture, he said the commercial sector accounts for 8 percent to 10 percent of national electricity consumption, with retail contributing just 2 percent to 3 percent.

"Closing shops early would impose heavy economic costs for only marginal energy savings," added Nasim Manzur.

The government finances budget deficits and public expenditure by issuing treasury bills -- short-term instruments -- and bonds for longer tenors. These are sold through the central bank to commercial banks, financial institutions, and individual investors, and are considered low-risk investments.

With banking system borrowing already at the annual ceiling and the fiscal year not yet done, economists warn the trajectory raises fresh concerns about inflation, crowding out private investment, and longer-term fiscal sustainability.