Bangladesh must protect digital inclusion as the AI boom drives up costs



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"Rajay rajay juddho hoy, ulukhagrar pran jay" is a well-known Bangla proverb that conveys how ordinary people often bear the brunt of rivalry between powerful nations, individuals, or groups. These days, it also captures an uncomfortable reality of the global artificial intelligence (AI) race. The world's most powerful countries and technology companies are competing for supremacy in a technology that promises to transform economies, industries, and societies. But the cost of that competition is increasingly being felt far beyond Silicon Valley and Beijing.

As AI giants such as OpenAI, Google, and Meta buy enormous quantities of chips, memory, and storage, manufacturers are prioritising these big-spending customers over the consumer electronics market. This is tightening supplies of components for laptops and smartphones, pushing up prices, and making devices less affordable for ordinary consumers. In Bangladesh, computer prices are becoming exorbitantly high, smartphone manufacturers are facing rising component costs, and businesses are postponing technology purchases.

For a country seeking to expand digital inclusion, develop an IT-enabled services industry, and prepare its youth for an AI-driven economy, this creates a troubling contradiction. The technology that could help Bangladesh leapfrog development barriers is making some of the tools needed to use it less affordable.

The AI boom is reportedly making computers significantly more expensive. Entry-level laptops that cost Tk 47,000-Tk 48,000 a year earlier are selling for Tk 65,000-Tk 70,000. Laptop and desktop sales volumes have fallen by around 20 to 25 percent over the past year, even as the total value of sales has increased.

Computer use in Bangladesh already remains very low, with only 11.8 percent of individuals and 9 percent of households using or owning computers. Fewer than 3 percent of manufacturing units in Bangladesh use computers or information technology (IT) in their production work, according to the 2024 Economic Census. And now, AI is making computers less affordable for individuals and industries alike.

Bangladesh's mobile phone industry is also facing rising component costs alongside domestic structural challenges. One report by this newspaper documented how rising memory prices are adding to the pressures on local manufacturers. RAM and storage components have become more expensive, increasing production costs for manufacturers already grappling with grey-market competition, weak factory utilisation, and policy uncertainties. Industry representatives have reported steep increases in memory prices since the beginning of the year, with further increases expected. Such pressures can feed through to handset prices, making affordable smartphones harder to produce and purchase.



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PHOTO: REUTERS

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The difficulties facing local manufacturers could also undermine Bangladesh's ambition to build a stronger domestic digital device industry. The country's handset production fell from roughly 2.73 crore units in 2024 to 2.44 crore units in 2025. Global component shortages are not the only reason behind the industry's difficulties, but they add another burden in an already challenging business environment.

Bangladesh has also long struggled with low smartphone penetration, with nearly half of mobile users—47 percent—still relying on feature phones. To address this, the government is seeking to make low-cost smartphones more accessible and phase out 2G services by 2029 to accelerate digital inclusion. However, rising component prices driven by the global AI boom threaten to undermine these efforts. Indeed, digital penetration in Bangladesh is likely to remain constrained beyond 2027 due to shortages of components for laptops, desktops, servers and other essential digital infrastructure, as the intensifying global AI race continues to drive up component prices.

The United States and China increasingly treat AI as a strategic technology, with consequences for economic competitiveness, national security, and military power. Washington restricts China's access to advanced chips and chipmaking equipment, while Beijing is investing in domestic alternatives. The rivalry now extends to the models themselves.

On September 8, US law enforcement and intelligence officials accused six Chinese AI companies, including DeepSeek, Moonshot AI, and Alibaba, of using distillation—training a cheaper model on the outputs of a more powerful one—to copy US technology. The allegations were disputed and Beijing has called similar claims groundless. It is also building barriers of its own: on October 16, China proposed export controls on 40 technologies, 23 of them tied to AI.

The competition is not confined to governments. OpenAI, Google, Microsoft, Meta, and Anthropic compete with DeepSeek, Alibaba, and Tencent for customers, talent, and computing capacity. DeepSeek showed that Chinese developers can challenge established players with cost-efficient methods. Even so, the spending is enormous. Alphabet, Amazon, Meta, and Microsoft are expected to invest about $650 billion in AI infrastructure this year, up roughly 60 percent from $410 billion in 2025.

The infrastructure splurge is driving shortages of memory as manufacturers prioritise chips destined for data centres over those for everyday PCs and phones. Xiaomi's general manager in Bangladesh has said that AI companies are "effectively writing blank cheques" to memory makers. Counterpoint, a global technology market intelligence and research firm, expected memory prices to climb nearly 50 percent through the first quarter, while Gartner projects PC prices to be 17 percent higher and smartphones 13 percent higher than in 2025.

Bangladesh's computer importers and handset manufacturers are failing to match the purchasing power of global technology giants. They are absorbing higher costs or passing them on to consumers. Export restrictions and trade barriers also make sourcing costlier, and Bangladesh feels the effects through international prices. As wealthy countries and corporations invest billions of dollars to gain an AI advantage, developing economies are being forced to find more money simply to buy the devices needed for citizens to take part in the digital economy.

Connectivity alone can no longer deliver digital inclusion. People also need affordable devices, reliable internet, access to electricity, and necessary skills. If device prices outpace household incomes, expanded networks may not translate into wider participation. There is a longer-term industrial risk too, as higher-value digital services need a broad base of digitally equipped workers and businesses, not just a few well-funded companies.

Bangladesh cannot influence the strategies of Silicon Valley or Beijing, and it should not treat AI as a threat or be put off by it. The technology could create real opportunities in education, healthcare, manufacturing, agriculture, and public services. The challenge is to ensure those benefits are not reserved only for people who can afford increasingly expensive hardware. The government must keep cutting unnecessary duties on computers and components. It's commendable that the government withdrew import duties and VAT on laptops, desktops, servers, printers, and monitors in the FY2026-27 budget. But tax cuts cannot overcome global supply constraints, so their impact should be monitored and other price-raising barriers reviewed.

Support for local handset and electronics manufacturing must also become more predictable, with stable taxation, action against illegal imports, and incentives linked to productivity. Technology supply chains should be diversified, with procurement that values alternative suppliers, repairability, longer device lifecycles, and spare parts. Affordable access schemes—including targeted financing, quality-assured refurbished devices, institutional computer lending, and shared computing facilities—would help students and low-income households.

It is encouraging that Bangladesh plans to launch sovereign AI within a year. However, the initiative must be backed by thorough planning, adequate computing infrastructure, skilled manpower, reliable data, and sustainable investment to ensure meaningful, long-term benefits. Investment should also reach where it can build real strength: digital skills, Bangla-language applications, local software, responsible AI adoption, and higher-value services.

Each time an ordinary citizen or small business is gatekept out of buying necessary devices, it is a setback to the country's digital ambitions. Bangladesh must ensure its people and businesses do not become the casualties of global battles for AI supremacy.

What the US midterm results mean for Trump, Washington, and the wider world



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As the saying goes, Americans have indeed spoken in the 2026 midterms. The Democratic Party's victory in both houses of Congress means not only the end of President Donald Trump's absolute dominance, but also dramatic changes for Washington and potentially for the world. President Trump will now face a divided government until the end of his term. Nevertheless, the results of this year's midterms have much broader implications for America than just division of power in Congress.

Democrats' sweeping victory in traditionally Republican states of Texas, Ohio, Kansas, North Carolina, and others demonstrates the depth of disappointment of Americans with Trump's administration. James Talarico's victory in Texas and Sherrod Brown's in Ohio are especially significant in this regard. However, reducing this event to an ideological swing towards the Democrats would mean failing to understand the real message Americans sent.

American voters made their decision mostly based on their personal economic situation. Inflation, rising gas prices, expensive groceries, and worries about their financial situation dominate Americans' view of the administration's political agenda. According to exit polling, about 39 percent of voters consider the economy the most important topic in this election, while almost one-third believes in the current state of democracy. Economic frustrations and worries about the state of institutions reinforced each other.

This is a very important lesson for any government. Governments can boast about their investment programmes, employment numbers, and growth of the stock market, but voters assess economic success through their purchasing power and economic safety. If people feel they cannot maintain their living standards, no impressive macroeconomic narrative matters.

Foreign policy entered this election directly through the average voter's budget. US military involvement in the war with Iran and Trump's tariff policies became a source of worry about prices, inflation, and economic uncertainty. Polls demonstrated that there is strong disapproval among Americans of the American military involvement in Iran. For many people, the link between military operations abroad and hard times at home becomes clear.

The administration's political appeal has been partly based on promises made by Trump to avoid long, expensive military actions abroad, and put American interests first. Military involvement in Iran becomes a serious complication for this approach. However, this does not mean the midterm election should be seen as a call for Americans to embrace isolationism. Voters can oppose specific military actions but still reject internationalism entirely.

The election's consequences for America's internal situation could be dramatic too. A Democratic Congress opens the door to investigation, closer scrutiny of executive decisions, and budget oversight. The Trump administration's plans for future work will be challenged, and budget negotiations may become highly contentious.

However, a divided government does not necessarily mean a dysfunctional government. The American political system is built on confrontation among institutions and limits on power. Scrutiny by Congress can strengthen democratic accountability, but only if it does not turn into permanent confrontation. Democrats should also show they can govern, not just obstruct the administration.



A Democratic Congress in the US will mean closer scrutiny of executive decisions, but Bangladesh should approach the political shift in Washington without taking sides.

FILE PHOTO: REUTERS

However, the international implications of this event should be considered as well. For Europe, this result could mean increased congressional support for transatlantic relations and Ukraine, but disagreements over defense spending and strategic priorities will continue. In the Middle East, Congress could require more transparency about American military operations, their financial costs, and the possibilities of diplomatic resolution. However, Congress cannot fully revise American foreign policy because the president has broad authority over diplomacy and national security.

The issue of China is another example of complications in relations. Despite differences in rhetoric and strategic actions, competition with China has quite broad bipartisan support in Washington. This means the midterm result is unlikely to change the overall strategy towards Beijing. Instead, disagreements will likely arise about tariffs, technological restrictions, alliance-building, and the balance between confrontation and cooperation with China.

For the international community, the bigger question is that of predictability. America's decisions on trade, security, and international institutions have an impact far beyond its borders. Political confrontation in Washington could raise uncertainty about budgets, development assistance, and international obligations. However, closer scrutiny of Congress could contribute to more consultations and continuity in some areas of foreign policy.

Bangladesh should consider these events without taking a partisan position in American politics. Relations with Washington should be based not on the political preferences of any administration or political party, but on permanent national interests. There are many opportunities for cooperation on trade, investment, labour standards, maritime cooperation, technology, and regional security. Besides, Bangladesh should understand that the bipartisan concerns about institutions, human rights, and economic governance will continue to shape American foreign policy. It is important to build institutional relations, diversify partnerships, and expand cooperation across the political spectrum to pursue sustainable diplomacy.

For the Democrats, there is a test. Election victories achieved largely because of dissatisfaction with the incumbent administration do not automatically build public trust in the Democrats' alternative programme. Now they should offer a credible alternative on affordability, migration, health care, and international relations. Otherwise, today's successes could be temporary.

Trump faces an important limit on his presidential power, but not the end of his political influence. His executive power remains strong, and the Republican Party has a big constituency. Therefore, the next two years could be characterised by either increased institutional confrontation or bipartisan agreement.

In general, this US midterm election has demonstrated a democratic truth: the political mandate is never unconditional or eternal. Economic concerns, controversial foreign interventions, and worries about accountability can change electorates even in highly polarised societies. American voters have changed Congress. The future success of this change depends on Washington's actions.