

April 2013

CONNEXION

steering telecom ahead

CHANGE MAKER OF BANGLADESH

20 years of mobile telephony journey





CONTENTS

From The Desk of Editor	01
Chairman's Message	02
Felicitations	03
Cover Story: Change Maker of Bangladesh	05
Mobile Telecom Industry: Its Contribution to the Economy of Bangladesh	07
Viewpoint	09
National Telecom Policy Review 2012: In Search of a Clear Roadmap on Telecom	11
3G Experience of TeleTalk	12
CSR Activities: GP Pilots "Online School"	13
Back From Barcelona: The Mobile World Congress 2013	14
Numbers & Analysis	16
Pictorial	16

EDITORIAL BOARD

Ashraful H. Chowdhury

Chief Corporate Affairs Officer
Airtel Bangladesh Limited

Zakiul Islam

Regulatory and Legal Affairs Senior Director
Banglalink Digital Communications Limited
(Formerly Orascom Telecom Bangladesh Limited)

Md. Mahfuzur Rahman

Chief Corporate Affairs Officer
Pacific Bangladesh Telecom Limited
(Citycell)

Mahmud Hossain

Chief Corporate Affairs Officer
Grameenphone Limited

Mahmudur Rahman

Executive Vice President, CRL
Robi Axiata Limited

Kazi Md. Golam Quddus

GM, Regulatory & Corporate Relation
Teletalk Bangladesh Limited

T I M Nurul Kabir

Secretary General, AMTOB

Bangladesh, despite being a country with limited resources, has never shied away from embracing new technologies. It was the first South Asian country to roll out a live mobile network back in 1993. Technologically, Bangladesh is at par with many other countries around the world, thanks to an exponential growth of the mobile telecom sector.

Since the beginning of the journey of mobile telecom industry almost 20 years back, it has made a significant contribution to the socio-economic development of the country. It is not only the highest contributor of revenue to the National Exchequer but also has attracted the highest amount of Foreign Direct Investment in Bangladesh. The industry has also created millions of direct and indirect employment.

Bangladeshi Mobile Telecom Operators have introduced many innovative products and services changing the way people and society acts. Thanks to the technological innovation, mobile telecom sector is now a lifeline for millions of Bangladeshis' livelihood and has emerged as the change maker of Bangladesh.

In order to achieve these economic benefits, broadband needs to be widely available and affordable in Bangladesh. Aligning on globally harmonized spectrum enables consumers to benefit from economies of scale through lower cost devices. Operators can deliver high performing networks based on equipment and software used in multiple markets. Availability of sufficient spectrum enables operators to deploy networks at the highest cost effective level and for that we need a conducive tax regime and a predictable regulatory environment.

Recently, the Ministry of Posts and Telecommunications has taken initiatives to revise the National Telecommunication Policy (NTP) - 2012. We appreciate the timely initiative of the Ministry and found the draft to be highly competent and futuristic. One point to ponder is that the NTP and ICT policies are two integral components of the government's vision for Digital Bangladesh and it requires combining all these into a national telecommunication roadmap which will accelerate the implementation process further for achieving the vision of Digital Bangladesh by 2021.

Association of Mobile Telecom Operators of Bangladesh (AMTOB), the industry body of all mobile telecom operators of the country, has taken the initiative to publish a monthly newsletter "ConneXion".

We hope it will play a pivotal role to minimize the knowledge gap between us and the stakeholders. Our endeavors will be successful if you like it.

I would like to thank everybody involved in the process of publication of "ConneXion" especially the Editorial Board and the Working Group without whom this publication would not have been possible.

Wish you all a very Happy Bengali New Year.

T I M Nurul Kabir



CHAIRMAN'S MESSAGE



Mobile telecom industry remains the largest contributor to Foreign Direct Investment and source of tax revenues for the Government of Bangladesh

It's a matter of great pleasure for me to be able to present my thoughts in AMTOB's very first official newsletter "ConneXion".

As you all know, the Association of Mobile Telecom Operators of Bangladesh (AMTOB) is an association of six individual mobile telecom operators. The function of this association is to raise and address issues that concern our mobile telecom industry.

Newsletter is a key tool for any association to voice their individual and collective thoughts on different issues, challenges and opportunities that the operators face within the mobile telecommunication industry.

Our energetic telecom sector has dwarfed all expectations and doubts to help Bangladesh become one of the fastest growing telecom markets in the world. Till date, mobile telecom industry remains the largest contributor to Foreign Direct Investment and source of tax revenues for the government of Bangladesh. Not only telecommunication operators are mastering the demands of technological and regulatory changes but also implementing world class management, corporate governance, illustrating transparency, customer innovation and bringing new services to the Bangladesh market.

It is expected that "ConneXion" will fill up the crucial knowledge gap between the industry, policy-makers and people; disseminating the industry's voice and presenting the facts for intelligent debate.

As this first issue of the newsletter kicks off, I am sure we all hope to see it grow into a world-class respected industry document in the coming months.

Sincerely,

Michael Kuehner
Chairman, AMTOB



AMTOB EXECUTIVE COUNCIL

Michael Kuehner

Chairman of AMTOB &
CEO of Robi Axiata Limited

Chris Tobit

Vice Chairman of AMTOB &
CEO of Airtel Bangladesh Limited

T I M Nurul Kabir

Secretary General of AMTOB

Ziad Shatara

Member of AMTOB Executive Council &
CEO of Banglalink Digital Communications Limited
(Formerly Orascom Telecom Bangladesh Limited)

Mehboob Chowdhury

Member of AMTOB Executive Council &
CEO of Pacific Bangladesh Telecom Limited
(Citycell)

Vivek Sood

Member of AMTOB Executive Council &
CEO of Grameenphone Limited

Md. Mujibur Rahman

Member of AMTOB Executive Council &
Managing Director of Teletalk Bangladesh Limited

ABOUT AMTOB

Association of Mobile Telecom Operators of Bangladesh (AMTOB) is a national trade body representing all mobile telecom operators in Bangladesh. AMTOB has emerged as the official voice of the Bangladesh mobile Industry to interact with relevant government agencies, regulators, financial institutions, civil society, technical bodies, media and other national & international organizations. It provides a forum to discuss and exchange ideas between the stakeholders and the industry actors for the development of mobile telecom industry through public private dialogue (PPD). AMTOB facilitates an environment which is conducive for its members and industry stakeholders with a view to establish a world class cellular infrastructure for delivering benefits of affordable mobile telephony services to the people of Bangladesh to bridge the digital divide.



FELICITATION



I welcome the initiative that Association of Mobile Telecom Operators of Bangladesh (AMTOB) has taken in publishing a monthly newsletter titled "ConneXion". I always felt the need for a newsletter that would enhance our knowledge on the telecom sector and at the same time would keep us updated on the industry activities and the ongoing technological trends. Thus, I appreciate the idea of AMTOB and I hope that "ConneXion" will meet our expectations with its interesting and valuable contents.

The present government is playing a vital role in creating "Sonar Bangla", the dream of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, which he expressed on June 14, 1975 while inaugurating the Satellite Earth Station at Betbunia. Good

news is that, currently, his dream is at the doorstep of being fulfilled. Almost 100% of the country is under the coverage of telecom network. This has been possible due to the active and dynamic leadership of the honorable Prime Minister Sheikh Hasina.

The impact of mobile phone industry in our economy is huge. Apart from attracting the highest amount of Foreign Direct Investment to the country, the sector has created thousands of direct and indirect jobs and lifted many people of the country out of poverty. The industry is the largest contributor to the National Exchequer. I believe, this sector has the significant potential to work along to make our country realize the government's vision of Digital Bangladesh and graduate the country to a middle income economy by 2021.

I wish all the success in the journey of AMTOB Newsletter "ConneXion".

Joy Bangla, Joy Bangabandhu.
May Bangladesh live forever.

Advocate Shahara Khatun, MP
Minister, Ministry of Posts & Telecommunications



I am very happy to note that the Association of Mobile Telecom Operators of Bangladesh (AMTOB) has taken an initiative to publish a monthly newsletter titled "ConneXion". I believe such a newsletter will help us to remain updated on industry happenings and technology trends. I hope "ConneXion" will meet our expectations through its contents.

The impact of mobile phone industry in our economy is enormous. Apart from attracting the highest amount of Foreign Direct Investment, the sector also creates millions of direct and indirect jobs and helps to change livelihood of our people. The industry is also one of the largest contributors to the National Exchequer.

I believe the sector has significant potential to work hand in hand with our government's vision for Digital Bangladesh.

I wish every success on the journey of AMTOB newsletter "ConneXion".

May Bangladesh Live Forever.

Hasanul Haq Inu, MP
Minister, Ministry of Information



It is my pleasure to learn that the Association of Mobile Telecom Operators of Bangladesh (AMTOB) has taken an initiative to publish a monthly newsletter titled "ConneXion".

The mission of the ICT Ministry is to support the attainment of overall socio economic development of the country by establishing access to information technology for research and development, successful utilization and digital management of information and communication technology.

Information and communication technology is the tool which will help us to realize our vision of Digital Bangladesh. Mobile telecom

operators work as a catalyst for development of the ICT sector. The telecom industry is an enabler to realize our vision of Digital Bangladesh.

Telecom is not only the highest tax paying sector of the country, but it has also created millions of employment both directly and indirectly.

A newsletter like "ConneXion" will enrich our knowledge of the Telecom industry. We have a lot of expectation from this newsletter. The newsletter will keep us updated on the latest of this sector.

I wish every success in the journey of AMTOB Newsletter "ConneXion".

Mostafa Faruque Mohammed, MP
Minister, Ministry of Information and Communication Technology



I do admire the growth of the telecommunication and ICT sector spearheaded by data proliferation. Within a short span of time, this sector has grown tremendously beyond expectation, that has been pursuit in late '90s.

I am really delighted to hear that the Association of Mobile Telecom Operators of Bangladesh (AMTOB) has taken initiative to publish a newsletter titled "ConneXion".

I felt encouraged by the endeavor of AMTOB and firmly believe that it would be an instrument to reduce the knowledge gap between the Cellular Mobile Telephone Operators and the stakeholders of the industry.

Bangladesh Telecommunication Regulatory Commission (BTRC) has been working relentlessly for the development of telecommunication sector of the country and the sector has proved its worth by covering 99% of geographic territory of the

country. The number of mobile phone subscribers have reached nearly 100 million within 20 years after the launching of first cellular mobile telephone network of the country. It has also contributed to spread the usage of Internet; of the country's 30.30 million Internet users, almost 95% are using wireless connectivity and almost the entirety of this portion is being provided by the cellular mobile telephone operators.

Learning is a continuous process and we learn every day. The rapidly growing telecommunication sector is a knowledge based industry and our government is eager to create a knowledge based society and vision for Digital Bangladesh is one of its components. The concept has paved its own path and has let the other industries to play in its playground with mutually benefitting business model and strategy.

I expect that the newsletter "ConneXion" will play a pivotal role to enhance our knowledge on telecommunication and educate us on the latest trends and developments around the world. There was a need of a dedicated publication like this, which may eventually become a discussion forum for the operators, critics, subscribers, government etc. I also wish that AMTOB will endeavor to ensure the success of "ConneXion" at its fullest.

I wish every success of "ConneXion".

Sunil Kanti Bose
Chairman, Bangladesh Telecommunication Regulatory Commission



It is indeed a matter of great pleasure that the Association of Mobile Telecom Operators of Bangladesh (AMTOB) has taken initiative to publish a monthly newsletter titled "ConneXion".

To consolidate our vision of "Digital Bangladesh", Mobile Telecom industry has played a vital role through its country wide network coverage. Both the mobile coverage and the economic growth in a developing nation are interrelated. The contribution of the sector is

reiterated in the fact that Mobile Telecom Industry continues to be the largest source of revenue for the Government of Bangladesh.

I hope, the newsletter "ConneXion", an initiative by AMTOB, will provide an insight to the Telecom Industry. It will portray the achievements of this sector which has contributed significantly in the development of our economy. We have immense aspiration from the AMTOB newsletter.

I wish the very best to AMTOB for this brilliant initiative of the monthly newsletter "ConneXion".

MD. Abubakar Siddique
Secretary, Ministry of Posts & Telecommunications



I am very delighted to know that the Association of Mobile Telecom Operators of Bangladesh (AMTOB) has decided to publish their own newsletter titled "ConneXion".

This is a very commendable effort and more so in this era of rapid technological innovation. I believe it will play an imperative role for networking among customers and stakeholders of the telecom industry as they share their upcoming innovations and in depth knowledge. I also expect this association will create avenues for conflicting interest groups to come close and collaborate.

The telecommunication sector is embedded in all spheres of life

and has been the driving force behind government's vision for a "Digital Bangladesh".

We, the Bangladeshis are longing for an affordable broadband via mobile handset for further collaboration and data exchange. Digital Bangladesh is an endeavor where we want to spread the benefits of ICT to every corner of the country. Undoubtedly, telecommunication sector of our country is an enabler of this vision.

I am sure "ConneXion" will play an important role to understand the vision of "Digital Bangladesh" as conceived by our Honorable Prime Minister.

I wish every success for "ConneXion" in the days to come.

Md. Nazrul Islam Khan
Secretary, Ministry of Information and Communication Technology

CHANGE MAKER OF BANGLADESH:

20 YEARS OF MOBILE TELEPHONY JOURNEY

Today's gigantic mobile telecom industry emerged in Bangladesh twenty years ago. When the first mobile phone network was launched in the country in 1993, mobile phone was perceived to be a status symbol for the rich and influential people. At that time, nobody could really imagine that mobile phone would one day become the key to some of the major social and economical changes in Bangladesh. If you take a look at the world today, you will see that the scenario has changed completely. What was once considered as a luxury, has become a basic need for most of the people.

The journey of mobile telecom industry in Bangladesh is very interesting. Bangladesh was the first country in South Asia to launch mobile phone in 1993 by adopting AMPS (Advanced Mobile Phone System) technology.

The first cellular license, however, was awarded in 1989, within a decade of the global commercial launch of mobile telephony in Tokyo in 1979. This is indeed a great achievement for a country like Bangladesh.

Bangladesh is now pursuing its vision of Digital Bangladesh by 2021. But the first digital technology was introduced back in 1996 by awarding GSM (Global System for Mobile) licenses to: Grameenphone, Aktel (now Robi) and Sheba Telecom (now Banglalink).

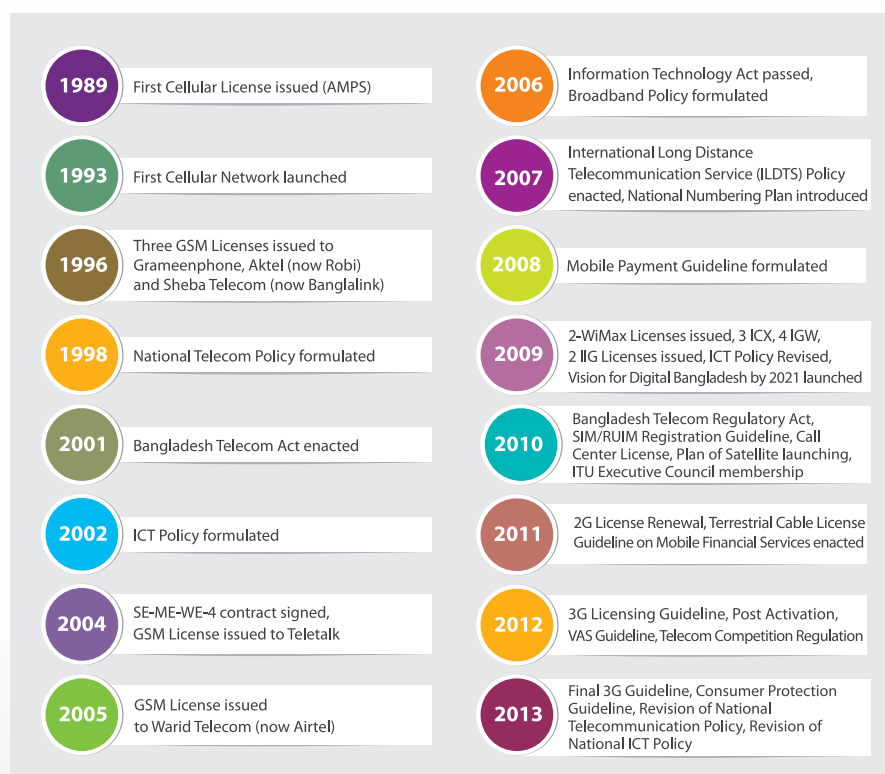
In 2004, government gave the license to Teletalk Bangladesh Limited, a 100% state-owned company to run GSM operation. Subsequently, another GSM license was given in 2005 to Warid Telecom (now Airtel), a concern of Dubai based Dhahi Group. Later, Dhahi Group sold their majority stake of the venture to Indian telecom giant Bharti Airtel.

It took nine years to reach the first million of subscribers and this led

to an intense competition among the players of this market causing extreme price war and soon, in 2005, the number of subscribers reached to 10 million. This was just a headway to an explosive growth in the mobile phone industry which began after 2005. Within four years, Bangladesh mobile phone users reached 50 million with more than a 100% growth per annum from there. At the end of December 2012, the total number of mobile phone subscribers reached 97.18 million and it rose further to 98.59 million at the end of February 2013. If this growth continues, the country is likely to achieve the 100 million mobile phone subscribers landmark by June 2013.



Although, GSM is a second generation (2G) technology mainly focusing on voice, it has helped to increase the Internet literacy of the country.



GSM technology has enabled more than 28.80 million people to access the Internet, which makes up for about 95% of all Internet users in Bangladesh. It is expected that the Internet penetration will be increased manifold once the full-fledged, next generation 3G service is launched. The government has already formulated a guideline for 3G license and the auction for 3G licenses are scheduled to be held in June this year. The growth of mobile telecom industry has not only helped in developing a vital infrastructure of the country but also has played an important part in reshaping the social behavior. At present, a phone is not just a tool for basic conversation, it is also a requirement for businesses; a calculator, a messenger or even an FM radio!

Nonetheless, mobile communication has been changing the way we used to do things. Mobile phone is not just a voice based communication device anymore. It has changed our lifestyle and everyday activities. It is now an enabler of the development; mobile telecom sector has brought many innovative services. Now-a-days, people are paying their utility bills and buying train tickets using their mobile phones. Also, people who do not have bank accounts are doing their banking activities via mobile phones.

Furthermore, mobile phone users can instantly and easily get access to a doctor and seek for advice on different health issues. Even the farmers these days can get access to necessary agricultural information and product prices using their mobile phones.

Back in the days, sugarcane farmers used to struggle a lot to get their purchase orders commonly known as "Purjee". Now they are getting it ("Purjee") electronically via mobile phones quite easily. As many as 2 million purchase orders have been sent for sugarcane purchase over SMS so far.

Apart from that, educational information including results and admissions, citizen services from the government e.g. birth registration, land registration and many more activities can be done via mobile phones. This is now a lifeline of our livelihood and economic development. This is the only sector that has changed the ecosystem of the

cross section of people in the country. Now we do not have any option at all to live our lives without mobile phones.

Broadband, especially the mobile broadband, which is an enabler of Digital Bangladesh, can be achieved via various technologies. However, as Bangladesh is lacking a well-built-out fixed network, wireless technology would be the most efficient way to expand broadband.

The main challenges for the success of Mobile broadband implementation in Bangladesh are related to proper frequency planning and policies on Mobile broadband license. And of course, the high startup cost for the end subscriber due to the SIM Tax and the tax on handsets is another major challenge.

If we look back, we can see that the country always had a vision to move forward by embracing new technologies. It became the member of International Telecommunication Union, a UN body in 1973. The foundation stone of Betbunia Satellite Earth Station was laid in 1975. The country is now in the process of launching its own satellite "Bangabandhu-1" in the orbit.

The visionary government had understood the necessity of the nourishment of the telecommunication sector. Accordingly, National Telecommunication Policy was enacted in 1998 based on which Bangladesh Telecommunication Regulatory Commission (BTRC), an independent telecom watchdog, came into being. BTRC started functioning from January 31, 2002.

The government and the industry need to work hand in hand to take the industry forward.



MOBILE TELECOM INDUSTRY:

ITS CONTRIBUTION TO THE ECONOMY OF BANGLADESH

Communication is an essential part of human life that helps people to fulfill their various social needs. The innovation of telecommunication has, therefore,

THE CONTRIBUTION OF TELECOM SECTOR IN THE ECONOMY

TELECOM - LARGEST CONTRIBUTOR TO FDI

There is a strong positive relationship between economic growth and FDI because larger inflow of foreign investment ensures a sustainable growth in the economy. Foreign investments are generally risk free and bring advanced technological and managerial advantages. Till date mobile telecom industry

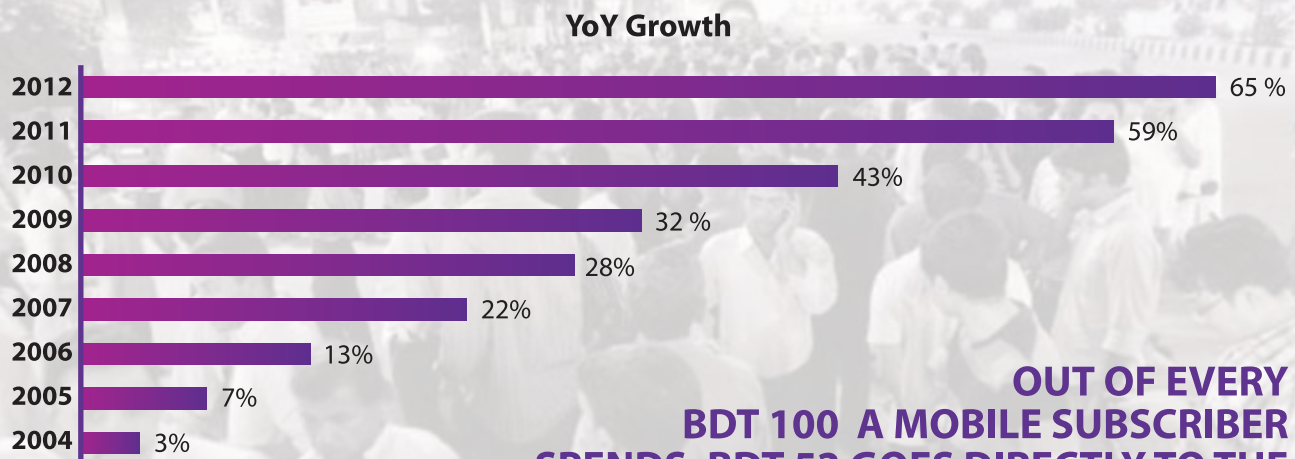


Figure: Significant Subscriber Growth (in percentage)

OUT OF EVERY BDT 100 A MOBILE SUBSCRIBER SPENDS, BDT 52 GOES DIRECTLY TO THE GOVERNMENT EXCHEQUER

converted the whole world into one village; gone are the days when you had to wait months to receive a letter from your loved ones who lived miles away from you. The history of the mobile telecommunication in Bangladesh dates back to 1989 when the license of providing cellular service to the mass people was issued to a private company. In such a short span of time, the sector has grown massively in Bangladesh; the subscription growth increased from 3% in 2004 to 65% in 2012.

TELECOM INDUSTRY AT A GLANCE

The vivacious and thrilling mobile telecom sector has always worked beyond all the expectations and hesitations in order to turn Bangladesh into one of the fastest growing telecom markets in the world. The contribution of the sector to the country, particularly in economic development is unthinkable.

remains the largest contributor to Foreign Direct Investment (FDI) and National Exchequer for the government of Bangladesh. If you look at the graph below, you will be amazed to see how the contribution of mobile operators in FDI has increased over time. In 2001, the contribution was only 0.9% but in 2010 it increased at 60.4%. Considering this data, it can be deduced that for every USD 100 worth of FDI, more than 60% has been invested by mobile operators.

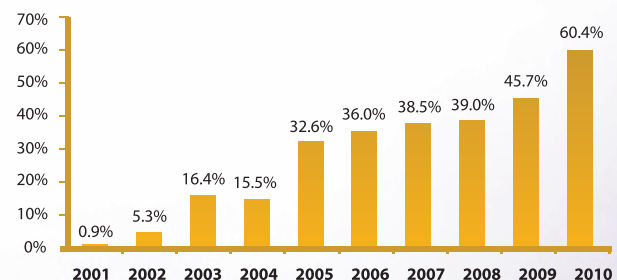


Figure: Contribution of mobile operators in FDI (in percentage)

Source: Bangladesh Bank; Figure for 2010 provisional, only for 9 months

INVESTMENT

MOBILE INDUSTRY INVESTED MORE THAN BDT 50,000 CRORE

Telecom sector, particularly the mobile industry is highly capital intensive. To cope up with the rapid technological changes as well as increasing customer demands, mobile network operators have to invest continuously to upgrade their network and coverage. Therefore, the CAPEX is very high in the mobile telecom sector. Till date, Mobile Industry invested more than BDT 50,000 crore in Bangladesh.

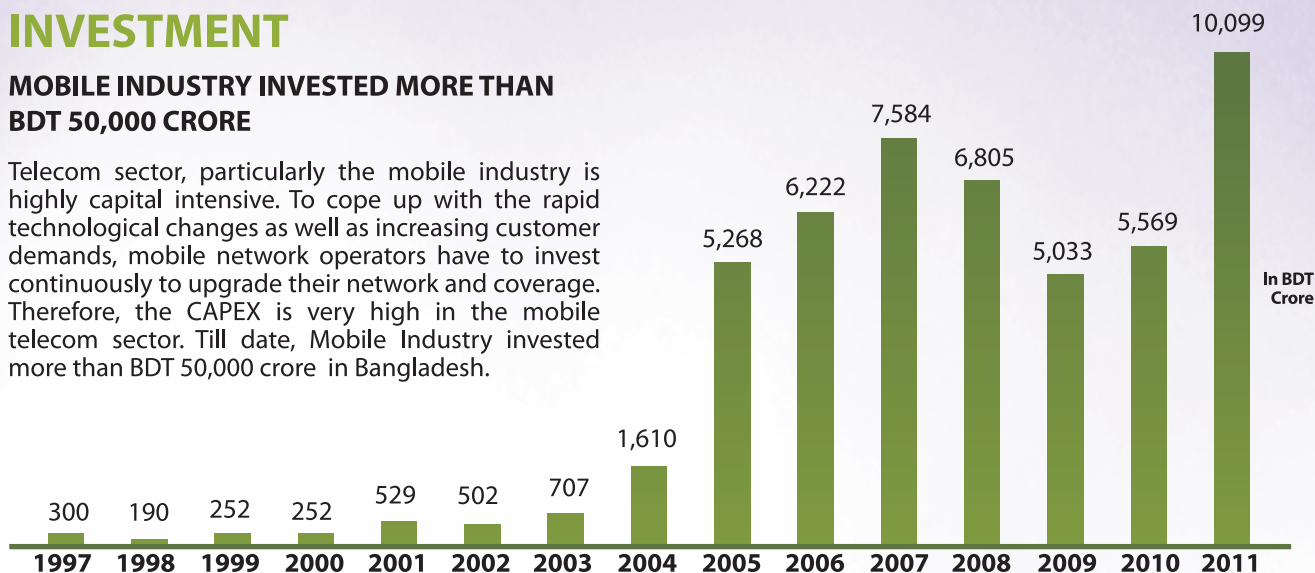


Figure: Total Investment of 50,000 Crore

TELECOM – OVERBURDENED WITH HIGH TAX

The mobile industry of Bangladesh is strictly regulated and highly taxed and therefore has a huge contribution in the government's tax revenue. At present, approximately 10% of the total national revenue solely comes from the telecom operators. *In other words, for every BDT 100 the government earns, BDT 10 is provided by the mobile operators.* If you take a look at the graph below, you can see that in 2011 the mobile industry paid an enormous amount of BDT 8,300 crore as tax and up to 2011, the mobile industry has paid more than BDT 40,000 crore. An interesting fact is that for every BDT 100 a mobile subscriber recharges or spends, BDT 52 goes directly to the government exchequer in various forms of taxes.

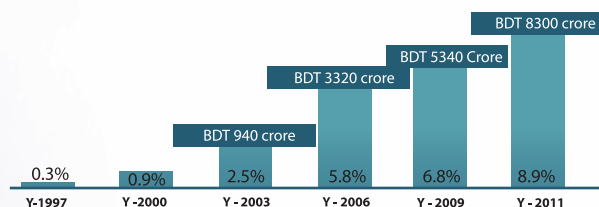


Figure: MNOs contribution to the national exchequer 10% (Approx)

EMPLOYMENT GENERATION

The existing telecommunication operators in Bangladesh are not only successful in excelling the constant technological and regulatory changes, but also implementing world class management, corporate governance, customer innovation, new and creative services and transparency in the market. Not only this, mobile operators have great positive impacts on Bangladeshi peoples' lives. The sector has generated over 15 lac employments both directly and indirectly. The human resources that are employed

directly in this sector are mostly knowledge based. Through this process, the catalytic effect of rapid mobile penetration has increased the standard of living of millions of Bangladeshis.

It has created many sub-sectors based around the huge industry i.e. inspired thousands to become retail recharge vendors, lured hundreds to open up mobile repair shops. Even innovative businessmen have started to make mobile accessories and launch Bangladeshi branded mobile handsets - Symphony and Walton to name a few.

Given the success of the industry, it was not wrong to expect that it would continue to enhance the lifestyle of people profoundly in future. But for several uncertainties surrounding the regulatory setting over regulations and high taxation regime; the telecom industry, unfortunately, is facing a slowdown in the pace of growth. As per the predictions, the mobile industry will enjoy continuous growth in subscription for the next two to three years after which the growth will either face a drop or will remain stagnant before the industry achieves a near to 100% penetration rate. At present, the churn rate remains high, pricing pressure continues to prevail due to extreme competition, interventions and increase in direct and indirect taxes.

Based on the present conditions, it can be deduced that the uncertainties are not meant to be solved in the near future. Sadly, Average Revenue Per User (ARPU) is declining further as the rural mobile penetration growth dominates the next phase of subscriber growth. *Mobile telecom sector in Bangladesh suffers one of the highest tax rates in the world.* Since the operators are unable to pass the high cost to the subscribers, the sector is suffering from a continuous fall in profitability and erosion of capital investment. Since, the industry has made remarkable contributions in FDI, national revenue and the lives of people, a decline in this sector will ultimately have a negative impact on the economy of Bangladesh.



Chris Tobit
Chief Executive Officer
Airtel Bangladesh Limited



Airtel's vision is to be the most loved brand by enriching the lives of millions by the year 2015

Chris Tobit, CEO of Airtel Bangladesh Limited, shares his views on mobile telecom sector in Bangladesh with "ConneXion".

What is the contribution of mobile ecosystem in sustainable development of Bangladesh?

Creating value chain and enhancing productivity are two major contributions of mobile ecosystem in sustainable development of Bangladesh. MNOs are investing significantly to build, operate and maintain their network which created huge forward and backward linkages. The tax paid by MNOs are amongst the highest in the service industry which helped the Government to boost up national revenue. Till 2012, MNOs contributed more than BDT 40,000 Crore to Govt Exchequer. MNOs have created 1.5 million direct and indirect employments and backward linkages. More than 38 million internet subscribers are getting benefitted via accessibility. In social context, MNOs have given banking facility to the unbanked, providing cell/SMS broadcasting, vessel tracking services which has enriched their lifestyles and has helped to bridge the digital divide.

How do you assess the telecom market in Bangladesh and its future?

In recent years, the telcom market in Bangladesh has experienced a rapid growth in terms of subscriber base. The telecommunication sector of Bangladesh has seen a mobile penetration growth that has exceeded all expectations which resulted into a transformative impact on the economy in terms of aggregate investment, FDI and productivity levels. Connectivity helps social cohesion. The Industry can be segmented into Fixed Line (Landline), Wireless (CDMA, GSM, WLL) and Internet Services, (Dial-up, Broadband, WiMAX etc.). Average Revenue per User (ARPU) may decline further as rural mobile penetration growth will dominate the next phase of subscriber growth. Infrastructure sharing will help to reduce marginal costs for a number of operators. But

decline in ARPU needs to be balanced out by the growth of VAS and Data Services. Following the world trend of telecommunication usage, Bangladesh will see rapid data growth in the upcoming years. Government is positively looking into 3G, 4G, LTE licensing to boost up new technology and high speed mobile broadband, as well will follow the world trend and the data market will supersede the voice driven market by next 5 years. The convergence of 4C (Communication, Computing, Consumer Appliance and Content) has provided integrated services of voice, high-speed data, video and consumer tele-working. Multimedia services via broadband network will become a part of daily life and information networks will become an essential element of life in the information society. As a telecommunication network partner to the entire ecosystem of

Government is positively looking into 3G, 4G, LTE licensing to boost up new technology and high speed mobile broadband, as well will follow the world trend and the data market will supersede the voice driven market by next 5 years.

mobile based financial services, we at Airtel, believe that Mobile Financial Services have seen a significant uptake in a very short span of time, under the guiding rules of Central Bank. We have been trying

our best to promote this among our subscribers by all possible means at the remotest corner where we are available. We, ourselves have embedded this into our corporate collection and payment process and have become affectionate customers of mobile banking services. We have taken a couple of initiatives in affiliation with our banking partners to introduce services like micro credit disbursement through mobile banking.

What are the key opportunities and challenges in Mobile Telecom Industry?

The decade has moved from voice to data era. Mobile Phone is becoming an Internet device. Mobile phone data users are on the rise and as a result of that, new and innovative products are being offered. Bangladesh market will soon experience the benefits of technological evolution. Once the scenario is competitive, more services i.e. social networking, M-commerce, M-health etc. will be offered. Thinking out of the box will be the key strategy. With complete adherence to the bank led model as prescribed by the Mobile Financial Service (MFS) guideline, Airtel has partnered with Dutch Bangla Bank Limited mobile banking and bKash and both the services are now available at Airtel commercial network. Currently available services are - Mobile Banking (cash in and cash out, account to account transfer, balance and statement inquiry etc.), mobile recharge, salary disbursement, merchant payment, bill pay, micro credit disbursement etc. It begs to mention that Airtel was the first amongst all the operators to introduce mobile recharge through mobile wallet. Our vision has always been the same, to support the bank led slogan of "financial inclusion" of the unbanked population and to make mobile banking not only an individual banking tool but also a corporate one.

A major challenge for the industry is unfriendly taxation. Mobile operators (in Bangladesh) are overburdened with one of the highest tax rates in Asia. Mobile networks cover more than 99% of the population and the number of connections were more than 97 million in January 2013. Number of subscription has almost doubled in the last 3 years. However, the 54% penetration remains lowest in the region. SIM Tax remains an entry barrier and is hindering growth. This must be removed, otherwise it will be one of the major roadblocks to proliferation of affordable high-speed Internet. Considering the increasing competition and falling ARPU,

Government should look into the matter and take a positive stance. A proper balance between revenue centricity and consumer friendliness versus operator's business viability is essential, and micro regulation should be avoided. Adequate consultation is required to overcome the scenario.

What is your vision for 2013 to 2015?

Airtel's vision is to be the most loved brand by enriching the lives of millions by the year 2015. We are here to keep our customers connected not only to each other but also with the things that they love the most in every part of their lives - music, games, entertainment, networking etc. Our customers are being enriched through a variety of innovative lifestyle-based services. We have been working to take our mobile network deeper into the rural areas and deliver world-class and affordable mobile services. More customers in larger parts of the country will be able to enjoy enhanced voice quality and faster data access. With 3G in June 2013, we will be able to provide better, faster and state-of-the-art services to our subscribers. Upcoming 4G/LTE services will open up another avenue of fresh and innovative services to the subscribers. Customers will be benefited through the augmented service experiences.

Do you think that a Telecom Road Map/long term perspective plan is required to support for achieving the Digital Bangladesh?

Definitely. A roadmap is a plan that matches short-term and long-term goals with specific technology solutions to help meet goals. It will be easier for MNOs to plan or forecast for upcoming services if a roadmap is formulated. But the roadmap should be designed with prior consultation and consensus with stakeholders. Otherwise, the roadmap will not be materialized in due time.



Airtel Bangladesh Limited initiated to draw the world largest street Alpona on Manik Miah Avenue on the occasion of Bengali New Year.



"Bharti Airtel, in association with Manchester United kicked off 'Airtel Rising Stars' in Bangladesh, a country-wide hunt to search for up-coming talented footballers and organized a training camp in England.



NATIONAL TELECOM POLICY REVIEW 2012: *IN SEARCH OF A CLEAR ROADMAP ON TELECOM*

Convergence of Telecommunication and Information Communication Technology (ICT) has been a growing phenomenon around the world and Bangladesh should not be an exception. However, in Bangladesh, we have not seen any such move yet.

The combination of services over the same platform is challenging common perceptions about the best means to license and regulate providers both in the Telecom and ICT sectors. Traditionally, regulatory frameworks were designed for an era when clear functional differences existed between services and infrastructure, but these regulations are increasingly inadequate for dealing with today's world.

The convergence of Telecommunication and ICT in Bangladesh could have been just through an integration of the National Telecommunication Policy and National ICT policy, both of which are currently in the process of review.

It is worth mentioning that Telecommunication and ICT are not two separate components, rather these two compliment and supplement each other. Keeping this in mind, it is inevitable to converge these two vital sectors. If we try to visualize the broader picture of our government's vision for Digital Bangladesh, by any means these two components should not be kept separate. Telecom and ICT are working as nucleus for other sectors. These are like pillars of a knowledge-based society and knowledge is the key driver in modern day economics.

The Posts and Telecommunications Ministry published the draft review of the National Telecommunication Policy-2012 in January for public consultation. Apart from addressing many of the industry concerns, the draft policy has encouraged Foreign Direct Investment, migration to unified licensing, industry friendly taxation, minimum regulatory intervention and transformation of the country into a knowledge-based economy.

The Association of Mobile Telecom Operators of Bangladesh (AMTOB) has appreciated the move of the ministry to review the telecommunication policy which was first formulated in 1998. The 1998 telecom policy paved the way for the liberalization of telecom sector in Bangladesh.

Similarly, the Ministry of ICT is also reviewing the ICT policy, which is definitely a commendable move. The telecom industry of the country is of the opinion that this is the perfect time to review both the policies as a

combined effort to reap the benefits for a common vision for technological advancement.

Bangladesh telecom and ICT sectors both have witnessed significant growth over the past decades, with increasing network coverage, low tariff, innovative products and services. Likewise, Bangladesh did an amazing job in the ICT sector by luring outsourcing jobs, developing softwares and even producing computer hardwares.

However, at the same time, both sectors have also suffered unpredictable and inconsistent regulatory regime, micro regulations, commercial freedom, high taxation etc. Besides, too many license classes for telecom industry, restricting foreign investors to specific classes and limiting business scope for mobile network operators have raised questions among the foreign investors about protection of their current investments, making them reluctant for future investment. The combination of intense competition, high taxation and low tariff is leading to a lack of profitability and hence threatening the sustainability of the industry players. If this trend continues, sustainability of Bangladesh telecommunication sector will be at risk.

National Telecom Policy Review-2012 addresses most of these concerns and gives a clear direction towards a long term sustainable development of the sector as well as the national economy.

However, for long term sustainable development of the telecom sector, a clear roadmap is needed to combine telecommunication with ICT sector which is currently absent in the country. Keeping this in mind, we recommend incorporating some of our thoughts in the strategic action plan such as technology neutrality, framework for mobile-led financial services, a roadmap for spectrum release and most importantly, to remove the tax burden from the industry.

We believe the ministry should consider the full liberalization of International Direct Dial (IDD) and international roaming business, allowing operators to function as a gateway for international traffic.

On the other hand, to ensure the sustainability of telecommunication sector particularly to enable all market players to survive in the market place, telecom sector regulators and policy makers should immediately initiate reforms of telecom sector taxation. In collaboration with financial regulators and authorities, the telecom ministry should actively consider to introduce a rebate mechanism for the VAT already paid on top of different regulatory fees.

The draft policy recognizes the potential of digital and multimedia services for the transformation to a knowledge based society. Due to uncoordinated approaches, digital services like mobile - financial services, mobile-commerce, mobile-governance etc are not flourishing in Bangladesh and hence, it is not contributing enough to national development index. For mobile financial services, Bangladesh Bank has adopted a Bank-led model which is basically suitable for a developed country, as banking service penetration rate is potentially higher there. For a developing country like Bangladesh, the ministry should adopt MNO-led or a Hybrid (MNO+Bank-led) model as mobile service penetration is significantly higher than the penetration of banking service.

AMTOB expects that the government will take necessary steps in integrating Telecommunication and ICT sector for the greater interest of the nation to realize the vision for Digital Bangladesh and graduate Bangladesh to a middle income economy by 2021.

TELETALK ENTERS 3G ERA IN BANGLADESH FOR THE FIRST TIME

Md. Mujibur Rahman,
Managing Director, Teletalk Bangladesh Limited

3G is a short form for "Third Generation" of the mobile telecommunications technology. 3G is the latest mobile technology and is now the fastest growing host among mobile units and handsets. 3G provides the highest internet data speed, compared to other prior technologies. Subscribers of this service are able to make video calls enabling them to do things together with people who are far away. A video call can share a story, celebrate a birthday, hold a meeting, share work with colleagues – just about anything that is required to do together every day. 3G networks also allow everyday people to access music, pictures and videos with ease creating a bigger and open market for these industries in advertising which is not extremely fast than previous networks.

Entertainment is easier through mobile TV at any 3G coverage area. At this moment, 3G users are enjoying Seven Bangladeshi TV Channels including BTV, Channel i, Independent and IP TVs e.g. Cartoon TV, Travel TV, Bollywood TV etc.

On October 14, 2012, Honorable Prime Minister Sheikh Hasina inaugurated Teletalk's 3G service, the first of its kind in the country by talking over the phone with Late. President Md. Zillur Rahman. At the inaugural speech, the Honorable Prime Minister said that the commercial launching of 3G services has set a new milestone in the country's telecommunication sector and elevated Bangladesh to the level of the countries that are ahead in mobile phone technologies.



Prime Minister Sheikh Hasina delivering speech at the launching ceremony of Teletalk 3G services.

At present, the Teletalk's 3G network has already covered Dhaka and Chittagong, two of the most important and populated cities in Bangladesh. At present about 150 thousand subscribers are using Teletalk 3G network.

Teletalk has offered different packages to their subscribers so far. These are - Projommo 3G, Bijoy 3G, Shadheen 3G and Ekush 3G. Recently the offering of smart phones with free 3G SIM cards have attracted all age group subscribers. The speed of the Internet 3G Modem 'FLASH' offered by Teletalk is up to 4 Mbps, which has created a benchmark of data speed for mobile subscribers in Bangladesh.

MAJOR SERVICES OF 3G NETWORK:

- * High speed mobile broadband up to 4mpbs
- * Mobile TV
- * Video Calling
- * Video on Demand
- * Enhanced Voice Telephony
- * Other services by content providers
- * Video Conferencing
- * Navigation on transportation
- * City Surveillance

3G COMPATIBLE HANDSETS

Not all smart phones, however expensive, support every features. Because manufacturers are at their own discretion in developing mobile devices with versatile features. Technically, R99, HSPA and HSPA+ supported handsets are compatible with 3G network and will at least support the voice service. But, regarding data services the availability varies with type of handsets.

Teletalk has tested a number of renowned mobile devices presently available in the market which has been detailed in its website: www.teletalk.com.bd.

Upon completion of the 3G project, the network of Teletalk will be able to cater 65 lac subscribers. Out of which 17.5 lac will be 3G subscribers.

Teletalk
আমাদের ফোন



GP PILOTS "ONLINE SCHOOL"

The quality of primary education in Bangladesh lags behind the expected standard. The main reason for this fall back is a shortage of schools and most importantly a scarcity of teachers particularly in rural and remote areas.



A moderator is running a session of "Online School" as the teacher is coordinating via WEBEX system from JAAGO's main office in Rayer Bazar.

Grameenphone, being a socially responsible company, explored a way to intervene and contribute in accelerating the growth of education sector. The outcome was a simple yet ground-breaking concept - "Online School".

The concept of "Online School" is indeed a pioneering one. The quality of education will increase and we will be stepping forward towards a "Digital Bangladesh" if it is successfully put into operation in Bangladesh. It shows how mobile connectivity can transform conventional ways of providing basic services to the mass.

INTERNET AS A BACKBONE OF INFRASTRUCTURE

"Online School" is a simple method of disseminating modern technology to remote areas of the country and creating a classroom for the children who are deprived of quality education. Under the concept of "Online School", a remote classroom is connected online to a classroom in Dhaka where the teacher conducts the session through video conferencing technology. While the class is on, both the teacher and the students have the freedom to interact live.

ENSURING HIGH QUALITY EDUCATION FOR ALL

The country's first "Online School" supported by

Grameenphone in partnership with JAAGO Foundation started operating from last December in Tongi, which is located at the outskirts of the capital. The project is still in the pilot phase. It is expected that if the project is successfully implemented, it will ensure high quality education in rural areas and will also help in the development of quality teachers there. Currently, the school caters up to 80 children in two sections.

TARGETING CHILDREN LIVING UNDER THE POVERTY LINE

At present, JAAGO Foundation has three school branches with 600 students living in different slums of Dhaka city. Almost all the children are aged between 4 to 15 years and are from families with an average daily income of less than USD 1 which is the international indicator of poverty.

According to a research by Save the Children, Bangladesh has achieved remarkable success in enrolment of primary education with 91% of children enrolled in primary education. This achievement is a result of government's different initiatives including supply of free books.

A CONCEPT TO BE COPIED

Even then, 50% of the children drop out before they complete primary education. Attending school is particularly difficult for working children, children with disabilities, children from very poor families and for those living in remote areas. The teacher to student ratio in Bangladesh is around 1 to 47. With online classroom initiative, JAAGO Foundation hopes that they can deploy similar concept in more remote areas of Bangladesh.

INTERACTIVE AND FUN

In the case of Tongi branch, the classes are run by the physical presence of a moderator while the teacher coordinates the lesson online through WEBEX system from JAAGO's main office located in Rayer Bazaar, Dhaka. The students, provided with necessary books and other equipment, are able to enjoy real-time interactive classes through online facilities.

Based on the feasibility of the concept, Grameenphone plans to replicate the same model in different places of Bangladesh.



THE MOBILE WORLD CONGRESS 2013

Where innovation merges with technology



T I M Nurul Kabir
Secretary General, AMTOB

I had the opportunity to attend many international events in the past but GSMA annual congregation "Mobile World Congress 2013" was one of the most memorable in recent times.

The four-day congress themed 'New Mobile Horizon' was once again hosted in the Mobile World Capital Barcelona, at a new venue, Fira Gran Via between February 25 and February 28.

More than 72,000 attendees including cell-phone operators, technology service providers, analysts and top government officials from 200 countries around the world participated in this year's MWC; which provided a sea of learning and networking opportunities, product showcases and announcements; inspirations and innovations.

This year's congress included a world-class thought leadership conference featuring visionary keynotes and in-depth track sessions, a cutting-edge product and technology exhibition that included more than 1,500 unique exhibitors and the Global Mobile Awards program recognizing advancements and achievements in the industry.

A good number of visitors from Bangladesh attended MWC. This year's Bangladesh delegation comprises the Honorable Posts and Telecommunications Minister Advocate Shahara Khatun, MP; Secretary MoPT Md. Abubakar Siddique, Chairman of Bangladesh Telecommunication Regulatory Commission (BTRC) Sunil Kanti Bose and other senior government and regulatory officials from the MoPT and BTRC. They did not just participate but also contributed hugely in many forums including the Ministerial meetings. Chief Executive Officers and Chief Corporate Affairs Officers from different Mobile Network Operators of Bangladesh also attended the MWC.

Leadership Summit was one of the main attractions for many apart from the many thought-provoking

exhibitions and seminars. There have been many remarkable and inspirational events at the MWC. Following are a few glimpses from Barcelona:

NEAR FIELD COMMUNICATION (NFC)

Near Field Communication (NFC) was a buzz word in MWC. This year, Mobile World Congress offered a truly interactive experience for exhibitors, vendors, and attendees to participate in an environment where information and transactions were exchanged through mobile using NFC technology.

NFC enabled mobile phones have a huge potential to make our lives easier by letting us, with a simple touch, enable secure access to new transaction and payment services across a range of sectors and industries. NFC technology has been in existence for a few years now and it is thought that adoption would increase noticeably in the next couple of years.

MOBILE FOR DEVELOPMENT

The GSMA Mobile World Congress was a showcase for one of the most vibrant and important industries of the world. The mobile industry is barely 30 years old but it's growing in a great pace as it's already one of the biggest contributors to the global economy. Today the mobile operators alone directly contribute 1.4 percent of the global GDP. During the event, a target was also set for the industry growth in the next five years. Over the next five years, the mobile ecosystem is on course to contribute more than USD 10 trillion to global GDP by setting up a goal to achieve 3.9 billion (current 3.2 billion) subscribers by 2017. We were really flabbergasted to know the industry growth in last five years. In the year of 2012, not only were eight million people employed directly in the mobile ecosystem



ITU Secretary General Dr. Hamadoun Touré poses for a photograph with Bangladesh delegation following a meeting.

but also the mobile industry pumped approximately USD 490 billion globally into public fund which was a 32 percent increase from 2008.

Staggeringly, mobile data traffic volumes in 2012 alone were higher than all the previous years combined and are set to grow at a CAGR of 66 percent a year for next five years. And to meet the demand, the industry is willing to invest over USD 1.1 trillion in CAPEX through 2017. There is also a projection for growth of the mobile broadband connections from 1.6 billion to 5.1 billion by 2017.

Michael O' Hara, the Chief Marketing Officer of GSMA, talked about how mobile connectivity is changing the

world. He said, 'Everyday, about half of the people in the planet use mobile phone services. The mobile phone services and its features made peoples' lives easier and comfortable. He also mentioned that with the right support, the mobile connectivity can help the human race address many of the greatest challenges it faces today - extending access to healthcare and education, lifting people out of poverty, fighting hunger, combating climate change and also fueling economic growth.

Bose, presented a keynote paper titled "Preparing for New Age Connectivity in Bangladesh" in one of the sessions of the summit.

GSMA LEADERSHIP SUMMIT 2013

The GSMA Leadership Summit is a unique event where CEOs and government ministers from around the world gather to discuss industry priorities with their peers in a private setting. This year's event brought together approximately 500 attendees, including CEOs and board members from mobile operators and vendors, ministers and senior government representatives from around the world. The theme "Mobile: Creating New Value" focused to explore the critical economic, investment and innovation issues facing the mobile industry. It offered perspectives on how mobile can create a "Connected Economy" that delivers greater value for consumers, businesses, governments and for players across the mobile ecosystem.



MoPT Minister Advocate Shahara Khatun, MP at a meeting with key officials of the telecom ministry and mobile network operators at Barcelona.

MOZILLA LAUNCHES FIREFOX OPERATING SYSTEM-ENABLED SMARTPHONES

At the very first day of the mobile world congress, Mozilla Firefox came up with the announcement to launch its Firefox operating system-enabled smartphones in order to stimulate growth and lower the barriers to high-end phones' usage for customers. The new operating system by Mozilla is expected to mark big changes in the way people interact with mobile devices. It is based on the open web, which means interacting with many of its HTML5-based apps will be like visiting websites through a browser, opening temporarily as apps, and closing. The phone, in essence, is a browser. Mozilla says that the Firefox phones will be the world's first "open web devices."

GLOBAL MOBILE AWARDS

The GSMA Global Mobile Awards recognizes and celebrates all the contributions made to the ever-evolving and developing mobile industry. This year, GSMA received well over 600 entries and nominations for the 37 awards, the largest ever number of honors to be presented at the Global Mobile Awards. The awards were judged by a panel of independent experts, analysts, journalists, academics and, in some cases, mobile operator representatives. The winner of the 18th annual Global Mobile Awards were announced on February 26. Mahindra Comviva, an international provider of mobile financial and value-added service solutions, has won the Best Consumer Mobile Service award for its platform that has powered mTicketing service for Bangladesh Railways.

MOBILE POLICY HANDBOOK

The GSMA's mobile policy book: an insider's guide to the issues, is a unique resource that assembles a range of mobile policy topics and industry positions under one cover. The special edition of the mobile policy handbook was distributed among the participants in the main hall of the ministerial programme.

MINISTERIAL PROGRAMME

Several ministerial sessions were held during the four-day event. The Asia Pacific summit on 'Connecting Asia through mobile' discussed mobile phone's transformational impact on societies of emerging markets in the Asia Pacific Region. Bangladesh Telecommunication Regulatory Commission Chairman, Sunil Kanti



BTRC Chairman Sunil Kanti Bose delivering a keynote paper at the MWC Ministerial programme.



NUMBERS & ANALYSIS

Globally the number of mobile phone **subscription is approaching towards 7 billion**



The mobile industry is a major contributor to the world economy. In 2012, revenues of mobile operators contributed **USD 1 trillion or 1.4% of the world's GDP**



Mobile Communication has raised GDP growth in Bangladesh by **0.12% for every 1% increase** in mobile penetration



A 10% in Internet penetration is correlated with a **1% increase** in the annual rate of new business formation; calculating the creation of **over 129,000 jobs** in Bangladesh by 2020



In both connections and subscribers, Asia Pacific currently represents just fewer than **50% of the global total** and this share will remain constant through 2017.

Internet is expected to **contribute 2.6% of total GDP** of Bangladesh by 2020



PICTORIAL



AMTOB Executive Council members at a photo call during the farewell reception organized in honor of outgoing AMTOB Chairman Mr. Mehboob Chowdhury and Vice Chairman Mr. Tore Johnsen.



Installation ceremony of AMTOB Executive Council 2013.

AMTOB MEMBERS' ACTIVITIES IN PICTURE



AMTOB

Association of Mobile Telecom Operators of Bangladesh

Landview (12th Floor) 28, Gulshan Avenue, Dhaka 1212, Bangladesh
info@amtob.org.bd, www.amtob.org.bd

© Copyright Association of Mobile Telecom Operators of Bangladesh. All rights reserved.

Editor: T I M Nurul Kabir, Secretary General of AMTOB. "ConneXion", monthly Newsletter of AMTOB, published on behalf of the Association of Mobile Telecom Operators of Bangladesh (AMTOB), Landview (12th Floor) 28, Gulshan Avenue, Gulshan, Dhaka 1212, Bangladesh.
 Phone: +88 02 9853344, Fax: +88 02 9853121, email: connexion@amtob.org.bd

Design & Production: Benchmark PR | www.benchmarkpr.com.bd