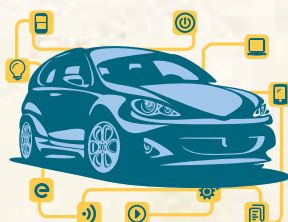




# HOW THE NATIONAL BUDGET CAN RECHARGE THE TELECOM SECTOR



## World Telecommunication and Information Society Day

17 May 2013



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The telecom industry seeks meaningful support from the government in the upcoming national budget for the financial year 2013-14 to survive in a tough business situation. The government has decided to introduce Third Generation (3G) technology for operators in the coming years which will enable mobile phone operators to offer new and innovative applications and data services through high speed mobile broadband internet.

Meanwhile, high government tax, tough regulatory framework and stiff competition among the Mobile Network Operators (MNO) are affecting the business of the operators. As a result, most of them have been incurring losses for years and thus investing further remains a constant challenge to them. It is important to point out that five out of six mobile operators in the country have yet to reach their break-even point. These operators are largely dependent on bank loans and shareholders' money to continue their business expansion. On the other hand, for the one making profit, most of the profit is re-invested into expansion and only a small part is being distributed as dividend to the shareholders.

MNOs are burdened with high tax and VAT at every stage of their business from subscribers' acquisition to corporate tax. The operators subsidize the consumer related taxes. MNOs are required to pay Value Added Tax (VAT) of BDT 221.74 and Supplementary Duty (SD) of BDT 383.36 for each SIM and RUIM. These VAT and SD are collectively known as SIM tax. Apart from those, they also contribute 5.5% of their revenue with BTRC under 'revenue share tax' and 1% to Social Obligation Fund. At present, approximately 10% of the government's total revenue solely comes from telecom sectors.

The upcoming budget to address these concerns of the operators and come up with a rationalized duty structure so that they can perform well amid shrinking profitability and intense competition. Furthermore, if the sector is granted ICT status, telecommunication companies will be able to avail Tax Holiday.

The government may also, we believe, misjudge the risks of the exorbitant license acquisition fees that, if imposed, would discourage deployment of new technologies such as 3G. This is also contrary to the present government's vision of Digital Bangladesh.

Bangladeshi businesses and foreign investors alike are keenly waiting to see whether the Finance Minister chalks out a credible path for the reform process and provide an impetus to the telecommunication sector.

Some issues relating to VAT and tax can be resolved immediately. For example, 2G VAT rebate issue can be settled outside the court along with the resolution of the meeting that took place July last year with the honorable Finance Minister. Waiver of SIM card tax and out of court settlement of SIM replacement issues are also very crucial for the sector. Last but not least, we wish NBR to recognize the SIM tax paid by the operators as expense or the tax paid to the government.

It will reduce pressure to some specific taxpayers and the quantum of revenue earnings would increase to some extent if the scope of taxation is widened—meaning that potential new taxpayers would have to be brought onto the tax net.

This issue of "ConneXion" coincides with the observance of ITU's World Telecommunication and Information Society Day 2013. The theme of this year is "ICTs and Improving Road Safety". This year's theme emphasizes on the fact that technology users must not be distracted by technology when driving - whether calling from their mobile phone, or setting the navigation system, sending a text message or using the Internet while driving.

**T I M Nurul Kabir**



## FELICITATION



I am very pleased to know that the Association of Mobile Telecom Operators of Bangladesh (AMTOB) is regularly publishing a monthly newsletter titled "ConneXion".

I believe such a newsletter will help us to extend our knowledge on telecommunication and keep us updated on industry happenings and technology trends. I hope "ConneXion" will be able to meet the expectations of readers through its contents.

The impact of mobile phone industry in our economy is enormous. Apart from the largest amount of foreign direct investment, the sector is creating millions of direct and indirect jobs and changing livelihood of many people. The industry is also a large tax payer.

I believe the sector has significant potential to work as a change agent in our country to realize our government's vision for 'Digital Bangladesh'.

I wish every success to the journey of AMTOB's newsletter "ConneXion".

**Abul Maal A. Muhith, MP**  
Minister, Ministry of Finance



I am very happy to know that the Association of Mobile Telecom Operators of Bangladesh (AMTOB) has taken an initiative to publish a newsletter titled "ConneXion" on a monthly basis. This newsletter will orchestrate the latest information regarding telecommunication and its inventions.

Mobile telecommunication sector of the country has been playing an important role through infrastructure development, attracting foreign direct investment and contributing to the national exchequer in the form of TAX and VAT. The sector has emerged as the front-runner in bringing changes in the livelihood and lifestyle of the people of Bangladesh through creating millions of direct and indirect jobs.

I believe "ConneXion" will help us to reduce the knowledge gap between the stakeholders and the telecommunication sector. I also believe the sector has significant potential to work as a catalyst in order to realize the vision for a Digital Bangladesh.

I wish every success of AMTOB newsletter "ConneXion".

**Md. Ghulam Hussain**  
Chairman, National Board of Revenue (NBR)

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## 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. 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.

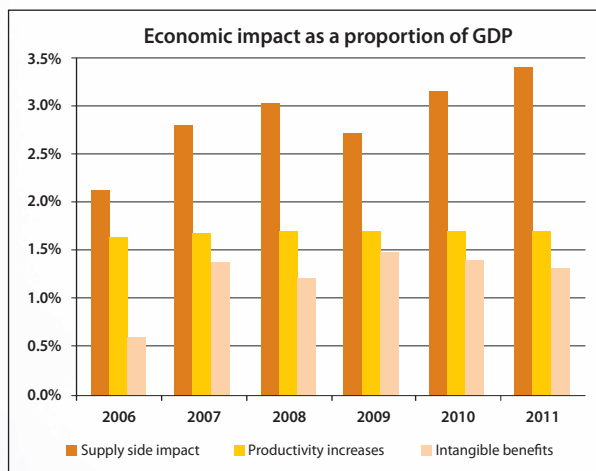


# HOW THE NATIONAL BUDGET CAN RECHARGE THE TELECOM SECTOR

Bangladesh's dynamic telecom sector despite all its commendable jobs- i.e. being one of the fastest growing telecom markets in the world; the largest contributors to the Foreign Direct Investment (FDI); one of the main sources of government's tax revenue and one of the largest employers in the country- is facing huge challenges due to lack of a congenial tax regime conducive to the sector.

The contribution of the mobile sector in the Bangladesh's economy has represented over 2.5% of GDP in each of the last five years, in addition to a contribution of over 1.5% from productivity impacts and a further 1% from intangible benefits.

The government, considering the contribution of a sector, usually comes up with incentive packages through fiscal measures (budget), but regrettably, we didn't see such an initiative from the government, at least for the vibrant telecom sector.



In the process, the catalytic effect of rapid mobile penetration is increasing the quality of life for millions of people. Notwithstanding the phenomenal success, mobile telecom industry in Bangladesh is rapidly losing its charm, largely due to uncertainties surrounding the regulatory setting over regulations and high taxation regime.

Mobile telecom industry remains the largest contributor to Foreign Direct Investment and source of tax revenue for the government. For every USD 100 of FDI, more than USD 60 has been invested by mobile operators. MNOs so far invested BDT 50,000 crore in Bangladesh.

The industry has almost 100 million subscribers and by now has brought over 90% of geographical area and 99% of the population in Bangladesh under mobile communication coverage. Within a short span of time, it has helped country's tele-density reach to more than 65% from less than 0.4% in 1997.

## TELECOM SECTOR AND STIFLING TAX REGIME

Bangladesh is probably a unique example of phenomenal mobile subscriber growth even with one of the highest tax regime in the world. The sector is fighting against the wind and had been successful despite all odds due to its smart and innovative business model. The sector is responsible in bringing remarkable change in the lives of different sections of the society.

The sector is now the most attractive source of government tax revenue and that is a kind of one way traffic. MNOs are only contributing to the national exchequer but getting nothing in return, neither incentive nor rebate/tax holiday.

Tax and VAT have been imposed in every stage of the MNOs business starting from subscribers' acquisition stage, ending at corporate tax. In addition to 15% VAT on all goods and services, at present supplementary duty and VAT on new SIM/RUIM card is BDT 605.52 per new connections. This is the single largest obstacle in the acquisition of new subscribers, constituting a major barrier to growth and blocking new investments in updating mobile networks that provide broadband and voice communication via mobile infrastructure.

At the time of Income Tax Assessment, the assessing officer is disallowing the customer acquisition cost incurred by the operators on account of SIM Tax. The SIM Tax (SD and VAT) paid by the operators that is fully and exclusively expended for the business is to be treated as allowable expenditure while calculating of taxable income.

In 2011, tax on mobile telephony is estimated to make up 21% of the total cost of mobile ownership in Bangladesh. This increased in the last five years from 18.8% as prices decreased and that is significantly above the regional average of 12.81%. Consumer related taxes are often subsidized by MNOs, who also contributes 5.5% of their revenue for a 'revenue share tax' and 1% to Social Obligation fund.

Telecom industries are paying substantial amount for License Renewal and Spectrum assignment fees. There is no clear definition for such kinds of expenditure in Income Tax Ordinance 1984. Moreover, there is no clear cut guideline on amortization in the income tax law. Third Schedule of Income Tax Ordinance deals with only tangible assets in specified rate and category but does not cover amortization.

Amortization policy has already been introduced in the proposed Direct Tax Act, the same should also be added in the existing Income Tax Ordinance. Amortization on accelerated basis required to be introduced in Income Tax Ordinance 1984.

Despite being one of the biggest contributors to the economy, MNOs are facing somewhat unsympathetic behavior from tax authorities including double taxation in many steps of the tax structure, e.g. customs are artificially bifurcating cable from microwave equipment which has a 5% tax and charging 91% tax on items like Base Station (BTS/RBS) Machines for the reception of voice, images or other data including switching and routing apparatus that consists of integral items such as BTS/RBS Cabinet, Cables, Antenna, Battery/Accumulator/Cell, Battery Cabinet, Cable Ladder, Installation materials & Connector and Transmission and receiving apparatus.

## INDUSTRY RECOMMENDATIONS

The SIM card tax is counterproductive as it represents a wall that low income consumers have to climb before owning a mobile phone connection. The SIM card tax increases the total cost of ownership of a mobile phone and actually reduces total tax collection of the government from the industry. It is a negative proposition all round, as consumers lack access to mobile services, the government loses with lower tax collection as the number of users decline and mobile operators have a diminishing customer base. The elimination of the SIM card tax is essential to re-establish the growth path of the mobile industry in Bangladesh and would work in a counter-cyclical manner stimulating the whole economy.

Full withdrawal of SIM Tax will further widen higher industry growth that will result in higher government revenue from the existing sources. Ultimately, VAT on higher revenue results in more contribution through revenue sharing.

Removal of SIM Tax will reduce government's revenue on one hand but will increase it on the other hand and the net impact for government is very positive.

*As per an estimate, removal of SIM Tax will generate net additional revenue of BDT 10 Billion for government over a three-year period.*

The tax authorities should consider withdrawing tax on handsets. The timely decision to eliminate tax on computer has already made it a household commodity. Telecom is a catalyst to spur the growth and mobile broadband is a carrier in absence of a well-built fixed network. Thus mobile telecom is a unique option for the country to adopt, to stay on the path for its vision to achieve 'Digital Bangladesh'.

Government imposed higher taxes on MNOs in the national budget 2012-2013 and did not consider waiving SIM Tax. Deficit in government revenues due to SIM Tax reduction or withdrawal will be well compensated through other revenue sources from the industry growth in both short and long term.

Newly imposed taxation e.g. Advance Income Tax (AIT) on billing will create huge tribulations i.e. adjustment of AIT after fiscal year, deter the growth of the industry; mass people especially the bottom of the pyramid will suffer.

Proliferation of network coverage in rural areas to serve telecommunication to the underprivileged and financially constrained rural population will be severely challenged.

*The mobile telecom industry which has played a pivotal role in Bangladesh growth story feels disappointed. With no incentive or tax relief in the budget 2012-13, if the same happens then the industry would have to channel its course independently.*

It was promised by the authorities concerned for a 15% VAT rebate during renewal of 2G license of four mobile operators. MNOs have had multiple meetings and correspondences with Ministry of Finance, National Board of Revenue (NBR) and Ministry of Posts and Telecommunications with the involvement of Ministry of

Law, Ministry of Information and Communication Technology and Bangladesh Telecommunication Regulatory Commission (BTRC). Regrettably, the issue is yet to be resolved.

Cellular mobile operators paid VAT in addition to the license fee and claims rebate on the input VAT that has been paid to BTRC. However, BTRC was not able to provide Mushok Challan. BTRC is not a registered entity to collect VAT. Cellular operators claim for rebate was refused by NBR on the grounds that operators failed to provide Mushok Challan, without which rebate will not be allowed. In order to resolve this, NBR is to issue Statutory Regulatory Order (SRO) to acknowledge Treasury Challan as an acceptable evidence as an alternative to Mushok Challan or NBR to encourage BTRC to register for VAT and issue the Mushok Challan or remove license, spectrum assignment fee and revenue sharing from 18 (uma) of the VAT Act 1991.

The mobile telecom sector welcomes the government's decision of releasing 3G spectrum via auction but the auction process would involve considerable amount of investments. Therefore, it would be very tough to convince their overseas investors to invest further for MNOs ensuing 3G auction in July; until they get a firm resolution from the authorities concerned on the much awaited VAT rebate issue.

In accordance with the Income Tax Ordinance 1984, allowable limit of expenses against technical fees is up to 8% of profit, whereas, Foreign Exchange Regulation Act stipulates that foreign investors may remit up to 6% of their total turnover. There should be an alignment between the regulators to encourage FDI in the country. The industry strongly recommends making a level playing field for the companies, irrespective of their profit or loss. The industry's proposal is to fix the allowable limit up to 6% of total yearly turnover in align with the Board of Investment.

Growth of the mobile and modern telecommunication service has the potential of boosting the economy of Bangladesh. The link between mobile phone penetration and economic growth in developing countries is well established. A 10% increase in mobile penetration typically boosts GDP growth by 1.2 percentage point per annum in developing nations.

In Bangladesh, mobile sector as a whole is making a loss because of the taxation, regulatory framework and market dynamics. Five out of six mobile operators are doing business at a loss, year after year. In such a situation, investing on expansion is a challenge and these loss making operators are dependent on their shareholders and lenders for investment in expanding their networks. For the one making profit, most of the profit is re-invested into expansion and only a small part is left for being distributed as dividend to the shareholders.

In accordance with the Income Tax Ordinance 1984, Business loss can be carried forward up to six years. In developed countries, the duration of carry forward losses is much higher e.g. in Japan 9 years; Denmark and Italy for indefinite period, even in Pakistan the scope is for 10 years. Considering the investment amount and practices in other country MNOs recommend to allow carry forward of losses for 10 years which will help to attract more FDI into the country.

There are reasons to believe that the government, considering the contribution of the sector, would come up with incentive packages through fiscal measures to aid this dynamic sector.



# ICTs and Improving Road Safety:

## World Telecom & Information Society Day 2013 Theme

Road traffic safety is a global concern for public health and injury prevention. Every year, 1.3 million people lose their lives in traffic related accidents and another 20-50 million people are injured mainly in developing countries around the world. As a result, Governments and individuals suffer an estimated USD 518 billion in global economic loss. In Bangladesh, approximately 4,000 to 12,000 people die on the road every year which is one of the highest rates in the world. This is a shocking figure - 50 times higher than the rates in most western countries.

But many of these mishaps could be avoided with the application of modern telecommunication technology. Mobile innovations offer significant potential for avoiding road disasters and saving lives. In view of this, International Telecommunication Union (ITU), the UN special organization on telecommunication, has chosen "ICTs and Improving Road Safety" as the theme of World Telecommunication and Information Society Day (WTISD) which is observed on May 17 every year. The aim of WTISD is to create and increase awareness about the possibilities ICT can bring to people, and to highlight the theme in all ITU member states.

The major reason of road traffic fatalities is the drivers' use of mobile phone for voice call and/or SMS while driving. This year's theme emphasizes on the fact that technology users must not be distracted by technology when driving - whether calling from their mobile phone, or setting the navigation system, sending a text message or using the Internet while driving. Abiding by this basic rule will significantly decrease the rate of accidents. But Bangladeshi people who drive are not adequately aware of this, while many of those who know do not take this rule seriously. A large number of drivers are almost illiterate and cannot apprehend the danger of unsafe use of mobiles. This is high time we educate the drivers about safe mobile use practices. Additionally, we need to promote the use of safe interfaces and hands-free devices in vehicles.

Vehicular safety technologies also play an important role in improving road safety. ITU has been leading worldwide efforts in developing state-of-the-art ICT standards for Intelligent Transport Systems and driver safety that utilizes a combination of computers, communications, positioning and automation technologies including in-car radars for collision avoidance. These measures will not only help prevent traffic accidents but will also improve efficiencies in traffic management. Bangladesh needs to keep pace with the technological developments and relevant ministries and government agencies must take necessary actions to take advantage of new technologies.

Developed countries are inventing and using intelligent transport systems. European Union has called for installation of eCall in all new models of cars and light vehicles from 2015. In the event of severe accidents, an eCall-equipped vehicle will automatically trigger an emergency call decreasing emergency response times. Like them, Bangladesh must also ensure that our citizens take advantage of the capabilities provided by mobile networks during an emergency.



*"ITU has been leading worldwide efforts in developing state-of-the-art ICT standards for Intelligent Transport Systems and driver safety that utilize a combination of computers, communications, positioning and automation technologies, including in-car radars for collision avoidance."*

**Dr Hamadoun I. Touré**  
**Secretary-General, ITU**

Road safety is important for all people. So, people, in general, and relevant stakeholders in particular need to be sensitized and made aware of the theme of WTISD 2013. Relevant ministries, government agencies and civil society organizations, too, must undertake programs for promoting road safety using safer use of mobile technology. Several organizations are directly involved in Bangladesh in ensuring road safety viz. Ministry of Communications, Bangladesh Road Transport Authority (BRTA), Roads and Highways Department (RHD), Local Government Engineering Department (LGED) and National Highway Patrol. They have elaborate programs for improving and ensuring road safety. Use of ICTs and safe technology use practices must be incorporated in their programs. 'National Road Safety Strategic Action Plan 2011-2013' is being implemented by BRTA. This and the next plan should incorporate proper provisions for leveraging telecom and information technologies for ensuring road safety.





# CITYCELL: SPREADING THE RAY OF HOPE

Drug addiction is becoming a growing concern for the country as a large number of people, particularly a section of the young people are taking drugs regularly. As the use of illegal drugs is on the rise, the situation is getting alarming day by day.

The pioneer cellular mobile phone company Citycell, as being a socially responsible company, is involved in many CSR activities to address various social causes. One of its notable activities is to join hands with Society for Community-health Rehabilitation Education Awareness (CREA), a not for profit organization working for the betterment of drug users as well as creating mass awareness on health and environment. Citycell is involved with CREA since July 2010.

Drug consumption has been spreading widely from urban to rural areas and mostly popular among the youth segment of the society. This has increased crime rates and other anti-social activities. Citycell took the initiative to support with CREA and help the drug addicts to recover. CREA helps the drug addicts to recover, guiding them to lead a normal life like everybody else.

Citycell provided support to CREA through giving them old newspapers on a monthly basis which were used in making thousands of paper bags by the drug users who are recovering from the addiction. The objective of this project is to reintegrate them to the society at large. CREA sells the paper bags to various shops and grocery stores and use the money for the rehabilitation of drug users. Citycell is not only creating social awareness but is also engaging them in environmental awareness as well. By recycling of newspapers, Citycell can stop felling of trees to



*CREA event sponsored by Citycell*

reduce production of newsprint which got positive effect on environment.

**Chief Executive Officer of Citycell Mehboob Chowdhury shared his views on ongoing social issues and stated "The world would be a better place to live in by bonding ourselves in developing a prosperous nation. Let's not delay and join hands together and save our youth from destroying their lives. We should not forget that the youth is our future and we have a great responsibility on our shoulders in shaping a beautiful Bangladesh."**







**Ziad Shatara**  
Chief Executive Officer  
Banglalink Digital Communications Limited



Banglalink will continue its journey upholding its vision to understand consumers' need best and provide reliable and affordable communication solutions that make a difference in peoples' lives.

*Ziad Shatara, CEO of Banglalink Digital Communications Limited, shares his views on mobile telecom sector in Bangladesh with "Connexion".*

### **What is the contribution of mobile eco-system in sustainable development of Bangladesh?**

The telecom industry has ensured mobile connectivity to the people of Bangladesh, which subsequently continues to evolve and shape this country. The country experienced a revolution unlike any other; the population quickly started having access to mobile coverage as well as the latest technologies. Unlike other industries, the telecom industry assures consumers the most updated technology, which is at par with most of the advanced countries in the world. It has truly helped the economic activities of this country to gain dramatic speed and brought in much convenience to the lives of millions. The huge amount of FDI that came through the mobile operators has surely injected much needed fresh fuel into the economy of Bangladesh. Moreover, the continuous investment into network by the operators are not only improving the availability and quality of services for the masses, but also helping to generate more economic activity. As the industry started to take off, the government too started to benefit. Mobile industry contributes directly to the Government Exchequer such that contributions in the form of direct and indirect taxes are the highest of any industry in Bangladesh.

### **How do you assess Bangladesh's telecom market and its future?**

The telecom market has seen massive year on year growth over the last decade. The market size is manifold over what it used to be, say ten years ago. When Banglalink came in 2005, the industry began to change almost overnight, as we went for aggressive network rollout and brought competitive products that targeted the masses. We continued to be the

fastest growing mobile operator in the country and within a very short time, ensured coverage across all of Bangladesh. From the very beginning, we continued to focus on our core values - Banglalink continues to be innovative, passionate, reliable & straightforward.

The mobile market in Bangladesh is expected to slow down in terms of penetration as the market reaches out to most of the customers. Thus, the massive subscriber growth that we experienced in the past decade will likely decrease in the coming days. Growth will have to come from other areas where there are still opportunities, such as Mobile Financial Services (MFS) and data services - to name a few. In many areas of MFS, Banglalink has been an industry first - having launched several key innovative services such as mobile remittance, mobile money order and mobile bill payment. Internet penetration in Bangladesh still remains low so the data market is expected to grow manifold in the future. In the meantime, we will also see the emergence and implementation of newer technologies such as 3G, 4G and LTE. The mobile industry has deep level connectivity that fan out to the innermost reaches of Bangladesh, an opportunity that can be utilized to ensure availability of any service. This widespread connectivity also ensures mobile operators to be in a unique position to partner the government's vision of a 'Digital Bangladesh' and reach out to the most remote corners. As the market becomes more and more competitive, operators may see bottom lines decreasing whilst costs increasing. The challenge will be to reach economies of scale as operations grow in size so that the right balance of profitability and costs are achieved.

*The mobile industry has deep level connectivity that fan out to the innermost reaches of Bangladesh, an opportunity that can be utilized to ensure availability of any service. This widespread connectivity also ensures mobile operators to be in a unique position to partner the government's vision of a "Digital Bangladesh" and reach out to the most remote corners.*

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

The mobile industry has gradually emerged from being a basic service provider to a complete communication solution provider. The requirements of our customers have changed over time such that they require more VAS, MFS and data services to address unique requirements. When 3G arrives, we shall see more service customizations that depend on high speed Internet connectivity. Voice, however, will



still be the dominant avenue in Bangladesh so we will continue to invest and cater to our customers as best as possible in this crucial area. Ensuring the best quality of services is a key opportunity for us, which we shall continue to address in order to retain and grow our valued customers.

The main challenge for the market is the taxation regime. Although the telecom industry contributes the highest to the government exchequer, it is heavily burdened with taxes on all stages - such that almost 50 percent of industry revenues are paid to the government. This leaves us with little money to invest in other vital areas of improvement. We all know, the next generation of mobile customers is mostly in the rural. Heavy taxation restricts us in reaching out to them. Even then, the industry has diligently continued to focus its capex in rural Bangladesh despite incurring losses due to low revenues and long payback periods. This is coupled with difficult rollout conditions such as lack of electricity, which further drives up costs as sites need to be kept in operation with standby generators, sometimes for days on end! Among other issues, we believe waiver of SIM Tax will greatly accelerate mobile penetration, 3G and high speed mobile broadband. This will consequentially bridge the digital divide and contribute in further boosting GDP growth in the country. If the SIM Tax is withdrawn, the increased subscriber base will contribute more to the government over a longer period with sustained revenues in the form of VAT and other indirect taxes. The opportunity cost of SIM Tax may well be invested in further developing and optimizing the network and other services.

### **What is your vision for 2013 to 2015?**

Banglalink will continue its journey upholding its vision to understand consumers' needs best and provide reliable and affordable communication solutions that make a difference in peoples' lives. We have been able to establish Banglalink as a pro-people innovative brand with versatile and aggressive offers while keeping the core focus on "making a difference." We shall continue to strongly associate with the culture and heritage of Bangladesh as a patriotic brand. The vision for 2013 and beyond will be focusing on customer excellence. This will be reflected in all the areas of our consumer touch points so that we are perceived as the best telecom service provider in Bangladesh. Additionally, we will listen more closely to our customers, thereby addressing their needs and provide them with the best value. Banglalink is the second largest operator in the market and our customers will continue to enjoy the innovations and services as befitting this aggressive player. Our superior strength will be demonstrated through our state of the art network, efficient and friendly customer services, value generating products and innovative VAS, MFS and other services.

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

It is very important to have in place a consistent policy over a long term period in order for operators to invest as per their business plans. In the telecom industry, since investments happen over a long term, it is imperative that the policies remain in place when operators are ready to become profitable. This leads to operators in having strong cash flows and be ready to make the next generation of investments.

The Government of Bangladesh is driving the country on the path of a "Digital Bangladesh". Having nationwide mobile connectivity is one of the most important milestones on this road and it is by riding on the back of the telecom industry that this dream can be turned into a reality. Currently, Bangladesh presents itself with a unique and largely untapped opportunity in the global software export arena. The market for software exporters from countries in South Asia and South East Asia are gradually becoming less competitive as increased costs of software development in those countries have led buyers to look for more cost efficient alternatives. These days, software exporters are largely freelancers who develop software and apps and then sell them through popular global market places such as App Stores and Android markets. Now, the only bridge between their knowledge and implementation is a fast, reliable and widespread Internet connection. By having in place a Telecom Road Map/long term perspective plan, operators can easily facilitate the government by implementing, say 3G, and address this important connectivity issue. The scope for this software export market is virtually limitless and has the potential to emerge as another massive source of foreign exchange earner for Bangladesh - similar to the garments boom that we have seen happen earlier in the country. I believe such policies enable operators to set up visionary plans that happen over a relatively longer period of time.



*Mr. Ziad Shatara, CEO, Banglalink handing over refurbished laptop for the training of disabled youths.*



## NUMBERS & ANALYSIS

Research shows that smartphone users spend an average of 12 minutes a day on phonecalls. They spend more time **playing games-14 minutes**, **listening to music-16 minutes**, using **social media-17 minutes** and **browsing online- 25 minutes**.

In 2014 it is expected that **MOBILE INTERNET USAGE** will overtake desktop internet usage. Currently more than 50% of all local searches are performed from a mobile device.

More than **1 thousand mobile phones** are activated every minute of **every day**.



The most common use for a mobile is **neither calling nor texting** but **checking the time**.



**1.7 billion mobiles** were sold in 2012.



## AMTOB'S ACTIVITIES IN PICTURES



Chairman of AMTOB and CEO of Robi Axiata Limited Michael Kuehner handing over Mobile Telecom Industry's budget proposal to the Chairman of National Board of Revenue (NBR) Md. Ghulam Hussain following a meeting with senior officials of NBR recently. CEOs, CCAOs and CFOs of AMTOB members among others were present on the occasion.



Posts & Telecommunications Minister Advocate Shahara Khatun, MP, addressing at the launching ceremony of AMTOB monthly newsletter "ConneXion" and official website.



MoPT Minister Advocate Shahara Khatun, MP, Information Minister Hasanul Haq Inu, MP, BTRC Chairman Sunil Kanti Bose, ICT Secretary Md. Nazrul Islam Khan and members of AMTOB Executive Council showing the AMTOB monthly newsletter "ConneXion" at its launching ceremony.



## DID YOU KNOW?

For every BDT 100 the Government earns, **BDT 10 is provided by the mobile operators.**

Mobile Industry Invested more than **BDT 50,000 crore** in Bangladesh.

Out of **every BDT 100** a mobile subscriber spends, **BDT 52 goes** directly to the Government exchequer.

Mobile Telecom Industry has generated more than **1.5 million direct/ indirect employments.**

For **every USD 100** worth of Foreign Direct Investment, more than **USD 60 is invested by mobile operators.**

## AMTOB MEMBERS' ACTIVITIES IN PICTURE



## AMTOB

Association of Mobile Telecom Operators of Bangladesh

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