

CONNEXION

steering telecom ahead

May-June 2015





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Telecommunication in Bangladesh has come a long way, and mobile telecom operators (MNOs) are in the forefront of this revolution. MNOs are working relentlessly in line with government vision of maximum penetration, connecting the unconnected, for accelerating national development agenda and Digital Bangladesh.

However, though the telecom sector is a driver of productivity and efficiency for almost all other sectors, the sector has not been considered a priority. As a result, no special measures are taken to develop the sector along with global changes in technology, market scenario, and usage pattern. Failing to do so is actually keeping the nation behind. The quicker we understand this, the better.

National Telecom Policy works as an umbrella under which telecom phenomenon happens which boosts the sector. Our telecom policy was done in 1998, and it cannot address at all today's reality. Over the last 15 years, technology has evolved so fast, market dynamics has changed drastically, user behavior graduated with increasing and innovative uses of technology. Bangladesh telecom is lagging behind due to its age-old policy; the sector cannot grow without proper roadmap and required policy support - it is really a sorry state.

Bangladesh tax regime for telecom sector is one of the highest in the world, despite the sector's multifarious contribution in national economy. The sector brought in highest FDI, it created employment for hundreds of thousands of people countrywide, assisted several sub-sectors to grow, and it contributes to GDP hugely. Doing business without mobile phone is almost impossible in today's world. Despite the all-encompassing role of the sector, it is highly taxed compared to all other business sectors. The reason is really inconceivable.

The government wants to connect the unconnected. But it has imposed a tax called 'SIM/RIM tax' for every connection sold which rather discourages the poor section of the society to get a connection. This is a peculiar tax which is unseen in any other country. Government policy here is conflicting with government objective.

AMTOB has submitted its proposals to the Government for re-evaluating the tax structure for the telecom sector in the upcoming budget. We hope government will review it seriously. GMSA recently completed a research through Deloitte on Bangladesh telecom tax structure which also suggest government for revisiting the tax regime. Government also needs to offer incentives to the investors of the sector which brings highest FDI to the country.

World Telecommunication and Information Society Day (WTISD) 2015 will be celebrated with jubilation in Bangladesh like every year. However, this year's WTISD celebration is very special because it's ITU's 150th anniversary year as well. This year's WTISD theme is: "Telecommunications and ICTs: Drivers of innovation". The innovations with and from ICT and the implementation of these technologies pervade every aspect of our lives. As we celebrate the 150th anniversary of ITU, we look back with pride at the sector's accomplishments. At the same time, we look forward to the future and respond to the rapid changes in the global telecom and ICT environment.



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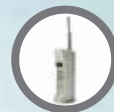
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ABOUT AMTOB

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.

DID YOU KNOW?

In **1983**, the first mobile phones went on sale in the U.S. at almost **\$4,000** each



The average person **unlocks** his or her smartphone **110 times** each day



The first handheld cell phone weighed 2.4 pounds and was 9 x 5 x 1.75 inches in size with only **20 minutes** of battery life when talking and took approximately **10 hours** to charge back up fully



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NUMBERS & ANALYSIS

There were **7.1 billion** global SIM connections at the end of 2014 with the unique mobile subscribers close to over **3.6 billion** and the mobile internet users at 2.4 billion



In **2014**, the mobile industry generated 3.8% of global gross domestic product (GDP) that contributes to over **US\$3 trillion** of economic value across 236 countries



The mobile industry made globally a mammoth contribution of **US\$410 billion** (inclusive of spectrum auction) to public funding in the form of general taxation





Mobile Telephony: Transformer of Socio- Economy of Bangladesh

Mobile telephony has liberated the constraints of access to communication for the people of Bangladesh and has been particularly empowering the disadvantaged and the rural population. The mobile telecommunication sector is one bright example of how a technology can boost the economy and at the same time enhance People's wellbeing.

Mobile telecommunication sector has been one of the prodigious success stories of Bangladesh economy with mobile subscriber growth exceeding all expectations. Bangladesh pioneered in bringing mobile technology in 1989, first among its South Asian neighbors and just within a decade of first launching of commercial mobile network by NTTN in Japan.

Mobile network operators (MNOs) have been working relentlessly in line with the government's vision to connect the unconnected at grass root level and thereby providing valuable support in the economic development of the country. As such, the Mobile Network Operators (MNOs) are playing a pivotal role in the development of the country as a single service sector on two distinct levels; firstly- the economic development of the country and secondly- social development.

CREATING OPPORTUNITIES

Increased mobile connectivity not only makes telecommunication services accessible to the people from all parts of the country but also contributes to the national economic growth by increasing businesses productivity, creating direct and indirect employment and empowering the people.

MNOs have created over 1.5 million direct and indirect employments. Contribution of mobile services to employment comprises of four components. Firstly, there is the 'direct' employment of the industry or workers directly employed by the players in the value chain. Secondly, there is the 'support' employment, which is created by the outsourced work and taxes that the government subsequently spends on employment generating activities. Thirdly, there is the 'indirect' category, which covers other costs as well profit generated, which is subsequently spent on employment generating activities. Finally, there is the 'induced employment' category, which refers to jobs created as employees and other beneficiaries spend their earnings, thereby creating extra employment.

CONTRIBUTING TO NATIONAL EXCHEQUER



MNOs have been contributing significantly in the national exchequer in the form of revenue sharing, VAT and other taxes. Tax revenue is generated in numerous ways. A large proportion of the value-add 'retained' by the mobile operators is used to pay taxes such as VAT, import duty, handset royalty and supplementary duty. Wage income accruing to employees is subject to income tax. Value-add flowing to other sectors also generate tax revenue. In the whole, presently the government earns about 10% revenue from mobile telecommunication sector.

CONTRIBUTION IN ECONOMY

MNOs are investing significantly to build, operate and maintain their network which creates noteworthy

forward and backward linkage. Creating value chain and enhancing productivity are two major contributions of the mobile telecom ecosystem in the economic development of Bangladesh.

In fiscal year 2012-2013 contribution of the mobile sector in the national economy had been 3.1% of the GDP. This GDP contribution was highest among other Asian countries. Mobile services stimulate activities in the wider economy, further boosting GDP. According to a study, each 10% increase in mobile penetration increases gross domestic production (GDP) by 0.8%-1.2% (source: Deloitte, 2012). It provides sustainable employment opportunities to millions, improves productivity of employees and businesses.

LARGEST CONTRIBUTOR OF FDI



With fast development of the technology, mobile telecommunication has emerged as the most preferred method of connectivity. Because of the relative ease with which mobile communications network can be deployed and the replicability of the business models from country to country, mobile communications is usually one of the very first technology related sector to enjoy the benefit of FDI.

The mobile telecommunication sector in Bangladesh is one of the largest sectors which have attracted the highest volume of FDI into the country. Contribution of FDI by the telecom sector in 2001 was only 0.9%. Within a decade time, in 2010, the ratio of FDI contribution increased to 60.4%. In 2013 alone, the industry invested over BDT 11,430 crore for procuring spectrum and rolling out of 3G network. Over the last 20 years the Mobile Network Operators (MNOs) have invested more than BDT 72,000 crore for huge infrastructure development all over the country.

CONNECTING THE UNCONNECTED

In developing countries like Bangladesh mobile services now take the role that fixed communications played in developed countries. However, a surplus advantage is that mobile communications are far cheaper and easier to deploy than fixed communications. The lower the cost of installing mobile services compared with fixed services, particularly in rural areas, the more it facilitates

disadvantaged groups to gain access to communication. Mobile therefore is a more unrestricted mode of communication than fixed.

Presently mobile telecommunication of Bangladesh has around 122.68 million subscribers and mobile penetration rate is 68%. Within a time span of 18 years the country's tele-density has reached close to 70% from less than 0.4% in 1997.

However, in today's world, telecommunication, ICT and broadcasting are being converged, and they have cumulative effect on business, government, and consumers. Convergence is a reality, and developed countries have adopted it. We too have to accept this reality – we have to educate ourselves and revise our policies accordingly.

DELIVERING PUBLIC GOODS

There is no doubt that cell phones are a tool of convenience. Having a cell phone now makes people reachable in almost any location. This makes the individual easier to contact. Ease of access is not the only benefit of cell phones today though, as mobile network operators (MNOs) offer various other services that have many benefits.

MNOs offer various applications including Business, Healthcare, Marketing, Education, Entertainment, Utility, Fun and Communication. They also offer different gaming options e.g. racing, puzzles and wallpapers and video download services where subscribers can download news, movies and drama clips. Music download services offer a sea of music with download options. They also offer ring back

tone and ring tone based on popular songs, instruments and quotes.

Text or SMS based content is another area where mobile subscribers are serviced via push and pull or through subscription. Text based content includes news alert, health, beauty, fashion news and tips, Islamic tips and many others.

MOBILE HEALTH SERVICE



A voice based service that offers health information to pregnant women and new mothers in Bangladesh. The service, which is called Aponjon (meaning "trusted one") was launched by public-private partnership Mobile Alliance for Maternal Action (MAMA).

The Aim of Aponjon is to dispel commonly held misconceptions about child birth, while informing mothers of genuine health hazards and warning signs. The service also offers guidance to local healthcare service and explains the benefits of family planning. This voice based service is designed for an audience with low level of literacy.

MAMA was launched in 2011 as a partnership between RSAID, Johnson & Johnson, the United Nations Foundation, mHealth Alliance and Baby Center. Aponjon is also supported by the Government of Bangladesh.

Apart from these, individual MNOs have launched mobile Health services from where mobile subscribers can fetch support from professional medical practitioners by just dialing a number and getting health advice and primary remedies within an affordable price.

AGRO INFORMATION SERVICE



80 percent people of Bangladesh are engaged in agricultural works. Considering the literacy rate and lack of modern knowledge on agriculture, MNOs in collaboration with Agriculture Information Services launched different services for the farmer community of Bangladesh. This basket of services has been introduced to help anyone who is directly or indirectly related to agriculture or agro business. In fact, this service basket is to support the complete value chain of agro economy.

Availing these services is easy for the customers. All they need to do is dial a short code. As soon as a subscriber dials the short code, he/she will land up on an IVR (Interactive Voice Response) system. According to the need of the subscriber, the live human agent on the other side will provide all the information. The subscriber can also receive the update through SMS simply by sending SMS to the same short code.

MOBILE FINANCIAL SERVICE (MFS)



MNOs are continuously strengthening their efforts to be true to their promise of “starting something new” for empowering people to make positive changes in their lives. Introduction of mobile financial services is a major milestone in that journey.

Now subscribers have easy access to the largest mobile financial portfolio of the country through their mobile

phone. A customer can pay utility and internet bills, make insurance premium payment, receive remittance, access mobile banking facilities and buy train tickets or even concert tickets with their mobile connections.

MNOs put in place help lines and dedicated MFS care lines can be reached by dialing a predefined short code or a number, working 7 days a week countrywide to make financial transactions easy and convenient for anyone.

In fiscal year 2012-2013 contribution of the mobile sector in the national economy had been 3.1% of the GDP

UTILITY BILLS



Until recently, utility bill payment in Bangladesh meant standing in long queue in limited banking hours. To change the idea, MNOs in collaboration with utility companies launched bill payment services for the Bangladesh Power Development Board (BPDB), Dhaka Electric Supply Company (DESCO), Water and Sewage Authority (WASA) and Titas Gas Company.

TRAIN TICKET



For the demand of time, MNOs have launched e-ticketing service in partnership with Bangladesh Railway. Now railway passengers do not have to rush to the stations and wait in long queue for purchasing their train tickets. Through this service, railway passengers can book seats from their own mobile phone by dialing a short code or from cash points located at different places in the country.

REMITTANCE



MNOs in collaboration with commercial banks have jointly launched “Remittance” services, the first ever for Bangladesh as well as for South Asia. This service is a highly secured, convenient, reliable, fast and cost-effective remittance system. Beneficiaries with mobile subscribers will be able to open mobile wallet accounts with a partner bank from cash points, and receive the remittance directly in their mobile wallet account. If the beneficiaries do not have mobile connections they can still receive the remittance by submitting the transaction details to an agent point. This comes as quite a blessing in a country where over 3.5 million immigrants send money home every year.

ONLINE SHOPPING



MNOs have launched online shopping and lifestyle sites. Users can buy and sell their products through such sites. These offer Online Radio, Medical Directory (free for users), Web SMS Service and many more.

WEB SMS SERVICE

Web SMS Service enables users to send SMS from computers and smartphones to many numbers at the same time creating opportunities for marketers to launch their promotional campaign.

GIFT SHOP



Gift shop portal are another of the popular VAS services of MNOs. Through these gift shops, customers can send out virtual gifts from their cellphones. These gifts can include m-music clips and greeting clips. The portals allow for gifts with regard to special occasions, such as birthdays, wedding anniversaries and a variety of personal messages on different emotions, such as love, sadness etc. Customers just have to dial a short code and are let access into the IVR System.

NEWS UPDATE



To facilitate people's right to know, the MNOs have come up with very comprehensive news alert services. Latest news is delivered to the subscribers' cellphone via SMS on an hourly basis or depending on how important the news is. The latest news enfolded politics, domestic and international affairs, commerce, agriculture and sports are delivered to the very palm of the people. Sports are prioritized even further in light of high public demand. Besides regular news, sports updates are exclusively sent to subscribers' cells whenever something significant happens in the stadium, e.g. a wicket is lost or a goal is scored.

VEHICLE TRACKING SERVICE



Vehicle tracking service is a GPS based vehicle tracking solution that provides instant location information to

the vehicle owner/authorized person through web/SMS with other flexibility.

Through this comprehensive solution, a subscriber can learn the real-time position of his/her vehicle and apply rules on the vehicle e.g. speed limits, No Go Area etc. In addition, subscribers can also secure their vehicles by subscribing to security feature like remote immobilization, panic alarm etc. and other features.

Many of the services have made people's life easy. Some of the services are provided by content providers under revenue sharing scheme with MNOs.

CONCLUSION

Technology has become the driving force for socio-economic development. Mobile technology today has pervaded every walk of our life. Global trend of convergence of

Telecommunication, ICT, and Broadcastings is impacting all aspects of our lives – be it government or business. They are helping work to be efficient and speedier; making life easier and enjoyable; transforming human relationships more interactive and meaningful across boundaries. As a whole, telecom and ICTs are taking economic development of a country like Bangladesh to a new level of achievement.

Through its cross cutting nature the telecom industry is contributing its skill, knowledge and dynamism in realizing the vision of "Digital Bangladesh." However the sector itself is burdened with hurdles like irrelevant policies, high taxation, and excessive regulation which are hampering its growth. If the industry does not grow, it cannot play its desired catalytic role in national development. For a balanced growth of the industry, and benefit of government and consumers, government has to make short-term, mid-term and long-term plans for the sector. Investors must be offered incentives to come forward and make attractive business cases. Tech-neutrality has to be introduced, fragmentation must be reduced. Only then the desired growth of the sector will be ensured and its benefits derived. It is the expectation of the mobile industry as well as the whole country that the Government, through relevant policy reform, will remove the barriers and pave the way for much needed future growth of the sector.

Reforming Telecom Taxation for Digital Growth



The economy of Bangladesh has been progressing at a rate of around 6% during recent years. Although many sectors have shown impressive progress, including RMG, leather and the pharmaceutical industry, not many will disagree the driving force behind our economic success has been telecommunication and ICT. In line with the Government's Vision 2021 objectives the country is pursuing its goal of 'Digital Bangladesh' by year 2021, by achieving connectivity for all.

The progress made this far has been commendable. Today, there are 122 million cell phone connections in Bangladesh. Despite the fact that most people use more than one SIM card and therefore actual mobile users are close to 60 million, the growth of telecommunication has added an impetus to socio-economic development which was unthinkable even a few years back.

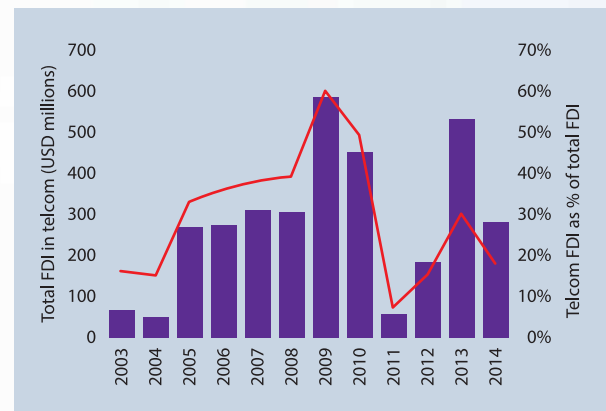
Mobiles bring efficiency in doing business by reducing time, avoiding travel and cutting cost. The personal and social well-being that mobile phones provide for individuals indirectly adds to their productivity. It is close to impossible today to conduct business without mobile phones, which has become indispensable to everyday life.

There are 42 million mobile internet users that represent 95% of total internet users in the country. With availability of low-cost smart phones, mobile

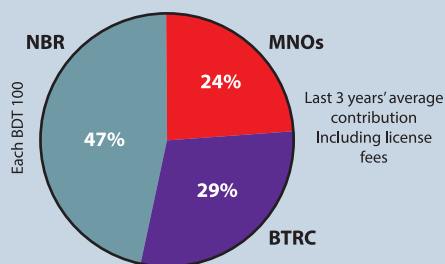
represents the most cost effective way of accessing broadband internet in Bangladesh.

A research by World Bank and GSMA has shown that a 1% increase in mobile penetration can increase the GDP growth rate by 0.28%. Furthermore, according to World Bank research, for low and middle-income countries like Bangladesh every 10% increase in broadband penetration accelerates economic growth by 1.38%.

The telecom industry brings in the highest amounts of FDI to the country, which is essential for continuing economic growth. In 2013 more than 50% of total FDI came from the telecom sector that includes one off payments made by mobile operators for 3G license acquisition and in 2014 it was close to 30%.



Distribution of Every BDT 100 Revenue



Every BDT 100 Revenue MNOs Generates; More Than BDT 55 Goes to Government Exchequer

Mobile sector is one of the largest contributors to the government exchequer. In 2013, the sector added 6.6% of the country's total tax revenue. Out of every BDT 100 of its revenue, the mobile industry pays BDT 55 to the government.

Despite its major role in the country's economic uplifting, the mobile telecom sector is subjected to very high taxation. Part of the reason is ease of revenue generation as mobiles have become an essential factor of human life and people will use and

pay for mobile services. This is misleading because the mobile operators continue to make huge investments for infrastructure and service continuation and expansion, on top of bearing operating expenses. The unfavorable taxation features that include unduly high corporate tax compared to other sectors, SIM/RUIM Tax, VAT on Internet/Modem use and higher customs duty on telecom equipment are hindering the progress and much needed further growth of the industry. In addition the possible introduction of 1% surcharge on mobile services threatens to pose additional hardship for operators.

The situation is such dire that four out of the six mobile operators currently doing business are operating in loss. It is a threat to sustainability of the industry and calls for immediate remedial action to uphold the country's national economic growth.

As mentioned already there is huge scope for expansion of the telecom sector. About 92 million people in Bangladesh, many of whom live in poverty, remain unconnected. Only 4.5% of the country's population has 3G connection. By connecting such a vast number of unconnected people and providing the numerous benefits of mobile telecommunication including services such as MFS, mCommerce, mHealth, mEducation and mAgriculture, it is possible to usher in the middle income status the country is coveting for. Certain modifications in the taxation policy are much desired by the mobile sector.

companies. Moreover, necessary amendments may be made to make 10% tax rebate in case of distribution of dividend of more than 20% for listed mobile operator companies.

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MINIMUM TAX

As per section 16CCC of the Income Tax Ordinance 1984, every firm with gross receipts of more than taka fifty lakh, irrespective of its profit or loss in an assessment year, will be liable to pay 0.50% of the gross receipts.

Payment of tax in spite of making loss is against the spirit of tax law. When a loss making company during initial years after business inception is subject to payment of minimum tax it usually has to pay from capital investment, which affects its working

capital. The Board of Investment (BOI) ensures the protection of investment for foreign companies which is contradictory to this tax law. Furthermore in spite of having profit in a year, tax loss adjustment of the previous year also results in payment of minimum tax.

Telco companies have to pay a substantial amount of license acquisition fees and as a result it requires few years to become a profitable concern. During the loss period they have to pay a substantial amount against minimum tax.

Mobile telecom industry proposes to delete the section 16CCC which is contradictory to the spirit of Income Tax law.

REDUCING HIGH CORPORATE TAX RATE



At present the corporate tax rate for listed mobile operator companies is 40% and for non-listed mobile operator companies is 45%. Whereas the corporate tax rate for general listed companies is 27.5% and for non-listed general companies is 37.5%. Moreover the 10% tax rebate on corporate tax for distribution of dividend at more than 20% is not available for listed mobile operator companies.

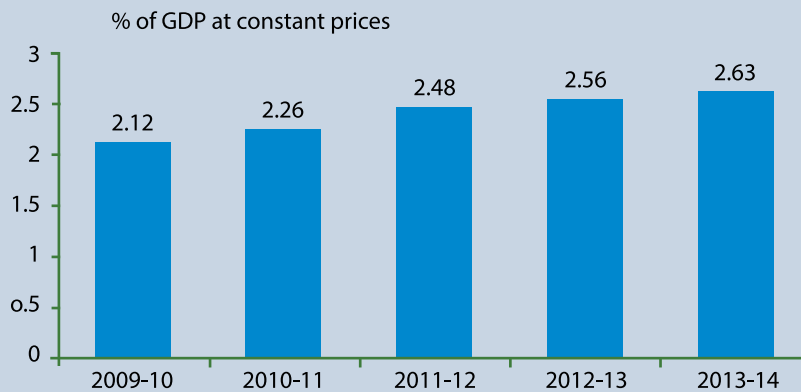
Mobile telecom industry proposes to reduce the corporate tax rate to 30% for listed mobile companies and 35% for non-listed mobile operator

CARRY FORWARD OF BUSINESS LOSS

As per section 38 of ITO 1984, business losses can be carried forward and set off against the next assessment year's income and if it cannot be wholly set off the remaining portion can be carried forward again to the next assessment year. This way the business loss is allowed to be carried forward for 6 successive assessment years.

Telecom business in Bangladesh requires huge initial investment as well as regular substantial amounts of investment. It is the only sector which in addition to heavy investment in technology has to

Increasing MNOs' Contribution to GDP



*Partial data available for 2013-14.

Source: BBS

The mobile industry recommends eliminating SIM tax completely, considering the socio-economic and other associated positive impacts on GDP and economic condition of people. SIM tax is not only creating pressure on their finances but also creating restrictions in the sale and distribution of SIM cards. Elimination of SIM tax will enable mobile operators to contribute more to the government exchequer and to play a critical role in building a digital Bangladesh.

bear high license fees. The global average for telecom sector companies to achieve taxable profit is 10 years from inception. Many industrially developed and developing countries have 10 years' timeline to carry forward business loss. Extending the period in Bangladesh will help to grow and sustain the industry.

ELIMINATING SIM/RUIM TAX

Presently, cellular mobile operators are required to pay value added tax (VAT) of BDT 109.96 and supplementary duty (SD) of BDT 190.05 for supply of each SIM and RUIM. These VAT and SD are collectively known as SIM tax (BDT 300).

Though SIM tax is an indirect tax by nature, due to economic conditions of people in Bangladesh and market competitiveness, operators are not able to collect this tax to the fullest extent from the subscribers.

To ensure sustainability through business expansion, the operators are left with no choice other than paying the said tax by themselves. Hence all operators have been subsidizing SIM tax, which is not deemed as an allowable expense, which is repugnant to Section 29 of Income Tax Ordinance. Mobile operators are under continuous dialogue with regulators to review the SIM tax and as part of the exercise the Government has reduced the SIM tax by BDT 300 during last budget 2013-14. However, while appreciating the move of the regulator, the operators upon reviewing the latest situations are of the firm opinion that complete removal of SIM tax will ensure further growth of the industry.

HARMONIZATION OF CUSTOMS DUTY

Mobile Network Operators (MNOs) have been importing telecommunication equipment in complete knocked down (CKD) condition. Usually the customs authority arbitrarily segregates and re-classifies the integral and essential parts of the equipment under HS Codes that are different from applicable codes for the imported equipment.

These parts, imported along with the main equipment, form an integral and essential part of the same and hence should be assessed under the same HS Code as the telecommunication equipment.

Bangladesh Telecommunication Regulatory Commission confirms through issuance of No Objection Certificate (NOC) which goods form a part of the telecommunication equipment. The mobile industry recommends that all types of imported telecom equipment supported by No Objection Certificate (NOC) from BTRC should be assigned a customs duty at 5%.

NBR officials are aware of the problem and they have expressed that assigning customs duty and HS Code for telecom equipment is a confusing business for tax officials as they are not telecom experts. The Government and NBR are willing to find a solution through mutual discussion and reform customs duty.

For the industry to flourish, the taxation hurdles need to be lifted. It is time for the government policy makers and regulators to review the situation and devise a win-win solution for the country's mobile industry as well as its national economic growth by reforming the taxation structure for telecom sector.

National Telecommunication Policy:

The Pulse of Digital Bangladesh

The year 2021 marks the 50th anniversary of Bangladesh since its independence in 1971. The Government's vision of 2021 envisages an era when the country would attain the middle income status; Bangladesh will vanquish in the race against poverty ensuring the basic rights of the people adequately fed, clothed, housed and having access to health care.

It is essential therefore that Bangladesh yields substantial economic growth to translate this dream to reality. Telecommunication wide across the globe has played a catalytic role in propelling economic growth. Bangladesh Government has rightly set its eye in the direction of the vision by embracing the notion of Digital Bangladesh. The idea envisions establishing a transparent, committed government, skilled manpower and social justice with the proliferation of ICT.

ICT is the backbone of any digital initiative. ICT overlaps over the vast area of information technology, communication technology and the telecommunication technology. Digital Bangladesh is an idea that includes the IT use for management, administration and governance to ensure transparency, accountability and answerability at all levels of society and state.

The National Telecommunication Policy (NTP) is ideally the pulse of Digital Bangladesh while mobile is the key driver to translate the vision 2021. Telecom Policy should cater the availability of innovative and modern telecommunications services to a vast outreach of citizens at an affordable price.

In a country like Bangladesh with low disposable per capita income, cost optimization for providing services will always be a key focus in policy and regulation formulation. It is also essential that the legal and policy environment should be at par with the technological advancement. The targets stipulated in NTP -1998 have been long past overridden and therefore an opportune moment has arrived for revisiting the policy.

THE NEW TELECOM POLICY

There is altogether a coalescence of cross-cutting industries with different sets of drivers, value chains and regulators.

With mobile today as the common means of a connector to the Internet, the services have infused with other premises such as education, health, banking, agriculture, governance and entertainment to create value for the people as well as government. With the development of technology, systems and organization capability, it is now possible to deliver multitude of services beyond the traditional telecom services through the service delivery chain established by the telecom operators. Thus a policy therefore should create and foster an environment which is rewarding for all the participants.

ERA OF BROADBAND AND DATA SERVICES

The mobile telecom industry has witnessed a phenomenal growth in voice services over the last few decades. Now when telecommunication service is no longer a luxury, the mindset of the government has drifted from tele-penetration to quality of services. Internet today is recognized as the effective medium for exchange of information and communication. Private investment and public private partnership together would bolster growth of mobile broadband and internet services. The new policy should set goals for broadband and data services and is subject to review after every 5 years.

LOCAL MANUFACTURERS

The telecom operators, service providers, content providers, hardware (HW) manufacturers, software (SW) providers, device manufacturers, policy makers and regulators – all are the drivers of a digital economy. The success of our digital future hinges on the Government who needs to identify two bifurcated domains – one that requires

stringent regulation while the other which would relish freedom and cherish growth, innovation and prosperity.

Relevant local content and applications may boom in an open and unregulated environment, so that anyone with the ability to create content and services is able to offer her/his services over the telecommunication network, without compromising global standard of quality and does

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not impose additional encumbrance for the service providers and consumers in terms of cost.

TAXATION

Taxation policy needs to conform to the overall aspiration of the NTP-15. Taxation regime shall be rationalized in such a way that it will facilitate investment, innovation and increased penetration of broadband and ICT services.

LICENSING REGIME

For orderly, efficient and effective allocation of licenses any form of promiscuous awarding should be precluded. Licenses ought to be awarded to the deserving qualified candidate through a rigorous process of bidding or open tender or any other procedure the Government conceives appropriate.

Any new licensing proposition should undergo thorough economic analysis to ascertain whether the country resources can be optimally utilized and the value created for the customers and society through such licensing is maximum and sustainable. The licensing regime should also be non-discriminatory without any prejudice to any particular type of investor, ethnicity and nationality.

SPECTRUM

An economy should yield the optimum benefit from spectrum allocation. Spectrum being a scarce resource should not remain unutilized. Re-farming, technology neutrality and service neutrality need to be legislated. Spectrum allocation ought to comply with the National Frequency Allocation Plan (NFAP) recommended by International Telecommunication Union (ITU). Formulating a spectrum roadmap with special focus to the proliferation of mobile broadband would incite the service providers to efficiently plan their investment.

NATIONAL SECURITY

Defending national security for any country is of paramount importance. For the sake of national interest and sovereignty it is compulsory for any party exchanging voice and data to abide by the rules and regulations. Yet the government needs to scrupulously set a balance to avoid any undesirable vexation to the consumers falling prey to violation of consumer privacy and confidentiality.

TANGIBLE TARGETS FOR MARKET DEVELOPMENT

Some typical tangible targets may be manifested in the refined NTP which would measure industry development:

- By 2021 high speed wireless network and mobile broadband coverage (3G/LTE/4G etc.) in all districts, upazillas and unions

- 100% tele-density will be achieved by 2021
- 80% of the population will have access to broadband and internet by 2021
- By 2021 extend telecommunication network and services to all government offices up to the union levels so that all government offices can be integrated and the citizens of Bangladesh can enjoy the benefit of digital government services
- Create Digital Content in collaboration with Government and partnership among the telcos and content providers
- Distribute broadcast, IP TV and public entertainment services through telecom network
- Telecom service providers to operate as a one stop shop, providing all electronic and mobile based services like banking, health, education etc.

RESEARCH AND DEVELOPMENT

Government may establish a joint research and development wing in cohesion with the private sector for exploring the local needs and digging out opportunities in the communication market. Policy level support advanced to our local handset and network device manufacturers may inspire them to export equipment to foreign markets.

CONCLUSION

A recent move from the Government has incited a significant degree of applause and gratifications from the Mobile Industry. The Telecom Ministry through a post on the website had lately urged the stakeholders and public to share their comments and opinions in view of formulating a revised National Telecommunication Policy concurrent with the thriving technologies.

A Policy in order to be sustainable should essentially concentrate at macro level and provide an overall guideline without delving into finer details. An environment conducive to foreign investment should be nurtured. Vision in the policy should be segregated to Short term, middle term and long term. Strategies need to be contrived by the Government to materialize the objectives and vision laid down in the Telecom Policy.

We are sanguine that the revision of NTP would not inflict any artificial barrier to any entity which would ultimately encourage the pervasion of technology in a competitive manner. Stern regulations should be replaced by flexible ones to inspire fair competition in the market and promote service, quality and innovation. Quality and reliability excepting price will be parameters of competition in the forthcoming years.

Spectrum allocation ought to comply with the National Frequency Allocation Plan (NFAP) recommended by International Telecommunication Union (ITU)

**World
Telecommunication
and Information
Society Day**

17 May 2015



**TELECOMMUNICATIONS
AND ICT: DRIVERS OF
INNOVATION**

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WTISD 

World Telecommunication and Information Society Day

WTISD - 2015



“Telecommunications and ICTs: Drivers of innovation”

Like every year, Bangladesh is going to celebrate the World Telecommunication and Information Society Day (WTISD) in 2015 with due importance and jubilation. The purpose of WTISD is to help raise awareness of the possibilities that the use of the Internet and other information and communication technologies (ICT) can bring to societies and economies, as well as of ways to bridge the digital divide. However, this year's WTISD celebration is very special because it's ITU's 150th anniversary year as well.

WTISD is observed each year on 17 May, which marks the anniversary of the signature of the first International Telegraph Convention in 1865, which led to the creation of the International Telecommunication Union (ITU). Since its inception, ITU has reaffirmed its

reputation worldwide as one of the most resilient and relevant organizations and continues its work as the specialized agency of the United Nations, and its oldest member, dealing with state-of-the-art telecommunications and information and communication technologies. An organization based on public-private partnership since its inception, ITU currently has a membership of 193 countries and over 700 private-sector entities and

academic institutions. ITU membership represents a cross-section of the global ICT sector, from the world's largest manufacturers and carriers to small, innovative players working with new and emerging technologies, along with leading R&D institutions and academia. Founded on the principle of international



Prime Minister Sheikh Hasina receiving from Dr. Hamadoun I. Touré, former ITU Secretary General, The Global Health and Children's Award on September 20, 2011 for her contribution to develop Bangladesh's health sector using the Information and Communication Technology (ICT)

cooperation between governments (Member States) and the private sector (Sector Members, Associates and Academia), ITU is the premier global forum through which parties work towards consensus on a wide range of issues affecting the future direction of the ICT industry.



"The remarkable history of ITU exemplifies its stellar role in connecting the world to the most advanced and innovative means of communication, from the days of the telegraph to the Internet and mobile broadband, which now allows us to be in touch anytime, anywhere with friends, family, colleagues and even things. As we celebrate our 150th anniversary, we look back with pride at our accomplishments. And we look forward to the future as we respond to the rapid changes in the global ICT environment."

**-Houlin Zhao
Secretary-General, ITU**

ITU member countries around the world celebrate the day annually by organizing appropriate national programs with a view to (a) stimulating reflection and exchanges of ideas on the theme; (b) debating the various aspects of the theme with all partners in society; and (c) formulating a report reflecting national discussions on the issues underlying the theme, to be fed back to ITU and the rest of its membership.

Every year, WTISD is celebrated with a specific theme. This year's WTISD theme is: "Telecommunications and ICTs: Drivers of innovation". The innovations with and from ICT and the implementation of these technologies pervade every aspect of our lives. ICTs are also the catalysts for shaping the post-2015 development agenda and achieving global goals for sustainable development.

Throughout 2015, ITU will organize several events highlighting ICTs as the drivers of innovation at ITU and around the world to mark the landmark 150th anniversary.

ITU150 AWARDS

On the occasion of ITU's 150th Anniversary, ITU150 Awards are being launched to recognize individuals past and present from government, ICT industry, academia, and civil society that have contributed to improving lives of world citizens through ICT innovations developed, promoted or implemented by ITU. The Laureates will be recognized with the ITU150 Awards at a special event to be organized in Geneva on 17 May 2015 on the occasion of ITU's 150th Anniversary. An ITU150 Awards Board will be established to review the nominations and select the Laureates.



State Minister for ICT Zunaid Ahmed Palak, MP receiving prestigious ITU e-Governance award from former ITU Secretary General Dr. Hamadoun I Touré. Kabir Bin Anwar, Project Director, Access to Information (A2i) program and Mr. Houlin Zhao, present Secretary General of ITU are also seen in the picture

AMTOB

Members' Activities



Airtel Bangladesh Limited signed a corporate agreement with Dhaka Medical College (DMC) in February 2015, to provide specialized voice and data services to all the academic and administrative members of DMC. PD Sarma, MD & CEO of Airtel Bangladesh Limited shakes hand with Prof. Dr. Md. Ismail Khan, Principal, DMC at the agreement signing ceremony



Ms. Rabia Pervin receiving her Banglalink Priyojon Insurance Claim cheque (amount: BDT 15,000) at her residence in Jhinaigati (kanduli), Sherpur from Mr. Eiasher Arafat Hossain, Assistant Manager, Banglalink. Mohammed Borhan Uddin, Trade Marketing Senior Executive, and Mr. Tareq Abdullah Malik, Chief Employee Enabler, Aparijito Enabler Ltd. were also present during the cheque hand over

AMTOB

Members' Activities



Citycell recently organized the Federation Cup Basketball Championship 2015 in Dhanmondi, Dhaka. Suman Bhattacharjee, Human Resources Director and Taslim Ahmed, Head of Corporate Communications and Public Relations from Citycell are seen at the prize giving ceremony



Telenor Group, Accenture, BASIS in collaboration with ICT Division of MOPT&IT arranged a day long program titled "Digital Investment Summit." Mr. Sajeeb Ahmed Wazed, ICT Affairs Adviser of Prime Minister was the chief guest, while Mr. Zunaid Ahmed Palak, MP, State Minister, MOPT&IT was special guest. John Fredrik Baksaas, President and CEO of Telenor Group along with senior officials of Accenture, Huawei and Google were present on the occasion

AMTOB

Members' Activities



Robi introduces free internet in partnership with Internet.org, a Facebook led initiative. Zunaïd Ahmed Palak, MP, Hon'ble State Minister for ICT Division was the Chief Guest at the launching ceremony



College and University students throng for "Bornomala" package introduced by Teletalk Bangladesh Limited on event of Ekushey Book Fair. Under this package a Teletalk SIM is sold for 50 Taka only and subscribers enjoy a reduced call rate and 1GB data at 130 taka only

AMTOB

Associate Members' Activities



Sam Saba Head of Region South East Asia & Oceania-Ericsson, Imran Ahmed, Chairman-Parliamentary Standing Committee, MoPT and IT, Mats H Olsson, Senior Vice President and Head of Asia Pacific-Ericsson, Zunaid Ahmed Palak, ICT State Minister, Raj Managing Director-Ericsson Bangladesh and Al Batuni Ahmed, Vice President-Ericsson Bangladesh at the Mobile World Congress



Huawei Technologies (Bangladesh) Ltd C.E.O Mr. Baker Zhou conducting the oath Taking Ceremony where all the Team Leaders of Huawei were present at the Annual Get Together program held recently in Dhaka, Bangladesh

AMTOB

Activities



AMTOB hosted a cultural program in honor of the ITU Secretary General, Mr. Houlin Zhao during his recent visit to Digital World 2015 Conference in Dhaka



AMTOB accorded a reception to the ITU Secretary General, Mr. Houlin Zhao who visited Dhaka during the Digital World 2015 Conference in February 2015. Zunaïd Ahmed Palak, MP, Honorable State Minister, ICT Division accompanied by ICT Ministers from Bhutan, Maldives, Nepal, BTRC Chairman and Vice Chairman, Senior Officials from Telecom and ICT Division, BTRC and AMTOB members pose for a photo session at the program

AMTOB

Activities



Zunaid Ahmed Palak, MP, Honorable State Minister, ICT Division presents a memento to Mr. Houlin Zhao, ITU Secretary General at the reception program hosted by AMTOB



AMTOB bids farewell to the departing Vice-Chairman, Mr. Vivek Sood, the former CEO of Grameenphone Limited



BARCELONA 2-5 MAR 2015



GLIMPSES OF MOBILE WORLD CONGRESS 2015



Zunaid Ahmed Palak, MP, Honorable State Minister, ICT Division presenting a souvenir to Mr. Houlin Zhao, ITU Secretary General



BTRC Chairman Sunil Kanti Bose as a panel discussant in a Ministerial programme titled "What governments can do to stimulate mobile-ecosystem innovation"



ICT State Minister Mr. Zunaid Ahmed Palak, Chairman of Parliamentary standing committee for ICT, Mr. Imran Ahmed MP and other Bangladesh delegation members visited the stall of Reve Systems