GSMA Intelligence

Definitive data and analysis for the mobile industry

Mobile Economic Impact Bangladesh

June 2016

The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with nearly 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in Barcelona, Los Angeles and Shanghai, as well as the Mobile 360 Series of regional conferences.

For more information, please visit the GSMA corporate website at www.gsma.com

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GSMA Intelligence is the definitive source of global mobile operator data, analysis and forecasts, and publisher of authoritative industry reports and research. Our data covers every operator group, network and MVNO in every country worldwide – from Afghanistan to Zimbabwe. It is the most accurate and complete set of industry metrics available, comprising tens of millions of individual data points, updated daily.

GSMA Intelligence is relied on by leading operators, vendors, regulators, financial institutions and third-party industry players, to support strategic decision-making and long-term investment planning. The data is used as an industry reference point and is frequently cited by the media and by the industry itself.

Our team of analysts and experts produce regular thought-leading research reports across a range of industry topics.

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Summary

	Subscribers market penetration	Mobile internet subscribers penetration	Proportion of 3G Connections	Proportion of 4G Connections
Bangladesh	54%	30%	16%	0.1%
India	46%	32%	16%	0.8%
Southern Asia	49%	32%	18%	1%
World	63%	46%	32%	19%

Data from Q2 2016

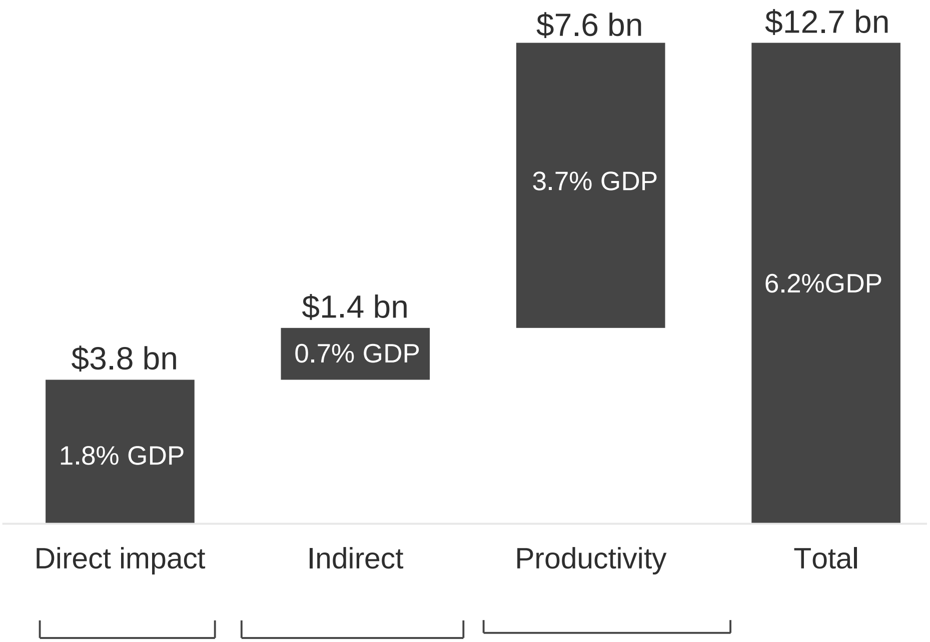
- Despite having lower income than neighboring countries, Bangladesh performs close to the regional averages across metrics of mobile market development.
- Potential for further growth if a supportive environment is put in place

Source: GSMA Intelligence

Total contribution of the mobile ecosystem in 2015

The mobile industry claims 6,2% of the GDP of Bangladesh, taking into account the direct, indirect and productivity effects. Mobile Operators claim most of the value added created in the ecosystem.

Total contribution to GDP

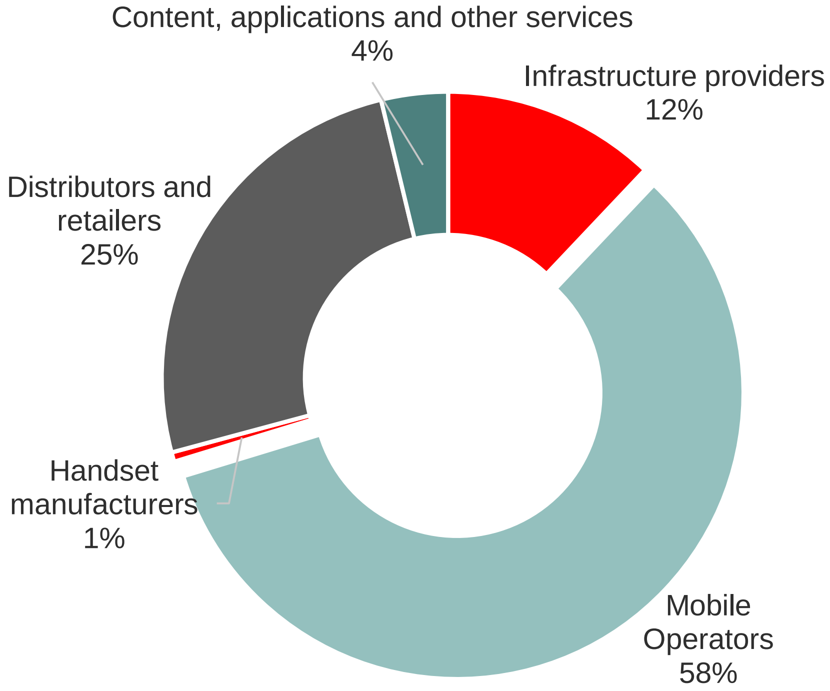


Ecosystem value added (wages, taxes and business surplus)

Knock-on effect in sectors providing inputs in the supply chain of mobile goods and services

Improved efficiency throughout the economy via the use of mobile technology (agriculture, education, finance, health)

Direct impact breakdown



Source: GSMA Intelligence

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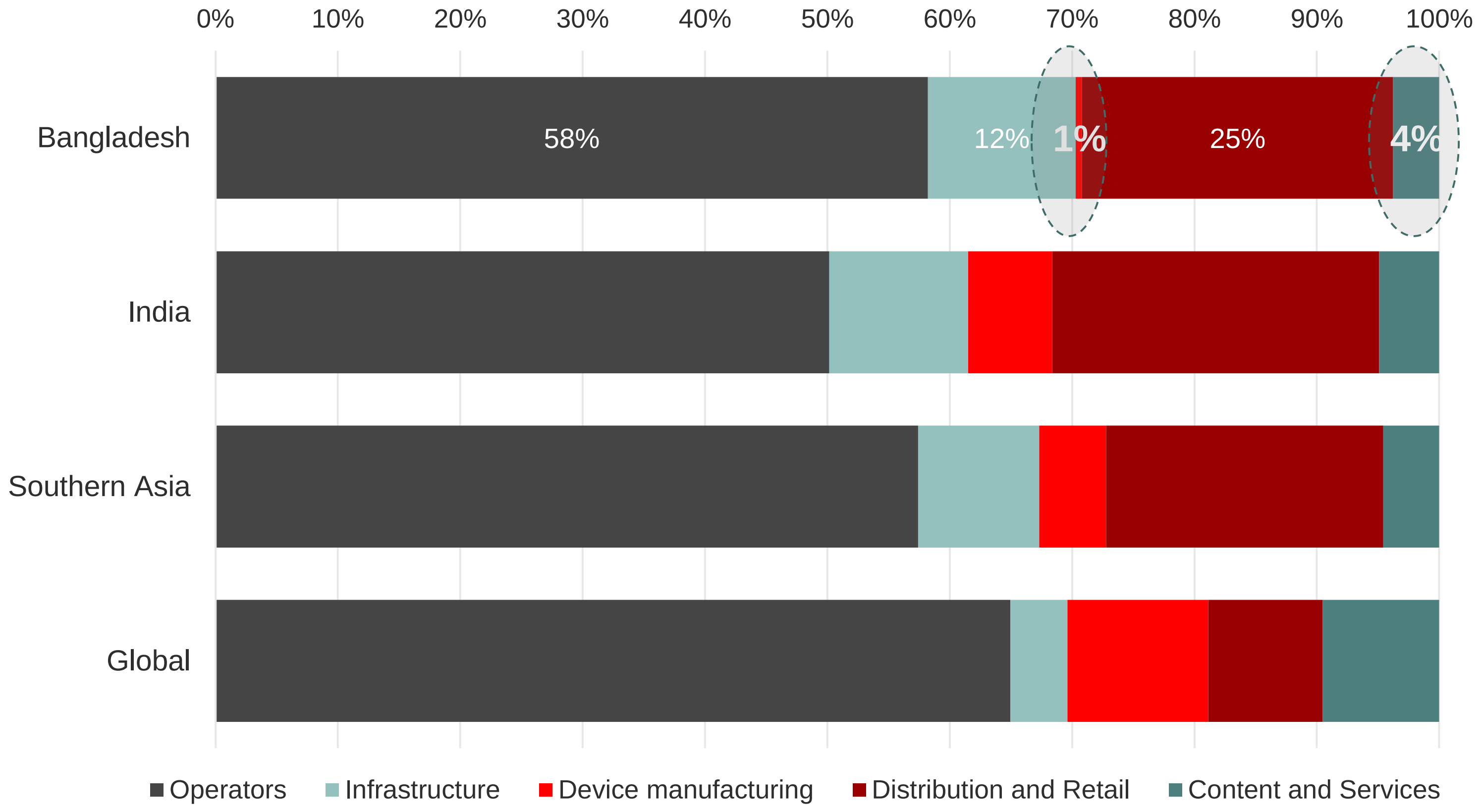
Composition of the mobile ecosystem in 2015

Mobile ecosystem's value added by sector



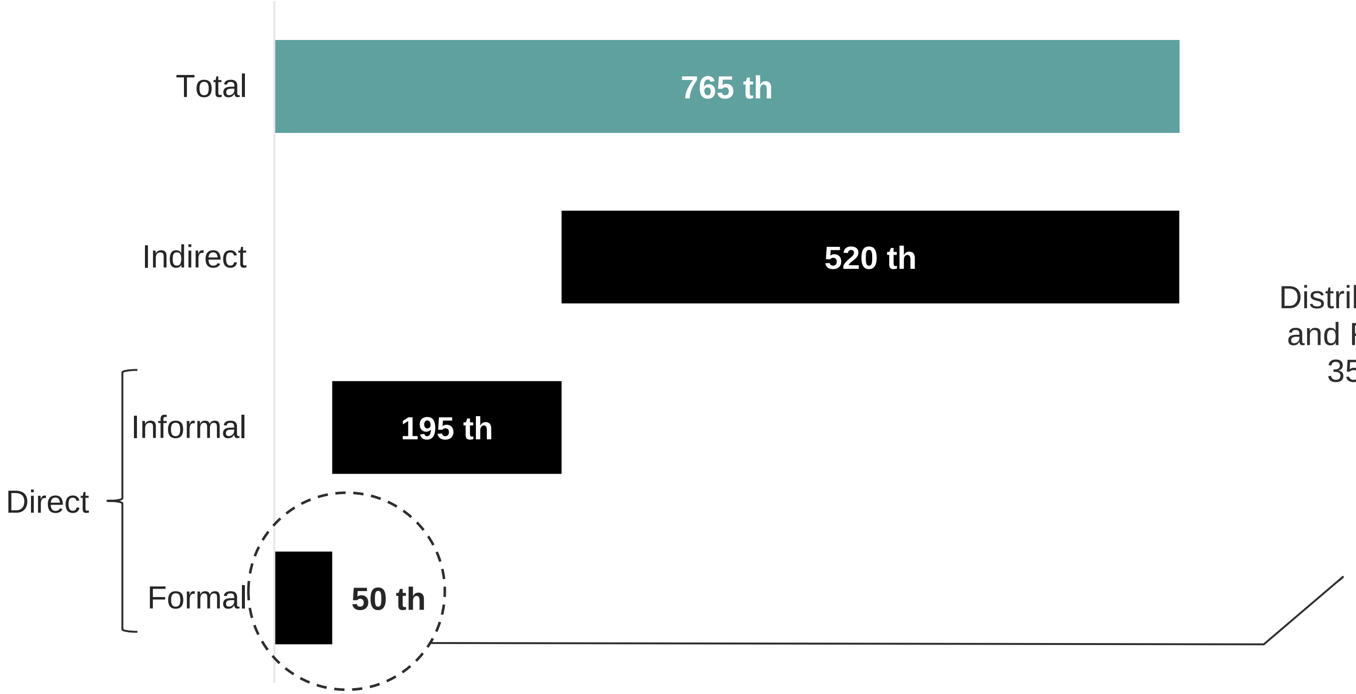
- With respect to its own region, the ecosystem of Bangladesh features marginal device manufacturing. The device market, while dominated by local brands, relies on imports from China and India.
- The Content, Services and Applications sector still has room to grow further if one takes into account the global picture.

Source: GSMA Intelligence

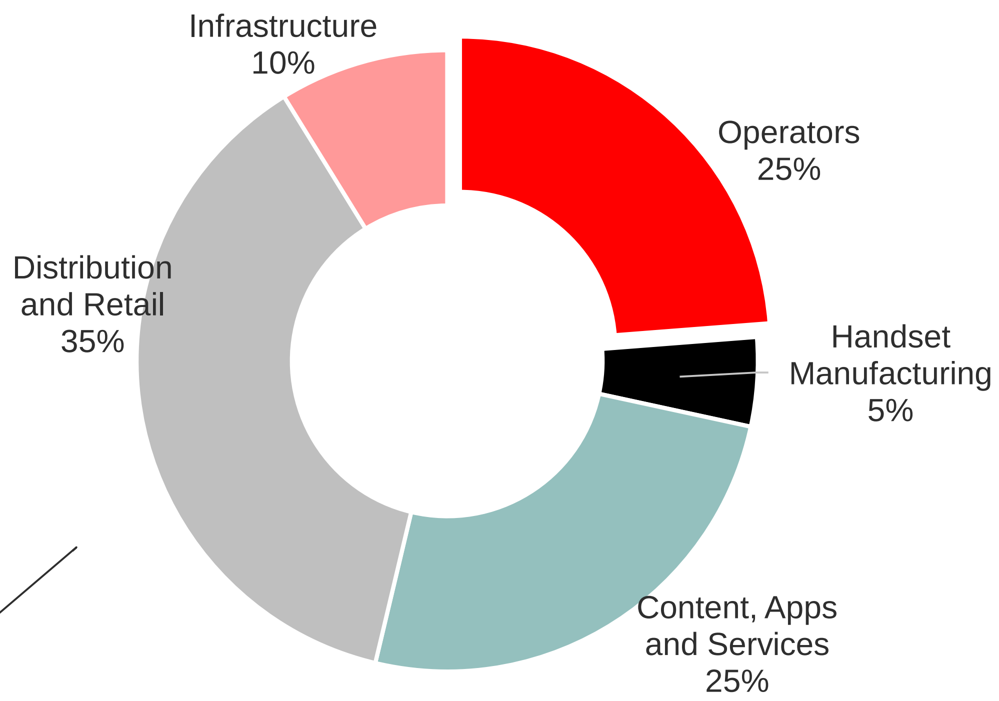
Employment impacts in 2015

- The mobile industry generates more than 760.000 jobs. One third is created directly in the ecosystem, and the rest is produced through the knock-on effect on the sectors that provide inputs for mobile goods and services.
- In the mobile economy, informal employment is mainly driven by the Distribution and Retail sector, which has higher informality levels, more in line with a large part of the Bangladeshi economy.

Formal and Informal employment (thousands)



Formal employment

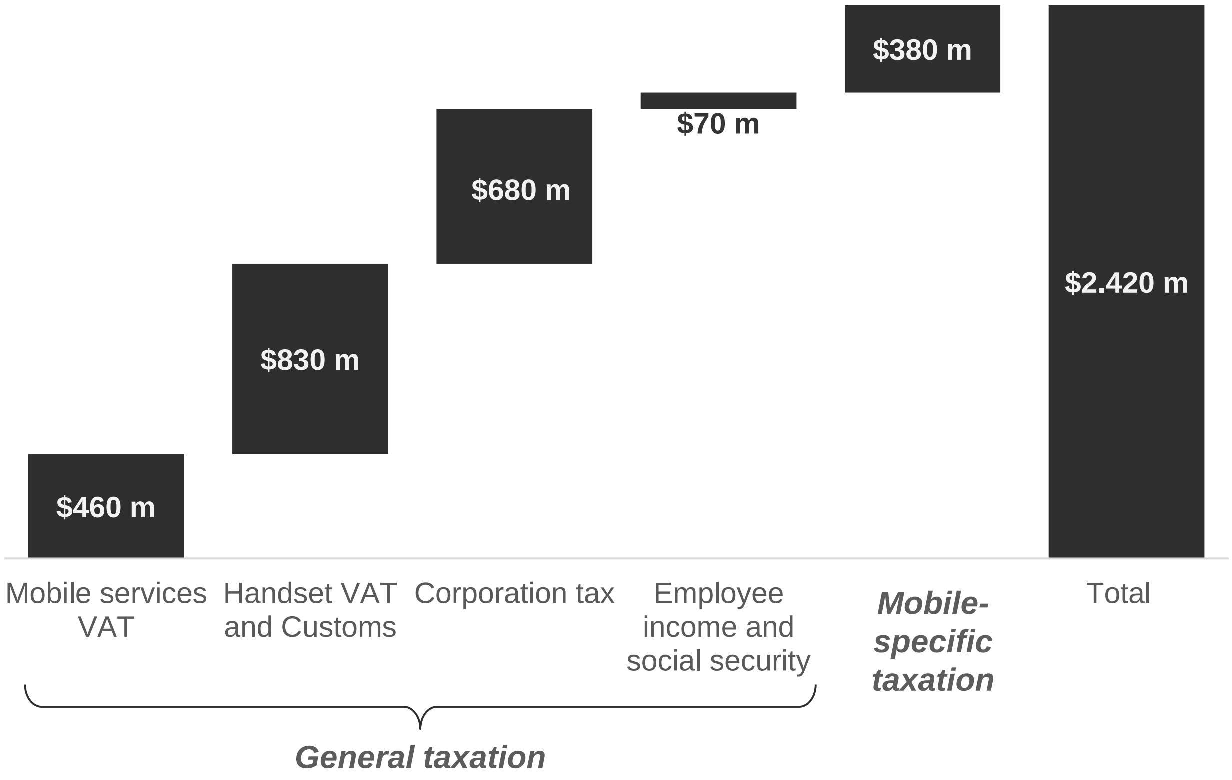


Source: GSMA Intelligence

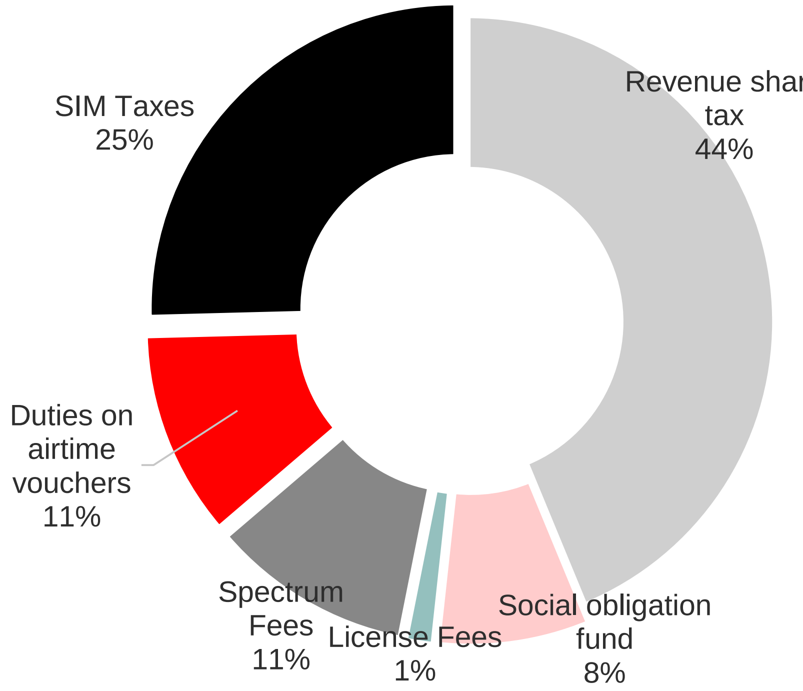
Contribution to public funding in 2015

- The mobile ecosystem generates about **10% of the Government revenue**
- Mobile Operators are subject to multiple layers of taxation, being the main contributors of mobile-specific taxation
- Besides general and mobile-specific taxation, Bangladesh raised $525 millions in spectrum auctions between 2013 and 2014

Tax payments in the mobile ecosystem



Mobile-specific taxes breakdown

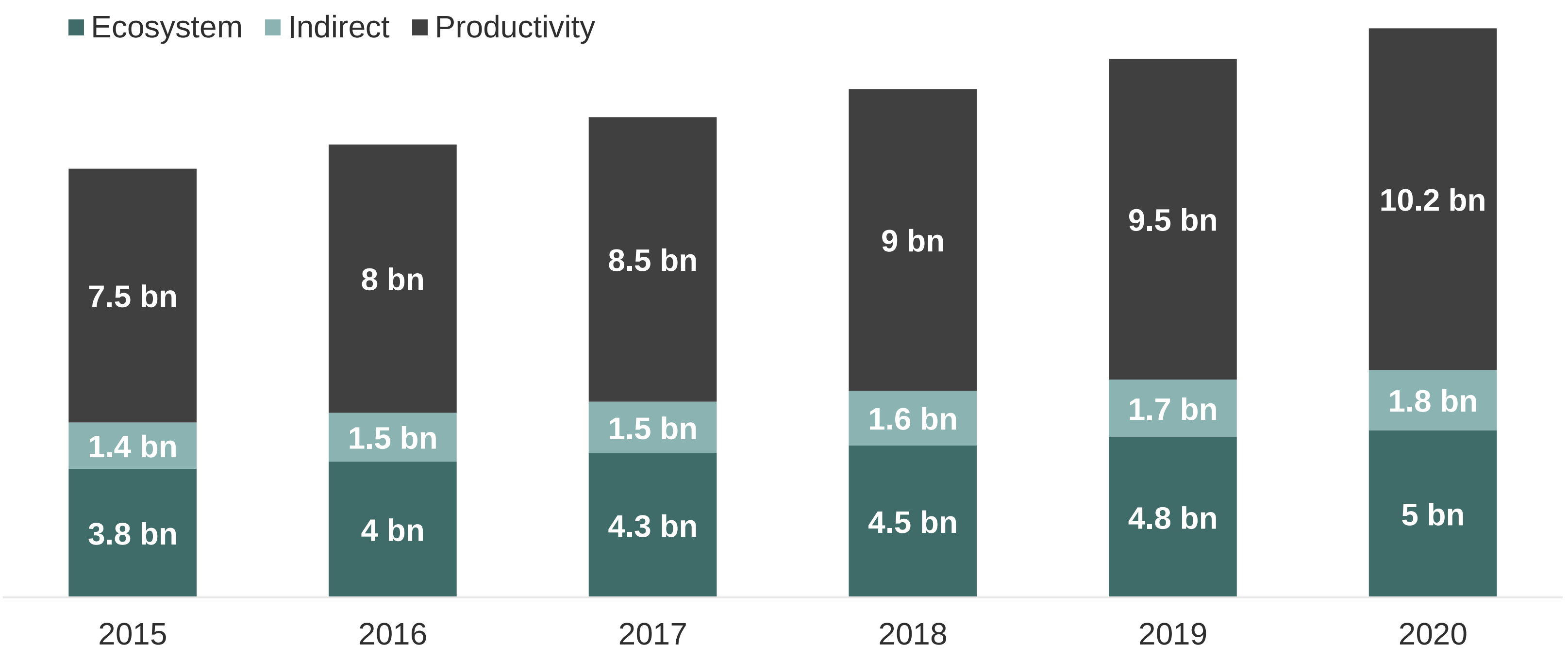


Source: GSMA Intelligence

Outlook to 2020 (1/3): Total impact of the industry

- From 2015 to 2020, expect the total impact to increase from 13 to 17 USD billion
- Growth will be driven by the direct contribution of the ecosystem and by the productivity effects of improved Mobile Internet connectivity

Total impact forecast ($ bn)



* Selected firms

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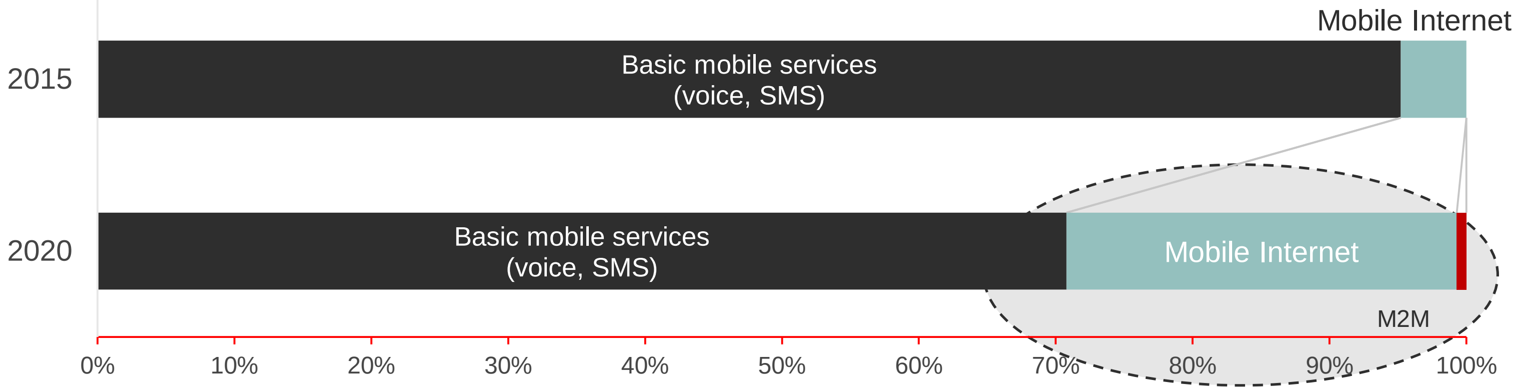
Outlook to 2020 (2/3): Composition of the impact of the industry

While operators will still claim most of the ecosystem value, Content and Services will increase its contribution, driving Bangladesh's configuration of the mobile ecosystem closer to the regional outlook.

Mobile ecosystem value added breakdown

Productivity will be increasingly driven by Mobile Internet, as a result of coverage improvements and increasing take up. We expect this to be transformative because mobile internet will be the main vehicle to connect to the internet yet unconnected populations

Productivity impact breakdown

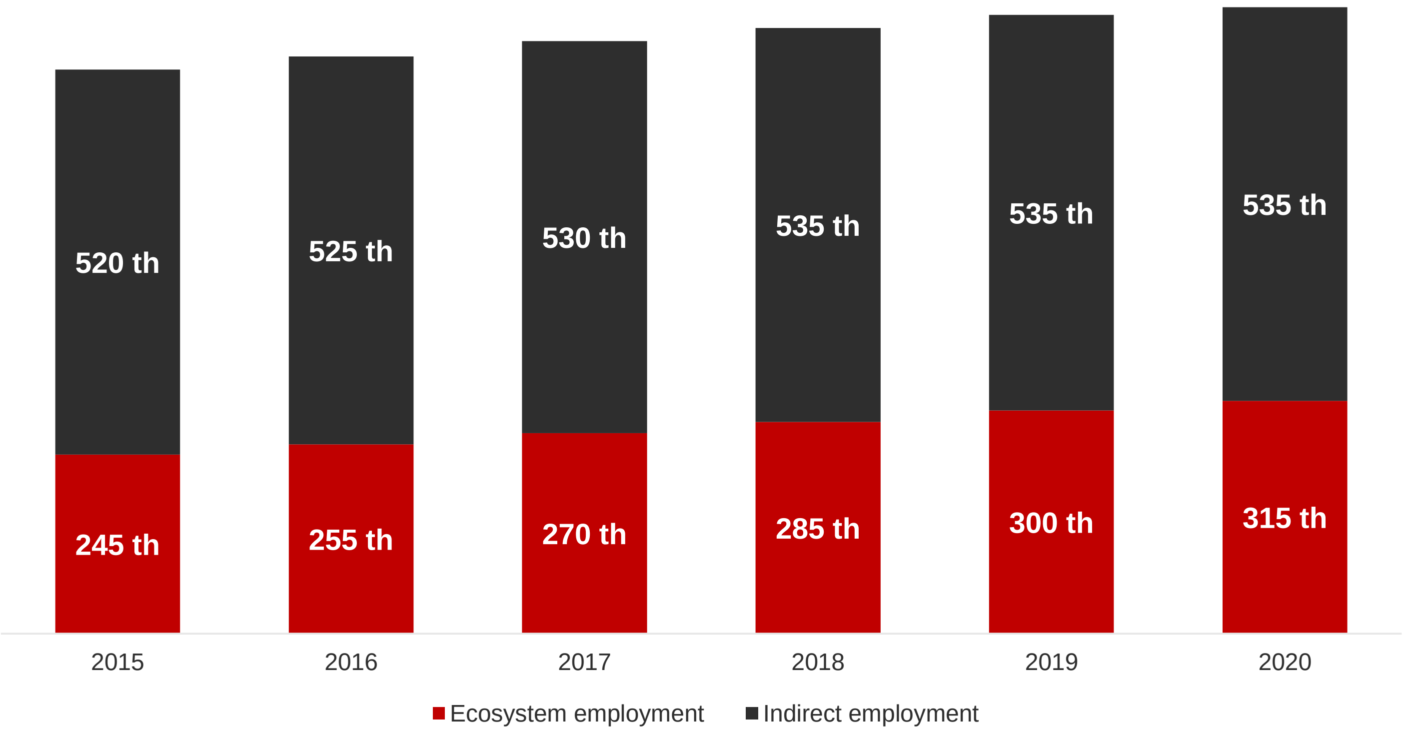


Source: GSMA Intelligence

Outlook to 2020 (3/3): Employment

We expect total employment to grow from 750,000 to 850,000.

Employment forecast formal and informal employment (thousands)



Source: GSMA Intelligence

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