



Spectrum

Economic Impact: Bangladesh Mobile Industry



Introduction

The positive impact mobile broadband services can have on societies and national economies are well documented. Bangladesh is already seeing some of these benefits, but there are still actions the government can take to further improve the lives of its citizens. In this booklet, we take a closer look at the how the mobile ecosystem is making a significant contribution in terms of economic growth, job creation and public funding.



The current situation

Bangladesh performs close to the regional averages across metrics of mobile market development, despite having lower income than neighboring countries. Notably, Bangladesh is above the regional average in subscriber penetration, while only slightly below in mobile internet and in the proportions of 3G and 4G connections.

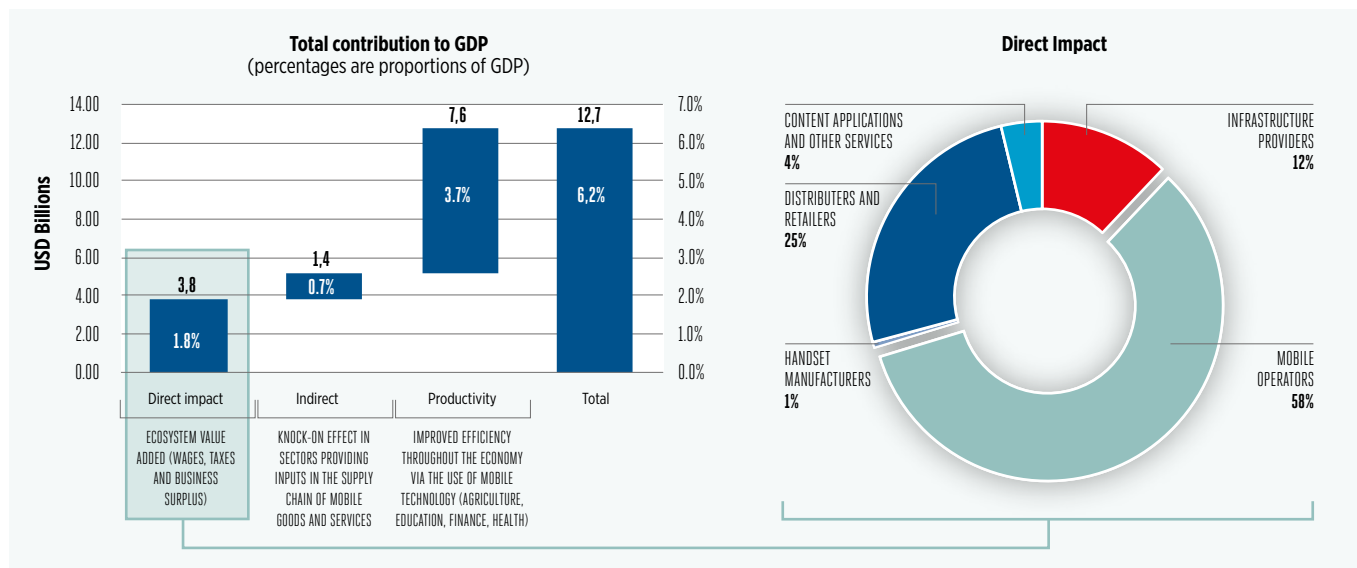
MOBILE MARKET IN BANGLADESH: KEY METRICS

	Unique Subscriber penetration	Mobile internet penetration	Proportion of 3G Connections	Proportion of 4G Connections
Bangladesh	53%	33%	20%	0%
India	48%	35%	18%	1.7%
Southern Asia	50%	34%	21%	1.9%
World	65%	48%	32%	23%

Data as of Q4 2016

In 2015, mobile technologies and services generated 6.2% of GDP in Bangladesh, a contribution that amounted to around \$13 billion¹ of economic value. This includes the direct impact of the mobile ecosystem as well as the indirect impact and the increase in productivity brought about using mobile technologies.

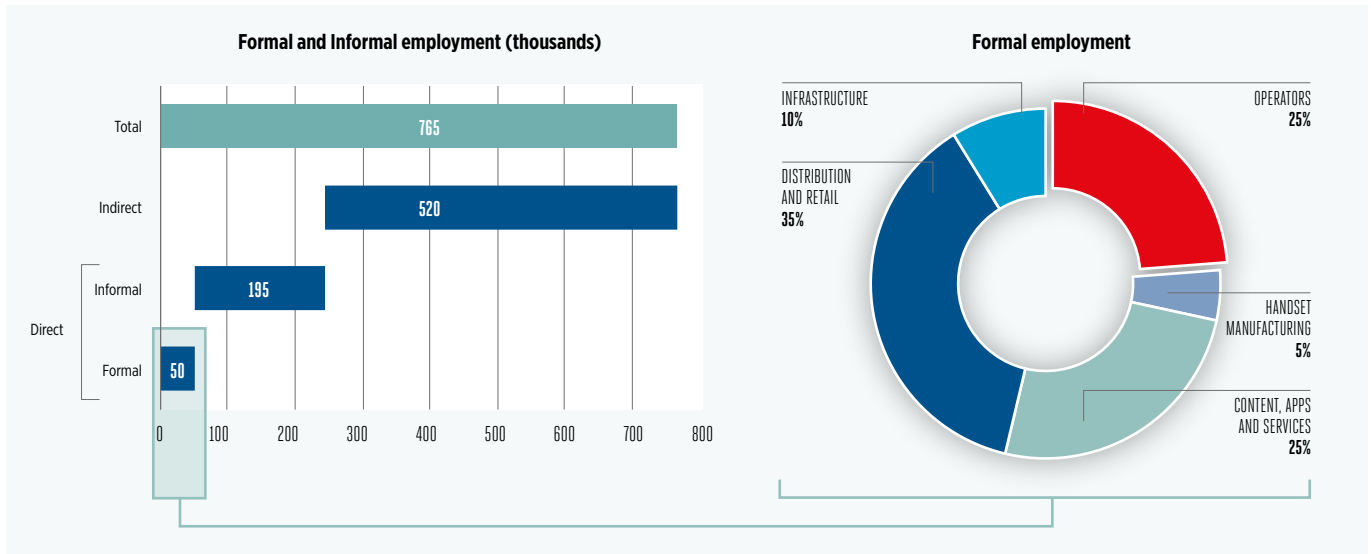
TOTAL CONTRIBUTION OF THE MOBILE ECOSYSTEM IN 2015



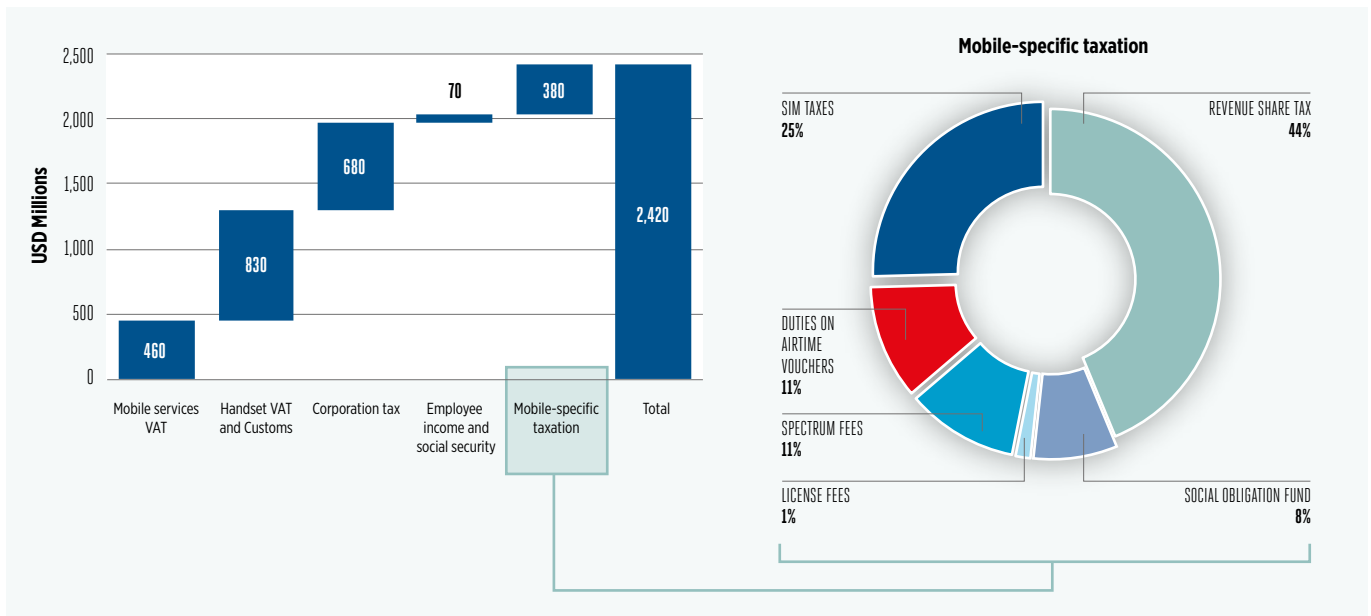
¹ Estimate for 2016 is: \$13.5 billion

The mobile industry also generates more than 760,000 jobs² and made a significant contribution to public funding of more than \$2 billion in 2015. One third of the jobs are 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.

EMPLOYMENT IMPACTS IN 2015



CONTRIBUTION TO PUBLIC FUNDING IN 2015

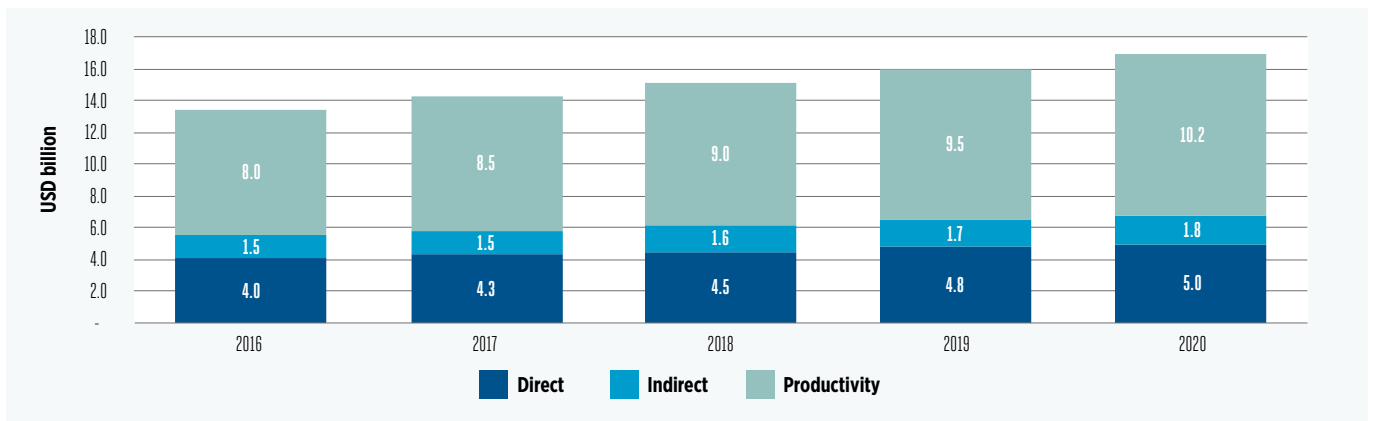


2 Estimate for 2016: Employment- 7,80,000 (260,000 direct) Public funding- \$2.15 billion excluding mobile-specific

What the future holds

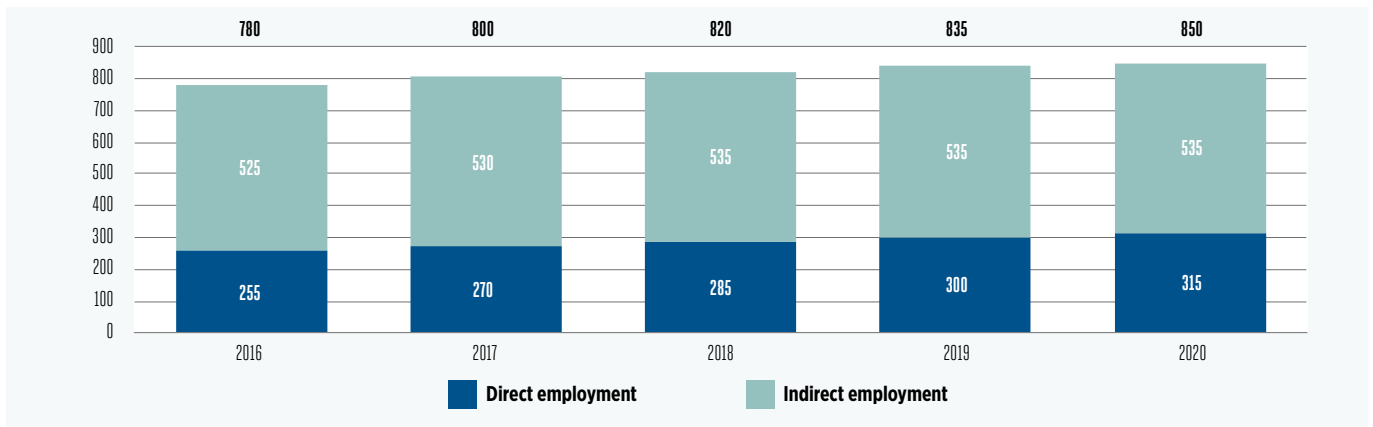
With right policies in place, the GSMA expects the economic contribution of the mobile industry in Bangladesh will continue to increase. By 2020 the mobile industry is expected to generate \$17 billion of economic value.

OUTLOOK TO 2020: TOTAL IMPACT OF THE INDUSTRY



At the same time, total employment is predicted to grow by about 9% in the period from 2016 to 2020, which represents an increase from 780,00 to 850,00 jobs. This increase will be powered by direct employment creation in the mobile industry.

EMPLOYMENT PROJECTIONS IN THE PERIOD TO 2020, THOUSANDS



Growth will be driven by two key developments:

- **Productivity gains will be increasingly driven by mobile internet, because of coverage improvements and increasing take up. Considering the low levels of fixed internet connectivity in Bangladesh, the growth will help transform the country. It also means that mobile internet will be the main vehicle to connect unconnected.**
- **The operators will continue to create most value in the ecosystem followed by Distribution/retail and infrastructure. The content and services segment will increase its contribution.**

Getting the right spectrum policy framework

Across the globe, stakeholders are adopting more liberal regulatory approaches towards spectrum management. Spectrum-related policy choices are therefore critical to enabling investment. These include availability of additional spectrum at reasonable prices, providing clarity on spectrum roadmap for upcoming bands like 700 MHz and remain free from restrictions on spectrum-use that limit the industry's ability to adjust to changes in consumer preferences and technology. Realising the full potential would depend on a strong partnership between government, industry and other stakeholders.

Mobile can bring the above transformation in the Bangladesh economy and society, only if the right visionary policy framework is put in place. With the upcoming auctions the time is right to make this happen.





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