

## Golden jubilee of Bangladesh rings silver jubilee of mobile

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Bangladesh celebrated its silver jubilee of independence in 1996. It coincided with Awami League's triumphant return to power after 21 years with Sheikh Hasina's prime ministerial debut. Five months later, in November 1996, Hasina's government issued three GSM mobile licenses to Grameenphone, Aktel (now Robi Axiata) and Sheba Telecom (now Banglalink). Foreign investors are majority shareholders in all of them.

The new administration's first celebration of Independence Day was a watershed moment. Sheikh Hasina, using a Grameenphone mobile, called her Norwegian counterpart on March 26, 1997 to inaugurate the country's digital mobile service. Aktel and Sheba also activated their networks to end the systemic abuse by Bangladesh Telecommunication Company Limited (BTCL), which was a state-owned monopoly named BITB at that time.

The outgoing government of Bangladesh Nationalist Party had invited bids for these mobile licenses in 1995. The subsequently elected Awami League government continued the bidding process and awarded three licenses in 1996. Such commendably rare goodwill to foster the political rival's sectoral reform is a landmark example in the history of development in Bangladesh.

### Stone age

There were merely 0.24 BTCL's fixed phones per 100 people during pre-mobile era, says International Telecommunication Union (ITU) data. Only 2.38 phones were shared by 100 people in Dhaka and Chattogram cities while rest of the country shared microscopic 0.16 phones among 100 citizens.

Per capita GDP of Bangladesh was USD 265 while the government "officially" charged USD 375 for BTCL's new phone connection. And people had to "officially" wait up to five years after paying arm and leg. Some 128,000 such helpless applicants were in the cue when mobile licenses were awarded in 1996, said BTCL's annual report.

The official charge to upgrade a connection for making direct international calls was USD 3,500. Fictitious billing was rampant and complaints were rejected unless the entire



amount was paid in the first place. Most of the BTCL phones remained out of order until informal payments were settled in advance.

### Rolling stone

Today the cost of a mobile connection varies between USD 1.50 to USD 2.50 and it takes less than a minute to activate. Operators subsidise all taxes for new connections in the hypercompetitive mobile market of Bangladesh. Mobile phone has flattened the nationwide call charges and overseas calling is a standard facility. Mobile has democratised telephony that remained a state-sponsored privilege during the country's first 25 years since independence.

Bangladesh had only 368,000 BTCL's fixed phones and 3,000 analogue mobile phones of now defunct CityCell when three GSM mobile was launched in 1997. Today's 174 million mobile connections have exceedingly accomplished universal service obligations with nearly 100 percent territorial and population coverage without subsidy or regulatory intervention.

The 104 million mobile internet users represent 92 percent internet clientele. But less than 20 percent of 4G mobile handset penetration coupled with fewer than 40 percent smartphone usage, due to higher tariff, hinders the growth of mobile internet. It is quite paradoxical to 80 percent nationwide 4G mobile coverage despite numerous regulatory barriers.

### MFS means meaningful service

Mobile phone has connected millions of unbanked citizens at the bottom of the economic pyramid. And mobile financial service (MFS) has plugged millions of unbanked people into formal banking system. Application of mobile phone remained limited to telephony and exchanging text messages until Bangladesh joined the MFS club in 2011, at the high noon of Sheikh Hasina's second premiership.

Bangladesh Bank has issued 15 licenses to offer full range of bank-led mobile financial services. Two early entrants, bKash and Rocket, have emerged with the largest customer bases and agent networks. More than 32 million unique MFS account-holders have transacted over USD 66 billion in 2020, up from USD 51 billion in 2019. Almost 77 percent of it has been handled by bKash.

### Unseen metamorphosis

Mobile phone's transformative role is the result of massive investments in capacity building within and outside of the organisations. The scarcity of human and material resources took heavy toll in the capital and operational expenses of early mobile network deployments.

Grameenphone paid USD 50,000 to erect each mobile base station using Swedish and Norwegian technicians in 1997. Today's local contractors charge only USD 1,000 to do that job. But the operator had to invest in training its contractors in overseas for technicalities and

quality of job.

Grameenphone and Ericsson played a pivotal role in breeding the first generation of Bangladeshi engineers skilled in GSM mobile technology. A pool of Grameenphone engineers were rigorously trained for nearly three months at the Swedish vendor's regional hub in Kuala Lumpur.

It enabled these young recruits to takeover operations from their Nordic colleagues by the end of 1997. The operator kept annually spending around USD 4 million for the subsequent 10 years only to train its engineering workforce. Identical investment on other staffs was uniquely business as usual with Grameenphone.

These young engineers eventually

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replaced the expatriate technical heads in Grameenphone and other mobile companies. It inspired others to shoulder various supervisory roles and replace the foreigners in the industry. They have also excelled in various overseas assignments.

Talents from mobile industry of Bangladesh have been engaged in networks rollout and operations across Indonesia, Vietnam, Cambodia and Myanmar. Executives with proficiency in finance, accounting, human resources and customer care have also elevated themselves at home and abroad.

Optical illusion blurs Digital Bangladesh Awami League took the cue from its nemesis and issued three GSM mobile licenses in 1996. But its groundbreaking cross-sector infrastructure sharing is regrettably a muted achievement. Bangladesh Railway's nationwide 1,800 kilometres of optical fibre network remained unused. Sheikh Hasina ordered to auction the Railway's idle telecoms assets in 1997 and Grameenphone forked the deal.

It helped Grameenphone to expand the nationwide coverage much ahead of its competitors. It also gave Grameenphone the critical lead in customer acquisition, which the operator still maintains. But it became a huge differentiator once the bandwidth-intensive 4G mobile licenses were awarded in 2018. Because optical fibre is an indispensable prerequisite in the transmission segment of 4G mobile networks.

Whereas, in 2011, Bangladesh Telecommunication Regulatory Commission (BTRC) had prohibited the deployment of optical fibre by the mobile operators. So far BTRC has granted six nationwide optical fibre transmission licenses and all of them has miserably failed to meet the industry's need. As a result, only 15 percent of the mobile base stations of Bangladesh are connected with optical fibre as opposed to 80 percent of global average. It answers why the country trails its South Asian neighbours, except Afghanistan, in terms of mobile internet speed.

BTRC's draconian decree regarding optical fibre deployment brittles the foundation of Digital Bangladesh. Sheikh Hasina gave the country's maiden telecoms policy, with whatever imperfections, in 1998. Thereafter numerous ill-conceived policies have metastasised in the telecoms sector. Finally, after 20 years, the very Awami League government has revised the telecoms policy in 2018. It captures measurable milestones, protects consumer rights, and ensures competition. This brilliant, yet mysteriously uncelebrated, telecoms policy of the present government is poised to navigate the sector to sustainable prosperity. All it needs is the political will.

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