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Homegrown apps fail to take off

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While it is not an uncommon sight to see people typing messages in Bangla on their smartphones, the familiar colours and user interface make it obvious that they are not using communication apps belonging to local companies.

While mobile financial service providers and nearly all banks have gained traction in digital services in Bangladesh, the same cannot be said of communications apps built by the government or private entities.

In early 2020, a homegrown mobile application with capability to send messages and make voice calls was launched in Bangladesh. At the inauguration ceremony of the app, named 'Kotha', Zunaid Ahmed Palak, state minister for ICT, said it would be Bangladesh's Facebook, PayPal, Netflix, Twitter, and WhatsApp.

But now, almost none remembers the app. Although Kotha has good ratings on Google's Play Store, it has less than 2 lakh downloads.

However, Mahboob Zaman, chairman of Kotha Technologies, said the growth of the app is somewhat steady given their strategy. "We were trying to do organic marketing. Besides, research and development requires huge investment. We are trying to find an investor."

So far, the app has 4 lakh registered users, according to the company.

Sumon Ahmed Sabir, a technology expert, said copying something that has numerous versions, which local apps tend to do, is unlikely to lead to popularity. "Popular apps come with diversity, flexibility, efficiency and global expectancy that cannot be replicated."

"Besides, local apps cannot compete with these platforms due to the scale of their research and investment. Once a sector is monopolistic, it's not easy to break."

The government has also taken the initiative making communication apps at the cost of hundreds of crores, but all of them failed to attract audiences.

The government-funded app 'Baithak', a video-conferencing platform enabling virtual meetings and webinars similar to Zoom, was designed for government officials, but got very little response.

'Alapon', a Viber-like app developed by the government's ICT Division with the aim to streamline messaging and file exchange processes for government officials, was launched in 2016. Eight years later, the app no longer exists.

"Privacy is definitely a concern, if not a major one," Sabir added.

Meanwhile, the use of social media platforms and communication apps in Bangladesh developed by the global tech giants boomed in the past decade and made it one of the largest markets for them in terms of audiences. The top communication apps in terms of users are WhatsApp, Messenger, and Imo.

Facebook has a huge chunk of the audience, with nearly 53 million users in the country, which places Bangladesh among the top 10 Facebook-crazed nations as of January 2024, according to Statista, a German online platform that specialises in data gathering and visualisation.

Facebook also offers Messenger, integrating it as a standalone app for messaging, voice calls, and video chats.

There were more than 6.3 crore Facebook users in Bangladesh in February 2024 that has a population of about 17 crore, according to management and analytics platform NapoleonCat. It put the number of Messenger users at 5.7 crore.

When asked how many people in Bangladesh use WhatsApp, Meta, the parent company of WhatsApp, Facebook and Messenger, said it is unable to share the country-specific data.

Imo is also popular in rural Bangladesh due to low data usage, simplicity, and free voice and video calls. In 2023, a staggering 4 million new users from the country were integrated into Imo's network, the company said.

That took its monthly users in Bangladesh to 50 million, accounting for a quarter of its 200 million total users. Imo users in the country made 91.6 billion audio and video calls in 2023, among which 35.8 billion calls were international.

Bangladeshi users also made 676 million group calls last year through the app. The top five destinations for international calls were Saudi Arabia, the UAE, Oman, Malaysia, and Qatar.

Desire for mobile data trumps all else

According to BTRC data, there were 10.05 crore people using 4G SIMs as of November 2023. That means 55 percent of mobile users are now using 4G, showcasing a positive trend in the adoption of high-speed mobile internet

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As one strolls along Green Road or ventures into the depths of Karwan Bazar, he or she may come across a raucous circle formed by labourers, rickshaw-pullers, and street vendors.

All of these individuals have taken time away from their laborious tasks to encircle small screens, usually placed on a mat in the centre of the huddle.

As curiosity drives one close enough to see what exactly they are up to, vibrant colours reflect from the screens onto their transfixed faces, deepening the mystery.

But upon closer inspection, it becomes crystal clear: these men are engaged in one of the oldest and most popular board games in Bangladesh: ludo.

But instead of a board, one dice and the colourful rounded tokens that fans of the games are familiar with, all that is required to play now are smartphones connected to internet.

While that may only be a simple means to unwind at the end of a day of arduous labour, the bustling circle of ludo enthusiasts show how much access to the internet has become a part of daily life.

There are hundreds of such little examples littering the day to day lives of the crores residing in Dhaka, all feeding a surge in demand for mobile data.

According to data from the Bangladesh Telecommunication Regulatory Commission (BTRC), there were 10.05 crore people using 4G SIMs as of November 2023. That means 55 percent of mobile users are now using 4G, showcasing a positive trend in the adoption of high-speed mobile internet.

This corresponds to the growing number of internet users in Bangladesh, which has grown exponentially over the past 15 years. There were only 36 lakh internet users in Bangladesh in 2008, but that number ballooned to six crore by 2018. At the end of 2023, the number

technology in Bangladesh for the rise, warning: "When 5G will be rolled out, the number of traditional calls will hit rock bottom."

The changing behaviour presents both an opportunity and a challenge to telecom operators. For example, Grameenphone, the largest mobile operator in Bangladesh, saw its data revenue surge 13-fold to Tk 4,542 crore in 2023 from Tk 317 crore in 2013.

Last year, data revenue accounted for 28.6 percent of GP's revenue compared to 19.2 percent in 2018. The revenue for bundle packages, offering data and minutes, stood at Tk 1,920 crore.

Data revenue is even higher for Robi Axiata, which leads the market in the 4G subscriber segment. The second-largest operator's data revenue surged to 40.1 percent of revenues in 2023 from 24.8 percent in 2018.

incurred charges for calls. Subsequently, the caller bore the cost of Tk 10 per minute," said Nishat Ali Khan, who started working at BTL as a sales executive in 1991.

In 1993, the company was sold and renamed Pacific Bangladesh Telecom Limited (PBT). It rolled out the brand CityCell Digital to market its products.

The entry of Grameenphone, Robi, and Sheba brought down the per minute price of



In the first three quarters of 2023, data revenue contributed 35.1 percent to Banglalink's revenue. In 2018, the third-largest operator's income from the segment was 16 percent.

However, according to officials of the operators, the growth in data revenue is not satisfactory compared to the usage. Mobile data consumption skyrocketed 150-fold between 2015 and 2023 whereas data revenue climbed 10-fold.

They said meeting the rising demand for data requires substantial investment in network infrastructure and this investment can strain operators' financial resources, especially if revenue growth from data services does not keep pace. Besides, acquiring and maintaining spectrum licences for data services is expensive.

The operators had to spend more than \$2.15 billion for spectrum in 1,800 band, 2,100 band, 2,300 band, 2,600 band - that are mainly used for delivering data services - in 2021 and 2022.

The gradual decline of call rates

Those now in their fifties can vividly remember a few individuals carrying peculiar devices with antennas, narrow displays, and considerable size.

In the early 1990s, when BTL collaborated with Hong Kong-based mobile operator Hutchison to introduce telecommunications services in Bangladesh, the per minute cost for call was staggering.

"Initially, both callers and receivers

phone calls to Tk 7. When Banglalink made its foray into the market in the early 2000s, competition intensified and the expansion of mobile network drove down the price.

Today, a one-minute voice call is priced less than Tk 2, and if a customer buys a monthly plan, the cost falls further.

Industry people say traditional voice calls persist in Bangladesh due to the low smartphone penetration, especially in rural areas, where widespread reliance on feature phones and limited internet access ensure their continued relevance.

Although smartphone penetration is witnessing incremental gains, overall, it is still low.

Shahed Alam, head of regulatory affairs at Robi Axiata, said one key reason for the low smartphone penetration is operators are not being allowed to sell phones with their plans.

"Once the government gave us permission to market SIMs, we delivered SIMs to everyone. If we get the consent to distribute smartphones, more people will be able to use such devices."

Yasir Azman, chief executive officer of Grameenphone, in a recent interview, said it is crucial for Bangladesh to boost smartphone penetration.

Nishat Ali Khan pointed out that communicating through mobile phones will never be free.

"Yes, you can talk about tariffs using these apps. Still, you must purchase internet packages for that."



of internet users nearly doubled to 11.85 crore.

However, the ease of access to the internet also means that people are abandoning traditional voice calls made through telecommunication networks, which incur charges based on minutes, in favour of making calls or video calls through apps.

Even Mustafa Jabbar, a former minister for ICT and telecom, says most of his conversations and messages are made through apps. "A majority of people opt for internet-based calls nowadays. Traditional voice calls only come from those who do not have other means."

He credited the introduction of 4G

