Bangladesh IT Industry overview

Bangladesh Association of Software & Information Services (BASIS)
About BASIS

The national Trade body representing Software & IT Service Industry of Bangladesh

700 member companies employing over 70,000 professionals

Half of the companies export to over 40 countries worldwide

www.basis.org.bd
BASIS at a glance

- Established in 1997
- Current No. of Members: 700+
- Current Market size: USD 250 million
- Current earning from Export: US $ 101.36 (50% growth rate)
- Annual Revenue: US $ 2,50,000
- No. of Staff: 17
- Paid Services: Credit card issue and refill for foreign exchange, Exhibition, IT Service catalog enlistment, Training at BITM
Landscape: Demography

- Population Demography – One of the most populous, crowdest and youngest countries in the world
- Bangladesh has 5th largest economically active population in the world
Landscape: Connectivity & Digital Lifestyle

- Per capita income rising steadily (from US$ 620 in 2009 to US$ 800 in 2012)

- Connectivity increased rapidly (100 million people connected over mobile) in last 5 years. Over 30 million in 2 metropolitan cities only.

- Over 20% population (30 million) using Internet. Projected to be over 50% by 2020.

- 10 million Smart Phones – Projected to be 30 million by 2015

- Internet Price came down 6 times in 6 years.
Internet Bandwidth price is falling…..

Bandwidth Price over last 6 years in Bangladesh

Avg. Bandwidth Price is US$ 40 per Mb (down from US$ 1000 in 2007)

Source: Research
Major Niches in Outsourcing for Bangladesh Companies

- **Web Development and Design**
- **Mobile Applications** (apps/games, application Platform, mobile VoIP application etc.)
- **Graphics Design** (Pre-Press, Digital Design & Support service)
- **Customized Application Development and Maintenance**
In last financial year, Software/IT Service Growth rate (56%) is the highest among all sectors (total export growth only 7%).

Software/IT service export is currently one of the top 15 export items in the country. If net value addition is considered, it is among the top 10.
Major Export in North America and Europe
(percentage of companies exporting)
Why NEXT?

With cost rising rapidly in traditional outsourcing countries (India, China, Philippines etc.), Bangladesh, powered by its huge source of talented youth, emerges as one of the best NEXT alternative destinations for clients who are looking for mitigating risk by diversifying outsourcing location.
Opportunities for Business
Citizen & Consumer Services

✓ e-Services for citizens (SaaS model)
✓ Mobile Content & Application
✓ Digital Entertainment & Learning (e.g. games, IP TV etc.)
✓ E-Commerce & Online Businesses
Opportunities for Business Infrastructure Services

✓ Cloud Infrastructure (data centre)

✓ Connectivity Infrastructure (Sub-marine, terrestrial cable, national wide connectivity etc.)

✓ Online Payment Processing Infrastructure (e.g. mobile banking - partnering with financial institutes- banks, MFIs)
Opportunities for Business

Offshore Services

- **Back office** services (large scale BPO)

- **Application Development & Maintenance**
  (over 100 companies in Bangladesh are providing services to US clients)

- **R&D centre** (Samsung has set up its 18th R&D centre in Bangladesh; 5th in Asia), electronics, embedded, VLSI etc.
Few large US Technology companies having presence in Bangladesh

- Playdom (part of the Disney Interactive Media Group)
- Microsoft
- Google
- Dell
- Cisco
- Rebate Network
- Money in Motion
**Government Support for Technology Investment**

- **No corporate tax** for Software & IT services
- Long term Equity Fund (EEF) by Bangladesh Bank convertible to zero cost liability (zero cost of capital)
- **Zero import duty** for computer/hardware equipment
- **Special High-Tech park** (230 acres) being set-up by government
- Plan to increase the technical HR pool by **3 times in 5 years**.
Few upcoming activities of BASIS

- One Bangladesh Launching with a roadmap of (USD 1 Billion Export earning, Creating 1 Million IT professionals, Increasing of 1 crore internet users per year and contribution of 1% in GDP by the year 2018)
- BASIS Softexpo 2014 (June 5-8, 2014)
- Europe-Bangladesh Technology Summit 2014 (March 17-20), Copenhagen and Oslo, Norway
- US-BD Tech Investment Summit, California, USA (May 17, 2014)