IT AND ITES INDUSTRY OVERVIEW

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"Digital Bangladesh" is an integral part of the government's Vision 2021-which promises a prosperous and equitable middle-income Bangladesh by its golden jubilee of independence. Honorable Prime Minister Sheikh Hasina has outlined the Digital Bangladesh having four key priorities: i) developing human resources ready for the digital age; ii) connecting citizens in the ways most meaningful to them; iii) taking services to citizens' doorsteps; and, iv) making the private sector and market more productive and competitive through the use of digital technology. ICT is the backbone of any digital initiative and it covers the vast area of information technology, communication technology and the telecommunication technology. The country is successfully leveraging this rising penetration and has earned $800 million in 2017 by exporting ICT products and services. On top of these, the total number of Internet Subscribers has reached 80.483 million at the end of December, 2017, can be seen as a consequential blessing of the recent progressive steps taken by the present government and the growing ICT sector.

Government Support to IT

- Government has formulated a roadmap for development in ICT in 2016. The activities are clustered in six categories: industry, infrastructure, e-governance, human resources development, laboratories and services.
- The roadmap for the industry has set targets to generate 1,000 innovations, raising software export earnings to USD 5 billion by 2021, developing an eco-system for the gaming industry etc. Moreover, innovation and entrepreneurship academies will be set up.
- The government has identified 100 aspects of the judiciary where ICT can be harnessed and assist in the resolution of 3 million cases currently in backlog.
- The construction of 554 Business Process Outsourcing centers underway and that 2,100 Sheikh Rasel Digital Lab and Language centers out of 2,972 have already been built.
- 7 year tax holiday for registered IT companies
- The BPO has set a goal to connect over 3 corers unbanked people with the banking system this year by the digitized 'Daak Taka' which only requires Tk 2 to open an account.
- ICT exporter's get 10% cash incentive opportunities from July 2017.

Digital Security

Under the law, the government would set up and also has taken some below mentioned initiatives,

- World standard forensic lab
- Constitute a Cyber Security Agency
- Establish cyber incidents responsive team

- A high-level digital security council
- The government in collaboration with cyber security and tech giants has successfully organized an international cyber security conference in the capital on 9th March 2017 aims at taking a coordinated initiative to prevent and check the alarming rise of cyber-attacks.
- BGD e-GOV CIRT launched Mobile app for reporting cyber security incidents to Bangladesh government Computer Emergency Response Team. It is free, easy-to-use, and suitable for users of Android phones. The app will transmit the reports from users via secure Internet connection to the incident handling team who will then contact the users or complainants to assist in resolving the incidents.

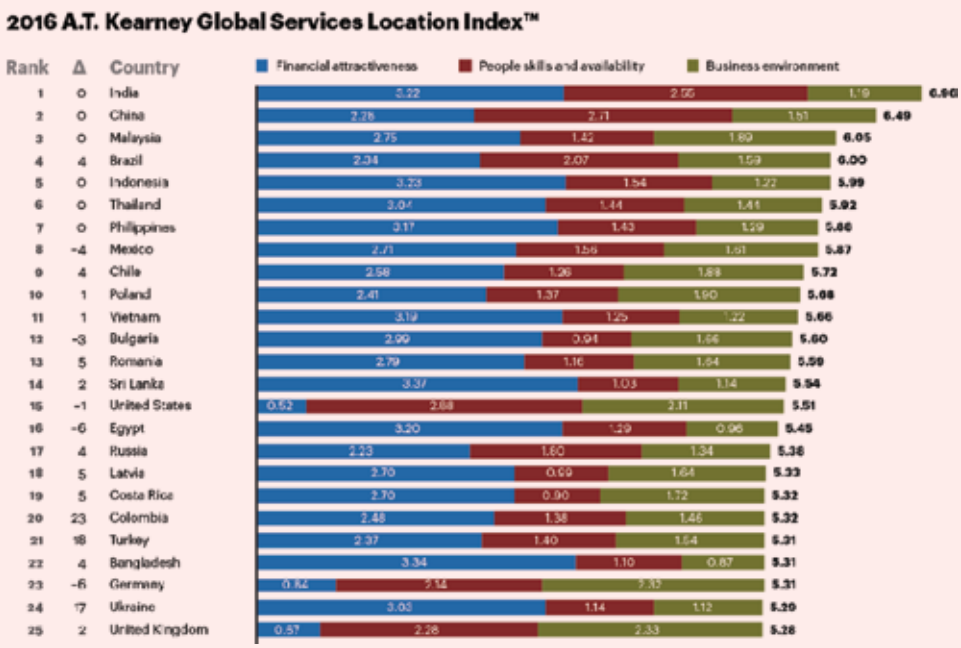
ICT Infrastructure

- To support the development of the ICT industry, Bangladesh Hi-Tech Park Act was passed in 2010. Subsequently, Bangladesh Hi-Tech Park Authority (BHTPA) was established in 2010 for creation, management, operation and development of hi-tech parks across the country.
- Most important and top priority projects are-
    - Kaliakoir Hi-Tech Park
    - Jessore Software Technology (IT) Park
    - Sylhet Hi-Tech Park
    - Mohakhali IT Village
    - Janata Tower Software Technology Park
    - Barendra Silicon Valley, Rajshahi.
- Bangladesh's first university based incubator is being established at the campus of Chittagong University of Engineering and Technology (CUET).
- Government has initiated plan to establish "Sheikh Kamal IT Trainings and Incubation Centre" at the divisional level
- ICT incubator of BDBL Bhaban at Kawran Bazar in Dhaka the first software technology park of the country and the under-construction park in Janata Tower, which is also at Karwan Bazar, will be the second.
- The IT service industry, which employs more than 20,000 people, holds great potential. The sector serves both domestic and international clients from Europe, North America and East Asia.
- Sheikh Hasina Software Park, opened in Jessore on Sunday, December 10, 2017

Promote Economic Growth

- Bangladesh is now considered to be among the next high prospect destinations in the segment, with accolades from AT Kearney, Gartner, Goldman Sachs and a host of others.

- In budget for FY 2015-16, the tax waiver on income from software and ITES has proposed to be extended to 2024 from June 30, 2019 now-- in line with the government's Digital Bangladesh vision.
- Total earnings of the industry in FY 2015-16 were USD 650 million, out of which exports amounted to USD 151.83 million (source: EPB).
- Export earnings from the ICT sector stood at about $190.94 million in 2016-17 FY. (source: EPB)
- Over 400 IT companies currently exports to over 60 countries, with North America being the main destination.
- The size of Bangladesh's e-commerce market is estimated to be $110-115 million (around Tk 900 crore) this year, growing from $65-70 million in 2016, said the report referring to RedSeer Consulting. And currently, the potential market for online shopping is about Taka 2,000 corers.
- The prospects of the sector have compelled the government of Bangladesh to set a target of USD 1 billion export earnings by 2018.With current trend of export, capacities and available resources, the target notches up USD $5 billion by 2021.
- In 2016, world's leading management consultancy firm AT Kearney reported that, due to notable growth in IT outsourcing, business processing outsourcing (BPO) and software development, Bangladesh has secured 22nd place in Global Service Location Index (GSLI).



Source: AT Kearney Outsourcing Destination Rankings 2016

- In 2017, world's leading management consultancy firm AT Kearney reported that, due to notable growth in IT outsourcing, business processing outsourcing (BPO) and software development, Bangladesh has secured 21nd place in Global Service Location Index (GSLI).

Source: AT Kearney Outsourcing Destination Rankings 2017

Significant Achievements

- Bandwidth capacity of submarine cable has been already raised to 200 GBPS from 44.6. Another 1600 GBPS will be added by February 2017.
- Approximately, 3, 00,000 IT and ITES professionals with majority IT and other graduates are currently employed in the industry.
- Local industry's revenue generation of US$ 0.9-1.1 billion in 2017 (Source: Everest Group, December 04, 2017). However. BASIS Research (Latifee & Hira, May 2017) shows that the local market size for ICT sector in 2017 was US$ 1.18 billion.

E-governance Progress

- Bangladesh has climbed up 24 places in United Nations E-Government Development Index. The country has secured an impression leap upward to the 124th position in 2016 from 148th in 2014.
- More than 200 services have been provided to the people through 5, 275 digital centers established all over the country
- Over 25,000 web sites including those of upazilas, districts, divisions, departments and directorates have been added to national web portal
- National Enterprise Architecture (NEA) is being built by the Government to facilitate interoperability and operation of e-governance activities.

Skill Development

- Leveraging ICT for Growth, Employment & Governance (LICT) Project-
  - Total 75,000+ Youth to be trained over next three years
  - 10,000 Top-up Training
  - 20,000 Foundation Skills Training Program
  - 20,000 Online Outsourcing Training
- Under the Skills for Employment Investment Program (SEIP), total 1.25 million Youth to be trained by 2021
- Under the Support to Development of Kaliakair Hitech Park project, 4,981 youths have received ICT training.
- To increase self-dependency, Learning and Earning project is working on creating 55,000 freelancers.
- Under the Bari Boshe Borolok (Getting Rich At Home) project, 14,750 youths have been trained as freelancers of whom 70 percent are women.
- Bangladesh Hi-Tech Park Authority (BHTPA) has imparted trainings to around 6,500 youths in different areas of Information and Communication Technology (ICT). Around 6,500 youths so far to enable them to get employment capitalizing on their skills in the field of ICT. Of them, around 4,700 trainees have already got jobs under Employment Incentive Program.

Software and IT Industry at a Glance

- No. of registered ICT Companies: 4,500+
- No. of BASIS Member Companies: 1,031
- Demand for software in the local market: US$ 1.18 Billion
- No. of IT/ITES Professionals: 3,00,000 (appr.)
- Market value of IT/ITES: US $400+ (Ministry of Finance
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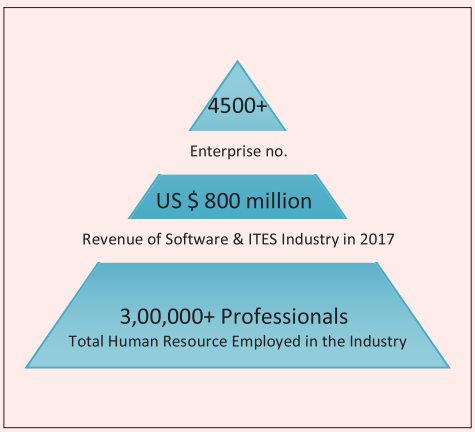

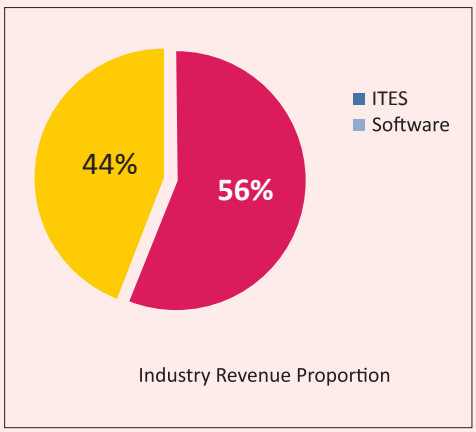

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www.basis.org.bd

BASIS
Bangladesh Association of Software & Information Services

ABOUT BASIS

NATIONAL TRADE BODY FOR SOFTWARE & ITES INDUSTRY OF BANGLADESH

MEMBERS EXPORTING IN 60+ COUNTRIES

APEX TRADE BODY OF THE SECTOR WITH 1000+ MEMBERS ORGANIZATIONS

1000+ CONTRIBUTING TO DEVELOP A VIBRANT SOFTWARE & ITES INDUSTRY IN BANGLADESH

BE A PROUD BASIS MEMBER & GET THE BEST SERVICES...

- PARTICIPATE IN NATIONAL & INTERNATIONAL EVENTS WITH DISCOUNTED FEES
- INTERNATIONAL PAYMENT THROUGH CREDIT CARD SUPPORT
- CORPORATE TAX EXEMPTION FACILITY UP TO 2024
- ERQ ACCOUNT FACILITY
- ACCESS TO SME LOAN FUND & EQUITY ENTREPRENEURSHIP FUND
- SUPPORT FOR ORGANIZATIONAL CAPACITY DEVELOPMENT
- LEGAL & ADVOCACY SUPPORT THROUGH WORKSHOPS & SEMINARS
- VENUE RENTAL FACILITIES AT BASIS AUDITORIUM, LOUNGE AND BOARD ROOM
- MEMBER PRIVILEGE CARD