

Telecom Industry and Regulatory Environment

The Government of Bangladesh envisions a Smart Bangladesh by 2041, where the telecom industry can play a pivotal role. Alongside the rising digitalisation trend, demand for the expansion of the mobile data network and improved quality is also rising. However, negative macro-economy conditions have impacted the telecom sector in 2022 and the sector has seen de-growth for the first time in terms of mobile connections; which had dropped from 181.2 million at the end of 2021 to 180.2 million at the end of 2022.

The SIM sale ban imposed on Grameenphone is also one of the reasons for this degrowth. Nevertheless, the number of unique mobile subscriber and internet users have grown steadily during the year. Moreover, revenue from data, and new and adjacent businesses continued to grow while voice revenues experienced a decline, when compared to earlier years. Even though the growth momentum of the sector had slowed down in 2022, a positive trend continues and the sector is projected to grow further.

The Bangladesh Government has strong focus on digitalisation, an area that can be considered a major enabler for the Bangladesh economy in the years ahead. By contrast, the regulatory environment has been unpredictable over the years and, to make matters worse, Grameenphone particularly has been singled out and meted differential treatment by the regulators in some instances. To its end, Grameenphone has been maintaining constructive engagement with the relevant stakeholders to address these current and emerging challenges.

Telecom Regulatory Environment

The telecom regulatory environment has not been friendly towards Mobile Network Operators (MNOs) in 2022. BTRC took a strong stance with respect to the Quality of Service (QoS) of MNOs and imposed micromanagement measures. Their directives encroached up to the network design and dimensioning levels; going so far as to impose quarterly roll out obligations on MNOs to improve QoS. In this respect, Grameenphone received even harsher treatment – SIM sales remained suspended for six months. The regulator also initiated a process of amending existing QoS regulations to make them more stringent, however, MNOs took a common position under the AMTOB banner and shared their concerns through a consultation process; any amendment to QoS regulation is yet to be concluded.

To facilitate improving 4G network quality and 5G readiness, BTRC called a spectrum auction in the 2300 and 2600 MHz bands. The MNOs collectively acquired 190 MHz of spectrum through this auction under better terms and conditions than under previous auctions. However, during the spectrum assignment, a condition for 5G trial launch by September 2022 was imposed, with which most MNOs complied. The MNOs started deploying their newly assigned spectrum in the third quarter of the year, which contributed to improving their network QoS. After constructive dialogue, BTRC revised the annual spectrum fee assessment formula to make it simpler and more rational. A task force was also formed to shape up the NTTN regime, which is leading to gradual improvements.

Following previous years' trends, BTRC initiated consultations on many topics – it kicked off consultations on Broadband Policy, License Unification (2G, 3G, 4G and 5G), QoS Guideline Amendment, OTT Guidelines, Data Protection Act, IIG pricing, Data floor pricing, etc. However, the outcome of the consultations has not been significant, as only a few could be concluded. Edotco was designated as an SMP operator in the Tower Co market. Further, the BTRC has been evaluating the amendment of the ILDTS policy in order to streamline the fragmented regulatory regime and move toward a more converged licensing regime: by initially introducing class license. This potential amendment, however, has yet to be opened up to the consultation process.

The telecom regulatory environment in Bangladesh has remained unpredictable and challenging throughout 2022 and it is likely to continue in this manner in the near future. For the telecom industry to grow and prosper, it needs collaborative and constructive engagement to make the regulatory framework predictable and investment-friendly.

