

Quarterly business Highlights 2019

Q1

- In February 2019, Grameenphone rolled out 100% data network across all sites in the country, ensuring customers have access to 3G network in any Grameenphone coverage area. Grameenphone rolled out 926 new 4G sites along with network modernisation, reaching more than 5,900 4G sites across the country and registering 6.8 Mn active 4G users. There was continued drive on 4G conversion by providing new SIM data offers to customers.
- Voice revenue continued to grow as the industry started to recover from the decrease in voice calls and minutes of usage post implementation of unified floor tariff in Q3'18. An annual growth of almost 10% in subscribers also contributed to the growth of voice revenue.
- Grameenphone is always looking to introduce innovation and empower the value chain by digitising core sales and distribution. As part of an efficiency drive, two separate apps were introduced to SEs and retailers to replace manual work.
- 350 Minutes @ BDT 199 monthly pack remains to be one of the most popular voice products, while 500 Minute @ BDT 278 monthly pack was also contributing heavily to revenue.
- The postpaid business also performed better, boosted by introduction of postpaid migration through the self-care app, MyGP. There was also an additional drive on postpaid sale through GPC and retail channels.
- During this quarter, the regulator introduced two regulations which had a negative impact on revenue. The pay-as-you-go limit on data packs was revised to BDT 5 from BDT 200 with or without customer consent. The regulator also introduced minimum 3-day validity on data packs, in contrast to earlier industry practice of providing hourly and daily internet packs.
- On 10 February 2019, Grameenphone was declared a Significant Market Power (SMP) and subsequently issued two directives stating certain prohibitions. Following a writ petition filed challenging the directives, on 19 March 2019 BTRC withdrew and cancelled the two directives asking for Grameenphone's response, which was submitted on 31 March 2019.

Q2

- Grameenphone modernised and rolled out 1,560 4G sites, covering more than 430 upazillas across the country and 43% of the geography with 4G network.
- In anticipation of the challenging weather during this time of the year, Grameenphone ensured better and stronger resilience in the network by deploying battery and generator backup at sites, which ultimately reduced network downtime.
- A combination of improved usage and growth in subscriber base led to continued growth momentum for Grameenphone. Gross Add offer was revised from BDT 9 to BDT 17 with very good uptake in the market. There was a focused drive on monthly packs to secure higher ARPU.
- Eid and World Cup positively contributed to revenue, with Eid period performance surpassing past year's Eid period performance in terms of both users and revenue. ICC World Cup 2019 live streaming with exclusive Bangla commentary was introduced on Bioscope. As a result of which, Monthly Active Users increased and more than 100TB data was spent on Bioscope per day.
- On 13 June 2019, the government announced a change in Supplementary Duty from 5% to 10% - which makes availing mobile telecommunications services more expensive for customers. Smartphone customs duty was also increased to 25%, while SIM Tax was increased from BDT 100 to BDT 200 effective on 01 July 2019, which resulted huge positive uptake in GA towards the end of this quarter.
- As of 30 June 2019, Grameenphone recorded 8.4 million active 4G data users. With close to 7,500 4G sites, 62% of the population of Bangladesh was covered under 4G, which provided better customer experience on mobile data.
- On 18 February 2019 and on 12 May 2019, BTRC attempted to impose restrictions on Grameenphone as SMP operator without any allegations of abuse. Both times, the Honourable High Court has issued show cause and injunction on the BTRC directives.



Q3

- This was a particularly challenging quarter due to many rifts with the regulator, mainly impacting the network rollout and prevention from offering new products and services.
- Despite the challenges, Grameenphone successfully rolled out 1,812 pre-approved 4G sites to the network. Grameenphone also received the OOKLA Speedtest award for the Fastest Network in Bangladesh for the second consecutive year.
- Grameenphone increased the startup commission in order to become more competitive in the GA market share, which was triggered due to increase in Supplementary Duty and SIM tax. Product portfolio was also revised to incorporate the changes in Supplementary Duty.
- The country experienced a prolonged rainy season followed by floods which lasted almost two months in many areas of the country. This negatively affected the performance of Grameenphone, mainly in July. During Eid in August, due to a prolonged holiday and bad weather, there was a big boost in data revenue driven by an increase in data usage.
- The MyGP app, which is Grameenphone's self service app, became a lifestyle app of preference for many customers. Along with recharge and availability of packs, there are also differential offers such as bonus and loyalty points. In this quarter, Grameenphone tied in non-telco services such as Bioscope directly from within the MyGP app, along with continuously providing personalised offers to customers, which led to a 100% YoY growth in active base and sales.
- Grameenphone also engaged customers using contextual content, such as providing Cyclone updates, connecting blood donors during the recent dengue epidemic in the country, as well as catering to the cricket-loving population by providing live streaming of the Cricket World Cup.
- Grameenphone also concluded a Service Level Agreement (SLA) with edotco in July 2019 and in compliance with the Tower Sharing Guideline, edotco has submitted the negotiated SLA to BTRC for vetting. Despite many requests, BTRC is yet to vet the SLA.
- As an industry leader, Grameenphone takes reducing inequality, our commitment to SDG 10, very seriously. Equipping suppliers with knowledge and tools adds incredible value, producing quality results in the shortest possible time. By sharing success stories, organizing supplier summits and training sessions, Grameenphone is able to convince suppliers to be compliant by showcasing that other businesses are growing for the right reasons.

Q4

- During the fourth quarter, Grameenphone rolled out 715 new 4G sites, achieving its ambition of rolling out 10,000 4G/LTE sites across the country, bringing 75% of the population of the country under its 4G coverage, despite challenges and restrictions placed by the regulator. Grameenphone also registered 11.9 million 4G users, attributed to the focus on 4G SIM conversion in the market as well as 4G only data pack portfolio.
- Investment in the network continued, enhancing 3G capacity in over 3,000 sites as well as improved LTE indoor coverage. Grameenphone also continued to invest in building network resilience and ensuring a sustainable network for the country. With over 16,000 towers across the country, Grameenphone already covers 99.6% of the population and 96% of the geography.
- Grameenphone has provided deep sea network coverage that brings connectivity to the fishermen community of Bangladesh, that enables them to stay in touch with their families as well as stay updated on weather conditions and warnings.
- Grameenphone Accelerator is an innovation platform where Bangladeshi youth entrepreneurs and innovators are supported to take their ideas to market and find mentors and investment to scale. So far Grameenphone has run 5 batches and supported 26 startups. Grameenphone has revamped and scaled this program in 2019 to include the entire nation.
- In the fourth quarter the industry faced adverse effects from the weather, as winter arrived early, creating an impact from November. Voice usage was negatively impacted.
- Aggressive competition continued in data. Grameenphone ran nationwide trade campaigns with incentives and commissions along with revamping portfolios and price revisions on Flexiplan.
- On 26 November 2019, BTRC finalised their full-fledged agreement template in the name of Common SLA and sent the copy to all MNOs and Tower Cos for necessary action. Grameenphone responded to BTRC on 4 December 2019 reiterating its previous position that BTRC should not intervene in the bilateral agreement between MNOS and Tower Cos and asked BTRC to withdraw the imposed Common SLA and vet the bilateral SLA agreed between Grameenphone & edotco.
- On 15 December 2019, the High Court Division (HCD) passed its verbal judgement on SMP declaring that the directives of 30 May 2019 cannot be sustained in law, and directed BTRC to take steps with respect to the directives within four weeks of receipt of the certified copy of the judgement.