



Inclusive Economic Development Through  
**Digital Transformation**

# Missed Opportunity : Empty Rhetorics & Wrong Policies

## We Missed out on Leveraging Digital Technology to . . .



Enhance efficiency and accountability in delivering citizen services



Promote good governance and institutional transparency



Harness technology to address the scarcity of skilled manpower in critical social sectors (e.g. education and healthcare)



Achieve and sustain global competitiveness in different export sectors

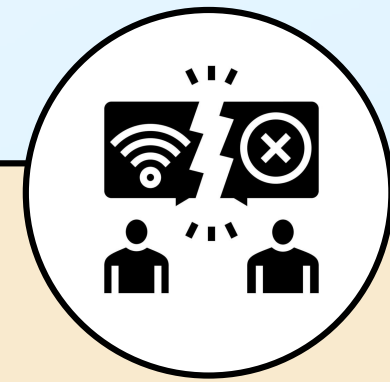


Generate quality employment opportunities, including self-employment, for millions of youth and unemployed graduates

# Realigning our Digital Strategy for Future Success

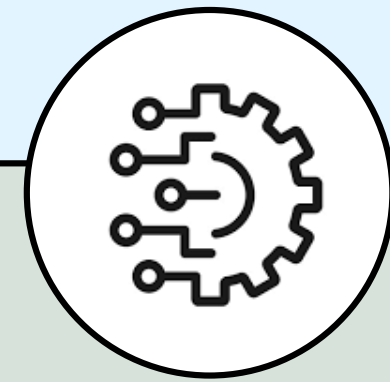
## Mapping a New Direction

### 3 Essential Pillars of the Realigned Strategic Agenda



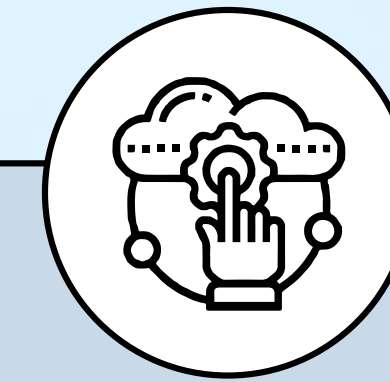
Reduction of **Digital divide** by addressing the affordability and access issue

1



Establishing a reliable and resilient **Digital public infrastructure (DPI)** to enable data for good and drive innovation

2



Supporting a strong **Digital service industry** to create high-value jobs and achieving technological sovereignty

3

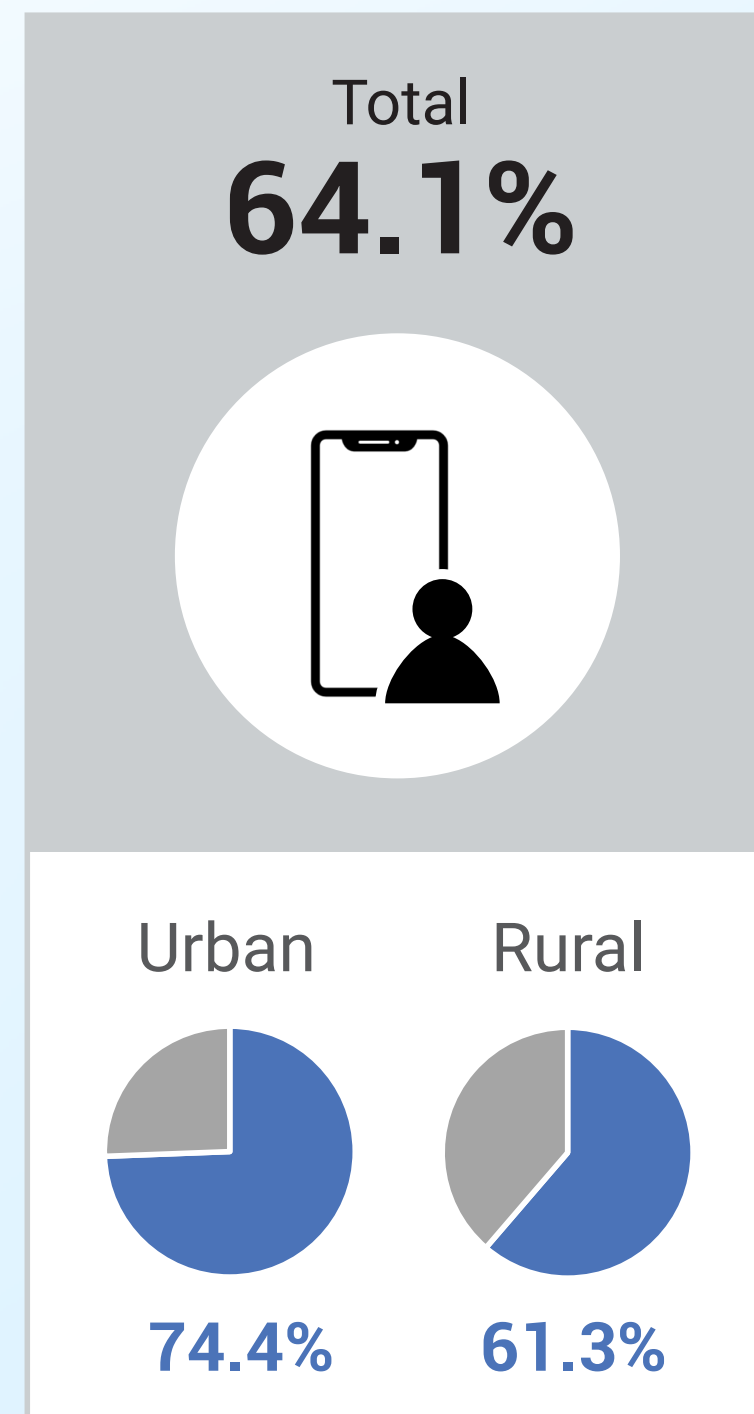
1

# Digital Divide

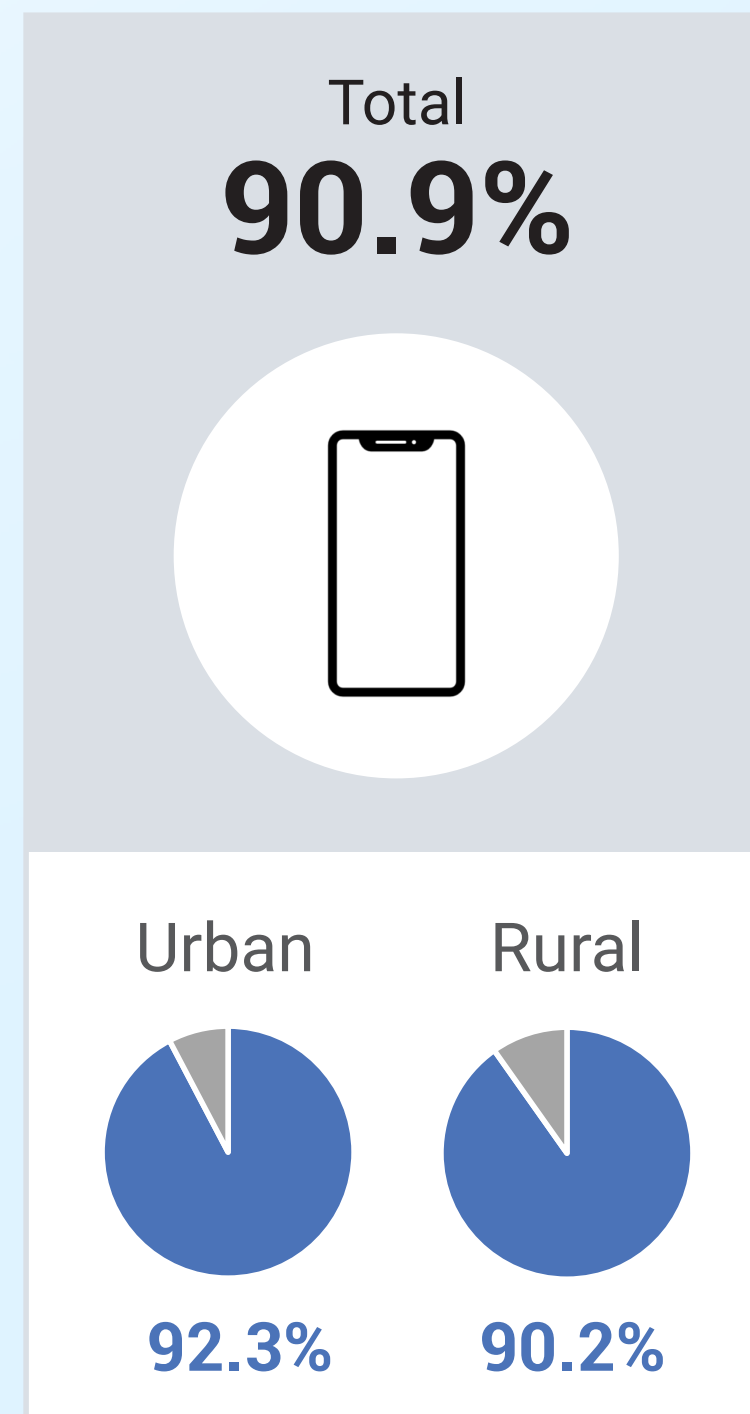
# Enhancing Digital Connectivity and Access to digital services

## Overcoming Key Barriers to Bridging the Digital Divide

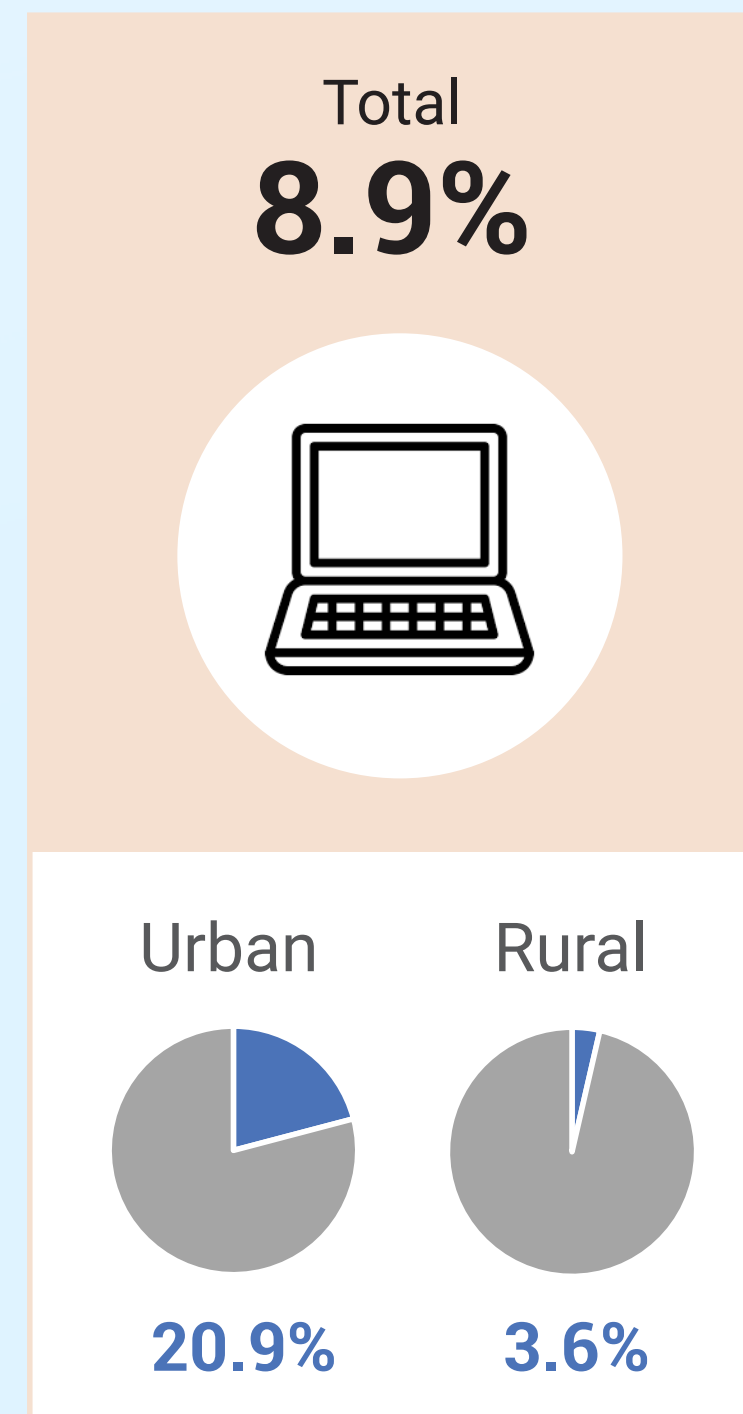
### Owner of mobile phones



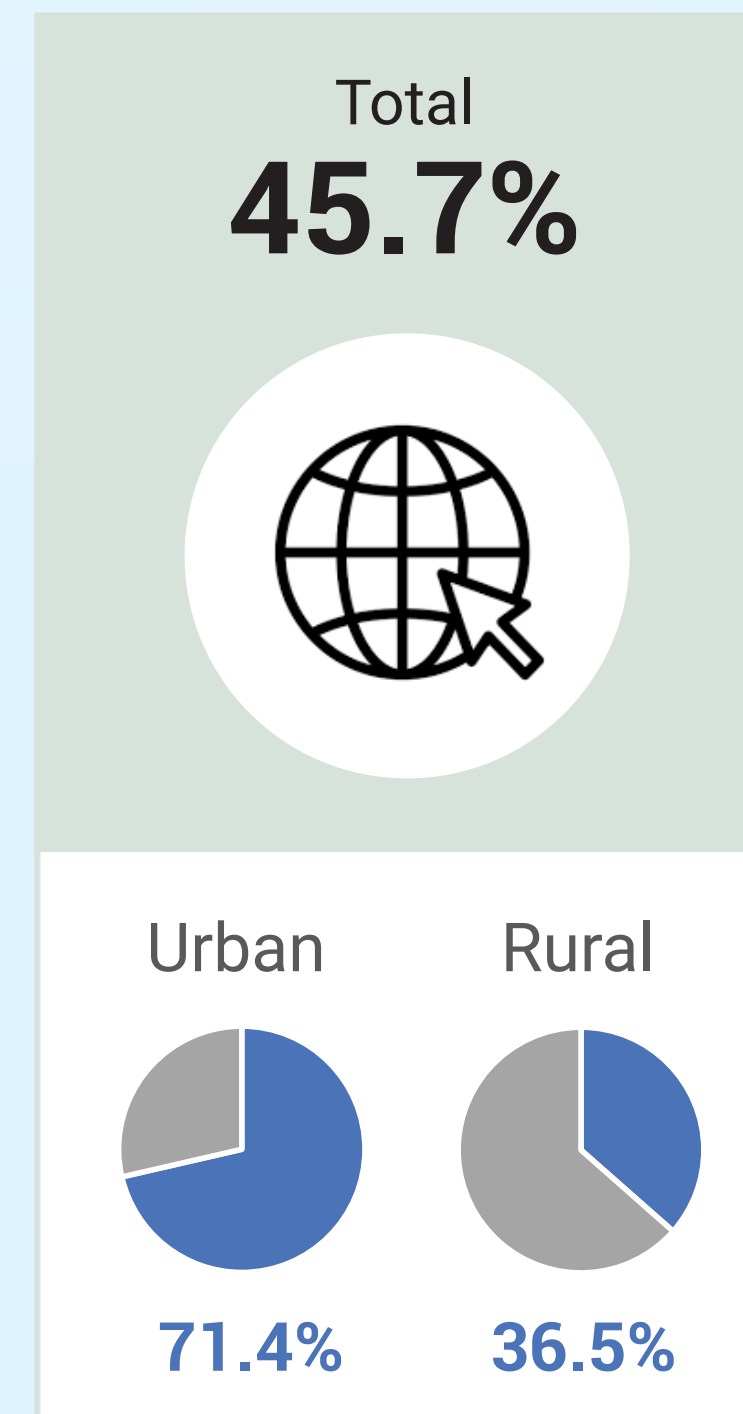
### Mobile Phone user



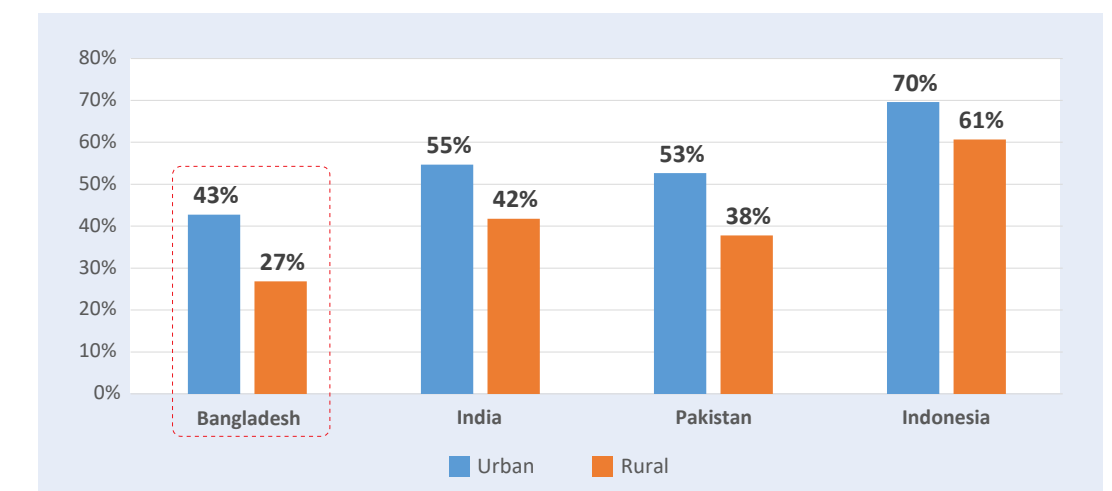
### Computer user



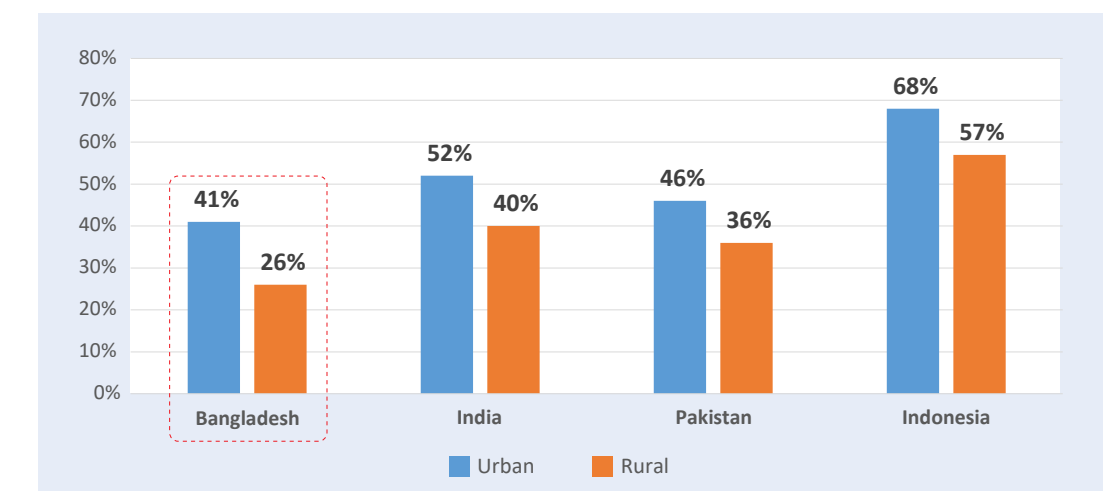
### Internet user



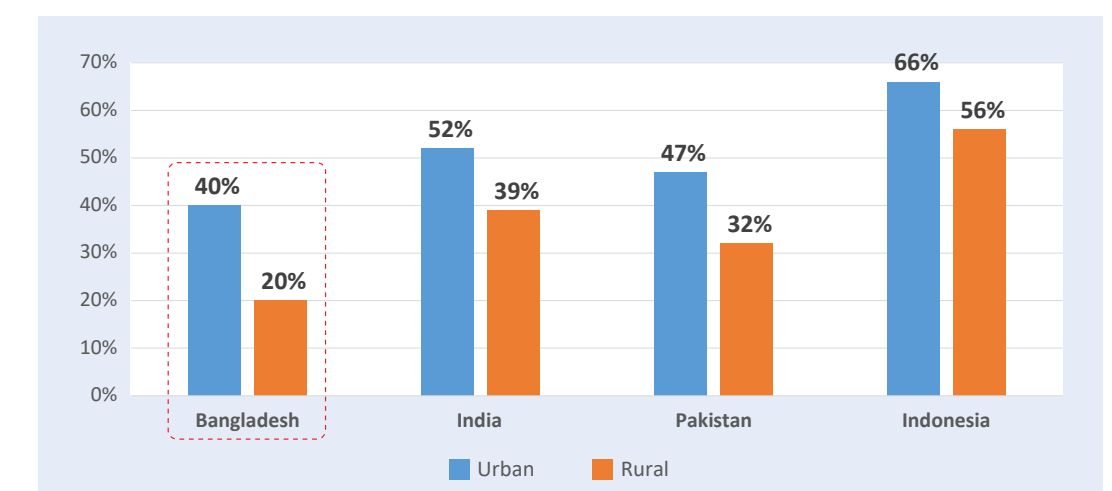
### Mobile Internet Adoption



### Smartphone Ownership (% of adults)



### Daily Internet Use



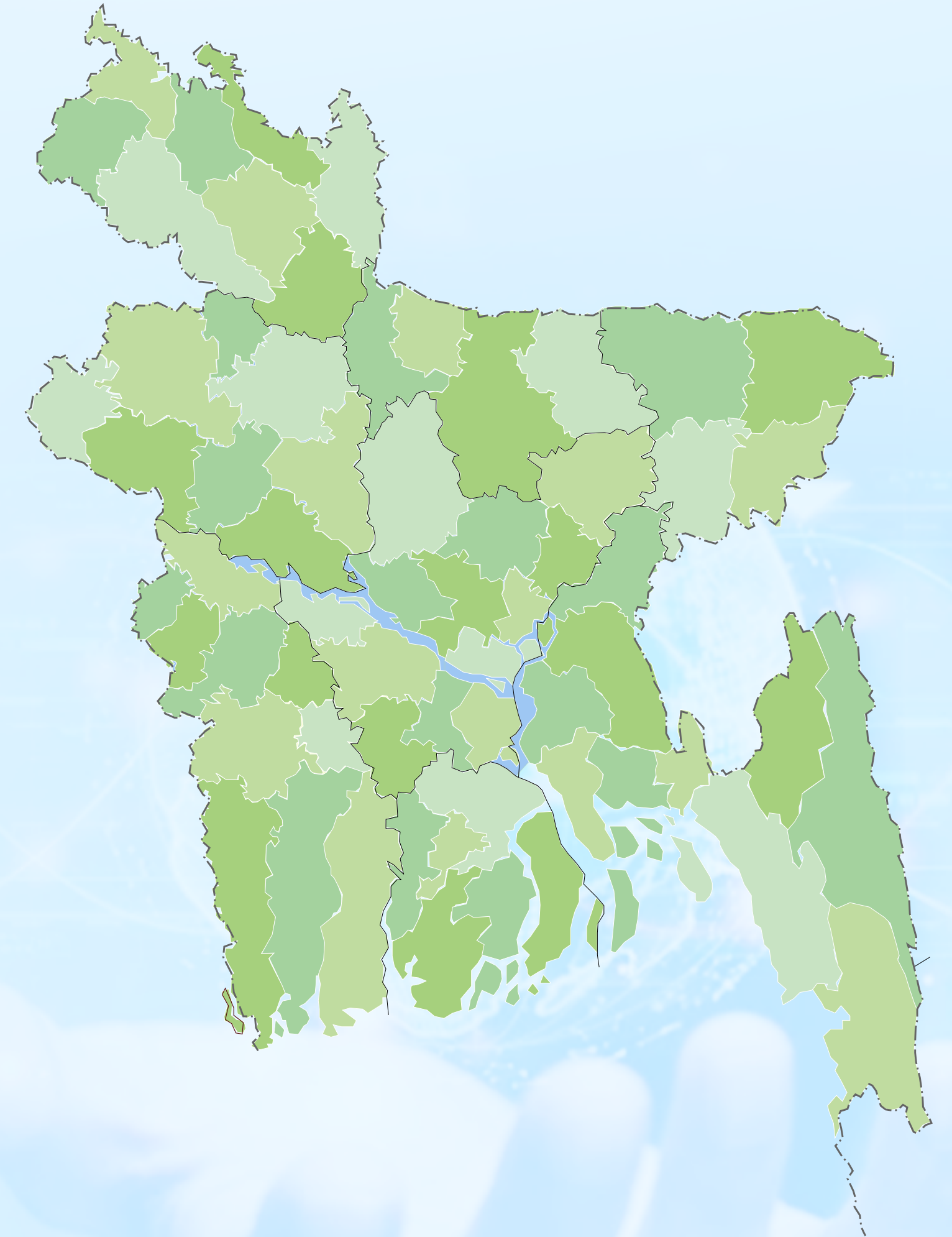
# Average Data Consumption per user in Bangladesh

Mobile  
data users

**6.5 GB\***

Wired  
Broadband users  
(mainly in cities)

**150 GB**



\* Average mobile data consumption in India is **24 GB**  
(3.5 times than in Bangladesh)

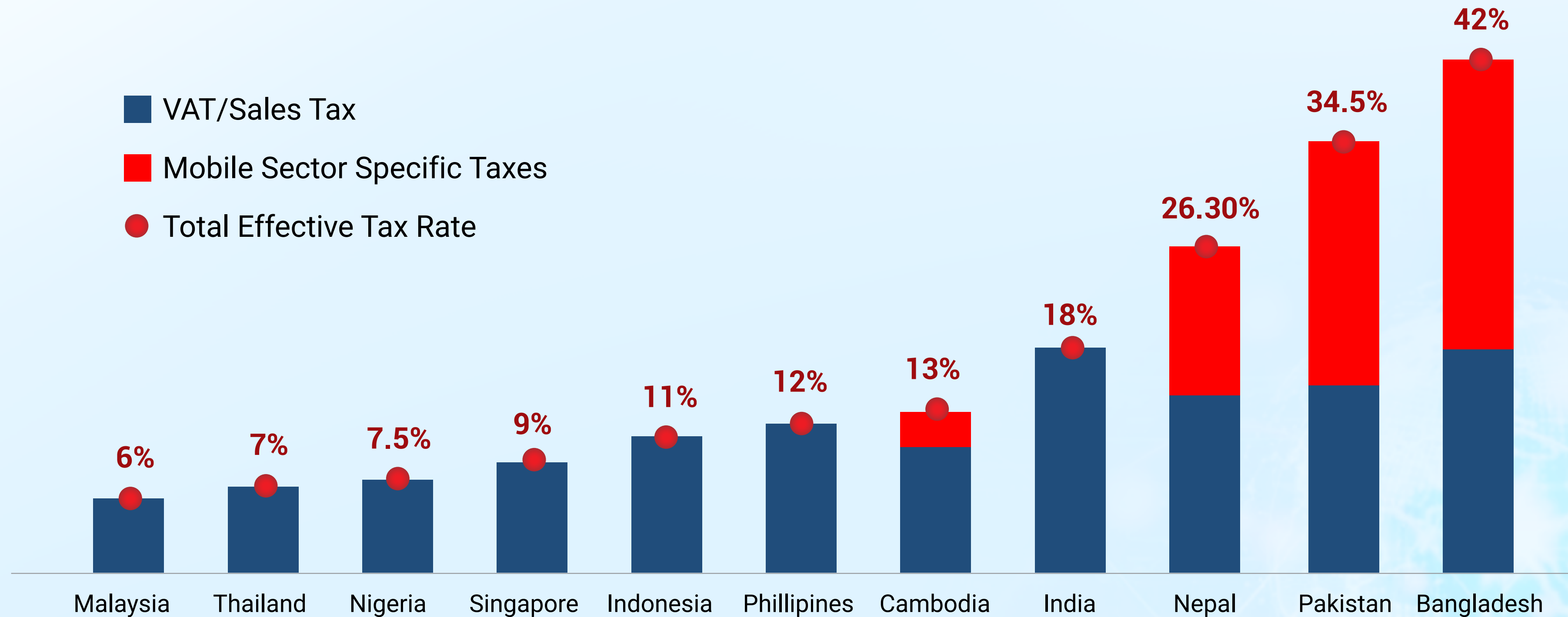
## 3 Main Reasons of High Mobile Data Cost

Excessive  
Taxation on Users

Artificially  
Fragmented  
Supply Chain

High Data  
Transmission cost  
across the country  
because of NTTN rent  
seeking and lack of  
infrastructure  
sharing

# Subscriber Taxation on Mobile Services in different Countries



Source: The State of Mobile Internet Connectivity Report 2024, **GSMA**

supplementary duty (20%)

VAT (15%)

revenue sharing (5.5%)

surcharges (2%)

social obligation funds (1%)

spectrum related fees (~9%)



2

# DPI

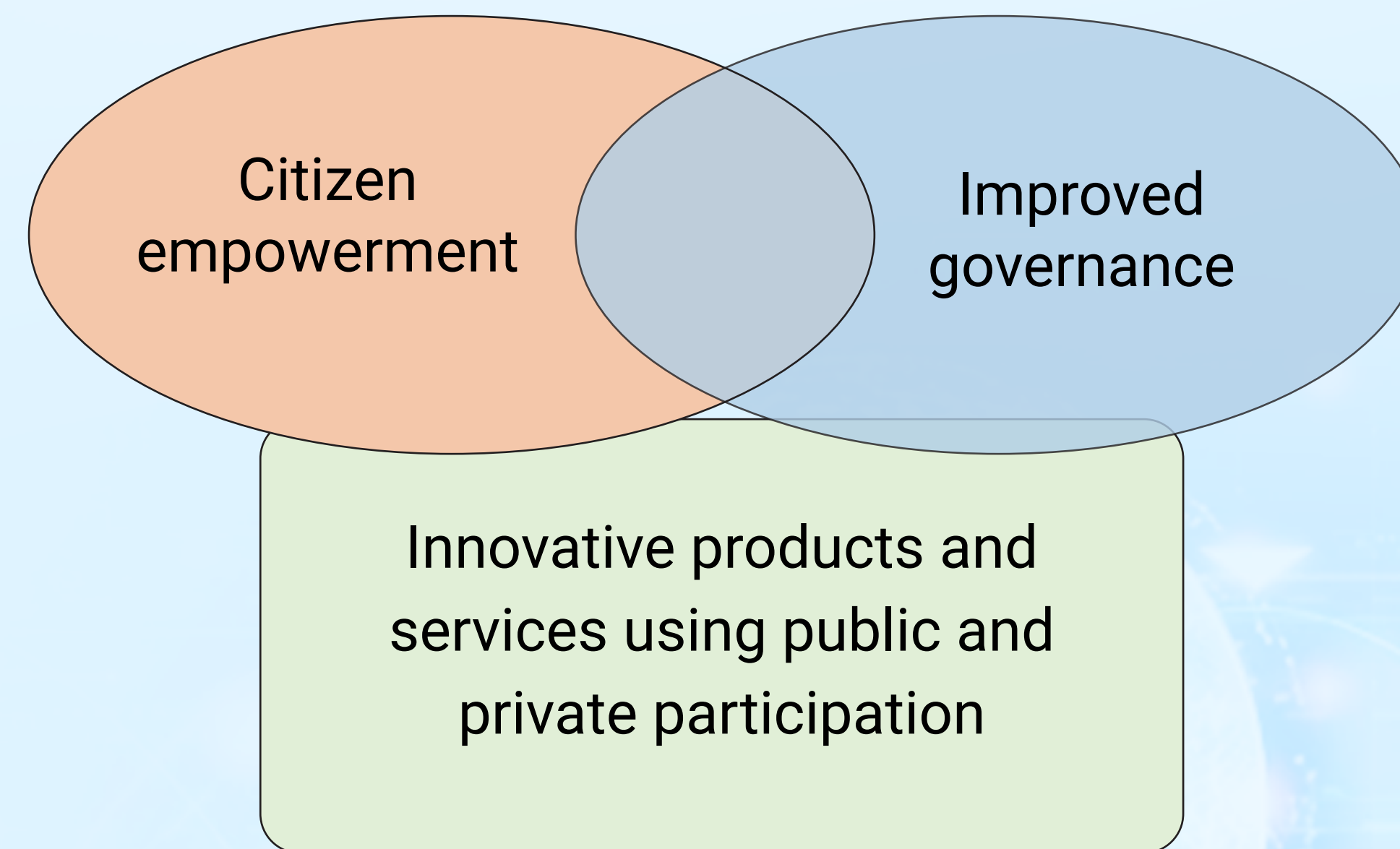
(Digital Public Infrastructure)

# Leveraging Data and Building Digital Public Infrastructure (DPI)

**Digital Public Infrastructure (DPI)** refers to the foundational systems and services-distinct from physical infrastructures like roads and railways- that drive the digital economy.

These are digital utilities which create a foundation on which various digital services can be built, both by public and private sectors.

## Key Features of DPI



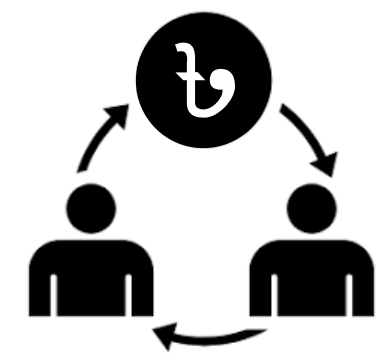
# Foundational DPIs Bangladesh should Prioritize immediately



**Identification:** This involves enabling secure and unique identification of individuals, and businesses and facilitates seamless authentication, verification, and integration of identity information, enabling efficient delivery of public and private services.



**Consent driven Electronic Data Sharing :** Ensures a smooth flow of personal data across both public and private sectors, contingent upon user consent, while incorporating safeguards for personal data protection in line with relevant data governance frameworks.



**Financial Transaction (transfer and payment) Interoperability:** Facilitates quick, seamless and easy transfer of money among individuals, businesses, and government entities.

3

# Digital Industry Development

# Digital Services Industry: Untapped Potential

**Underutilized**  
Opportunities  
for **Economic**  
**Contributions**  
from the  
Digital Sector

**Export Under-**  
**performance:**  
Compared to  
Neighboring  
Countries

**High** level of  
**Foreign**  
**Reliance**  
for  
Digitisation

# Main Challenges

## Demand Side

- ▶ Government Market (B2G) opportunities limited to few companies
- ▶ Large enterprise market (B2B) dominated by foreign solution providers
- ▶ Consumer Internet market is limited because of low internet penetration issues
- ▶ Export market is not growing significantly because of low size of companies

## Supply Side

- ▶ Shortage of Senior-Mid level technical resources
- ▶ Funding remains a serious challenges because of generic policies that are not suitable for SME financing for IT companies
- ▶ Large amount of government infrastructure and skill development support for the industry has been wasted

# 10 Major Recommendations in the TASK FORCE Report

1

## Digital Divide

- ▶ Declare Internet as 'social good' and reduce all kinds of extra excessive taxation (e.g. 20% supplementary duty, surcharge, revenue sharing)
- ▶ Liberalise telecommunication license regime (in favor of unified licensing) for the full ecosystem.
- ▶ Allow and active push (make mandatory) for resource and infrastructure sharing (active sharing) including towers and spectrum

2

## Digital Public Infrastructure

- ▶ Unified personal ID system for all citizen
- ▶ Personal Data protection and Sharing Ordinance/Act
- ▶ Consent Framework and Data Transfer & Sharing Architecture
- ▶ Instant Digital Payment across payment platforms

3

## Digital Industry Development

- ▶ Shift the focus of digital skill development to emphasize mid-level technical leadership skills rather than general digital skills in junior level
- ▶ Refine and streamline the financing rules and regulations to allow local financial sectors, such as banks and capital markets, to meet the funding needs of the digital industry without relying on traditional collateral or asset-backed financing
- ▶ Regulatory Support for inward and outward FDI