

CHAPTER 1 INTRODUCTION

This Report provides an overview of the telecommunication sector in Bangladesh, its growth potential and trends of financing. Specific projects in short term perspective are identified, which Canadian companies could consider as a means to enter into the market. Strategies are discussed, which are expected to help the intending companies to be successful in procuring business.

This Report covers telephone, radio, satellite and other telecommunication technologies for civilian and military use. Identified projects and potential demands for equipment and services of Bangladesh Telegraph and Telephone Board (BTTB) as well as other organizations which have their own communication networks are described in this Report. On the average about US \$ 20-30 Million in foreign exchange were spent in the past on equipment and services annually in this sector. BTTB has identified projects in this sector for implementation during the Fourth Five Year Plan (1990-1995) and has sought an allocation of US \$ 1,289 Million, including a foreign exchange component of US \$ 724 Million for that plan period. This means that on the average US \$ 140 Million in foreign exchange could be spent annually during the next five years for projects of BTTB alone. This amount may increase further due to planned implementation of telecommunication projects by other organizations.

Role of telecommunication in the process of development of any country can hardly be over emphasized. This is more relevant for a developing country like Bangladesh where development of this sector is still in a nascent state. Present level of availability and diversity in utilization of various types of telecommunication facilities in the country calls for a rapid growth of this sector. Bangladesh Telegraph and Telephone Board (BTTB), the Governmental organization, which has a monopoly in this sector, was provided with more than US \$ 200 Million in the last nine years by different foreign donor agencies for implementation of various projects. About half of this committed fund is yet to be utilized. Other than BTTB, a number of organizations like, the defense services, border security forces, internal security, civil aviation, utility services, riverine navigation system, etc. also procured different telecommunication equipment during the same period. The amount allocated or spent for these purposes remain unspecified, because these expenditures are usually made out of block allocations, which do not show separate expenditure/allocation for their in-house telecommunication facilities. Donor focus on this sector has been in general favorable, which is expected to be intensified further in future. This sector in Bangladesh offers attractive business opportunities for the relevant Canadian companies.

Bangladesh is a riverine country and many of the remote areas are almost inaccessible. A reliable telecommunication network is essential both for administrative purposes and also for efficient management of disasters from frequent natural calamities.