

# 【Research Report】 Prime Minister Sheikh Hasina's Initiative to Promote Local ICT and Our Business Development

～"ICT and Market Growth Strategies for Bangladesh"～

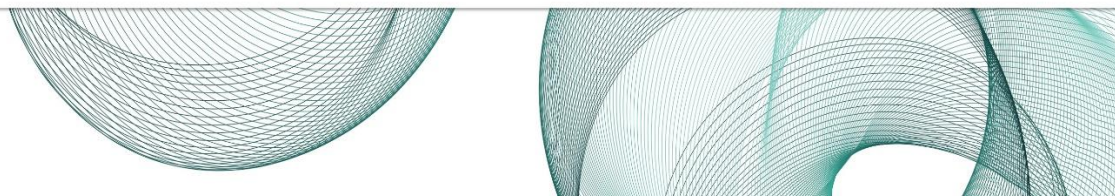
M2 Co., Ltd(Head office: Minato-ku, Tokyo; President: Miki Terada), which is conducting field trials of its next-generation smart meters with Bangladesh's national power company, announces demand forecasts for its smart meters based on "Smart Bangladesh Vision 2041," an ICT environment document prepared by the IT Division of the Bangladesh government in response to Prime Minister Sheikh Hasina's recent visit to Japan.

## Survey Background

M2 Corporation has been conducting demonstration tests of smart meters with local electric power companies in Bangladesh since February 2023, but the future expansion of local economic activities has made it necessary to examine the demand for our products.



Welcome to **Smart Bangladesh**



<For inquiries from the press, please contact>

M2 Co., Ltd. Sales Planning Office, Mitsui TEL : 03-6435-6376 MAIL : info@m2-co.jp

# The current Bangladesh industrial restructuring and market size under the leadership of Prime Minister Sheikh Hasina

## ■ Promoting rapid expansion of ICT-based green industries with a goal of 0% poverty rate by 2041

Most people's image of Bangladesh is that it is "the poorest country, mainly based on agriculture" or "a country that produces and exports low-cost processed sewing products." However, in Bangladesh today, Sony, Samsung, OPPO, VIVO, and other companies have built manufacturing plants, and Samsung produces the Galaxy S21 Ultra5G, a high-end smartphone model, for export to the United States. Local production of smartphones meets more than 52% of the local demand. The country has also made great strides in the expansion of the digital equipment market. For the past decade, almost all electronic products had to be imported, but today there is a \$2.4 billion market for electronic equipment, with an annual growth rate of 29.3%. Walton, a homegrown brand, has been producing home electronics and heavy machinery locally for nearly a decade to meet booming local consumption and increasing exports to other countries.





 The Power of Youth: The Prosperity of Bangladesh  
The Dreamer of Digital Bangladesh and the Architect of Modern Bangladesh, **Hon'ble Prime Minister Sheikh Hasina, MP**

## Smart Bangladesh

Towards becoming a  
**Developed Nation by 2041**

**DIGITAL BANGLADESH is our PHILOSOPHY of REVOLUTION**



 We look forward to a world where human creativity and great achievements in an era of amazing advances in science and technology can create a better future for us

Father of the Nation  
**Bangabandhu Sheikh Mujibur Rahman**  
*(Session of the UN General Assembly, September 25, 1974)*

We have Achieved the Digital Bangladesh Vision 2021	Our Renewed Vision is to Establish Knowledge and Innovation Based Smart Bangladesh by 2041
Digital Bangladesh	Developed Nation
Middle Income Country	Knowledge Economy
	High Income Country

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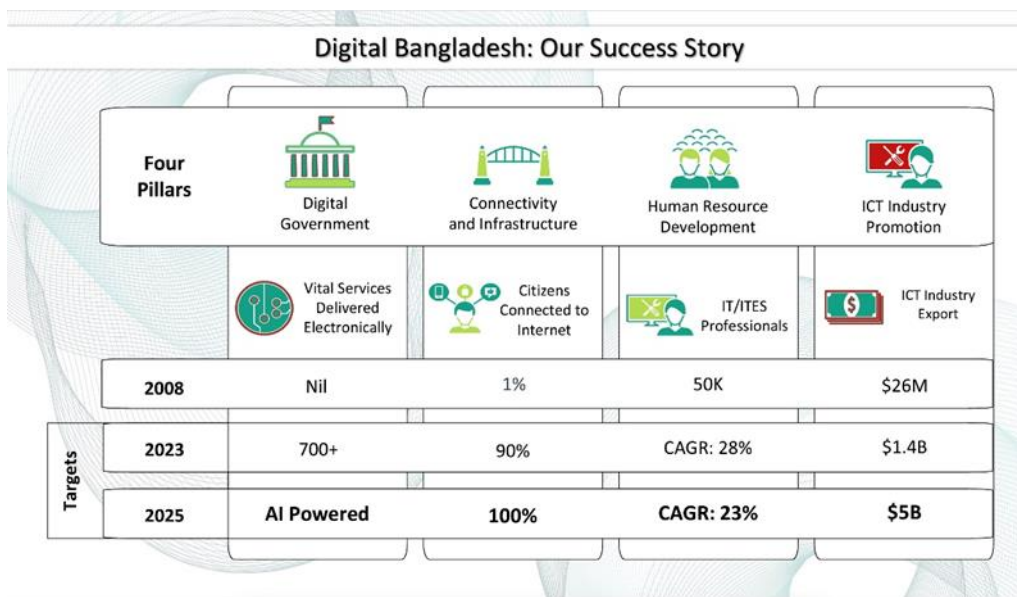
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■ **Target 100% high-speed Internet access rate and 100% 5G or higher smartphone penetration rate**

The Bangladesh government began its Smart Bangladesh initiative in 2009, when the Awami League, now the ruling party, came to power. When the Awami League came to power by a wide margin in the 9th general election, Bangladesh's ICT system was virtually nonexistent. There were no government services that could be provided online, only 1% of the population had Internet access. There were only about 50,000 IT professionals in the entire country, and exports from ICT related industries were worth only \$26 million. One of the key commitments made by the Awami League in the 2008 general elections was to build a Digital Bangladesh. The Awami League-led government has delivered on that promise and has fundamentally transformed the country's ICT ecosystem over the past decade.

As of 2023, there are more than 700 government services provided entirely online, and 90 percent of Bangladeshis have access to a stable Internet connection. In addition, the training of information technology professionals has hit an impressive average annual growth rate of 28%, and exports of ICT-related services are valued at US\$1.4 billion per year.

The Government of Bangladesh has made this massive transformation possible by establishing a safe and friendly investment ecosystem for investors and entrepreneurs. The government is offering attractive incentives to investors to expand the emerging ICT industry.



■ **100% cashless economy promotion**

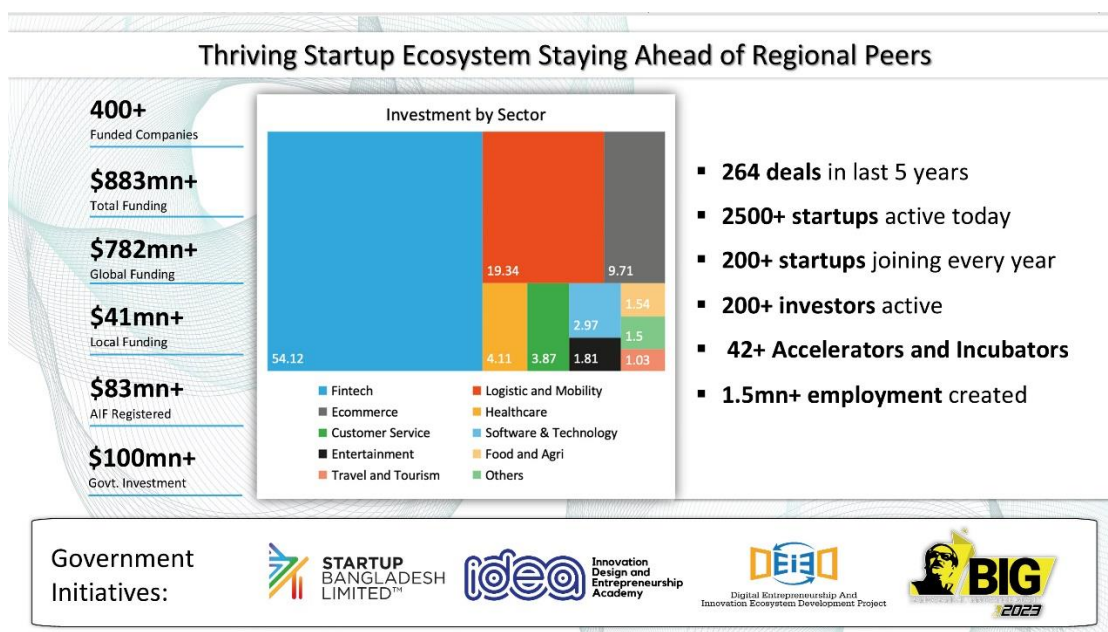
Bangladesh is making great strides in the expansion of e-commerce and digital finance. Bangladesh boasts 181 million mobile users, making it the ninth largest mobile market in the world. With over 188 million subscribers to mobile financial services (MFS) and 14 million transactions taking place every day, Bangladeshi MFS such as BKASH and Nagad (state-run digital financial services) have received much national and international recognition for their innovative customer services. Since 2011, Bangladesh's MFS has grown at a staggering 500% growth rate, and like MFS, Bangladesh's e-commerce market is also a great investment destination for potential investors. Global players such

as Alibaba and Dalaz, as well as various national-level startups, have already created a US\$3 billion e-commerce market in the last five years. However, this represents only 35% of the total market size, which is expected to expand within the next two years to meet 80% of consumer demand.

### ■ Investment Environment in Bangladesh

Currently, there are more than 400 companies in Bangladesh that have achieved funding from international investors, including Softbank Group, Bill & Melinda Gates Foundation, and Adventure Capital.

For example, IT companies are exempt from corporate income tax for 10 years, and if they invest in a government-established high-tech park, the corporate income tax exemption period is 12 years. Foreign professionals working in the ICT industry in Bangladesh are exempt from income tax, as well as import tax on capital machinery and other assets imported by investors and entrepreneurs. In addition to this, investors will be exempt from value-added tax, double taxation, stamp duty, and registration fees (for land purchases) and will receive a 100% profit rebate. Bonded warehouses are also available for investors and entrepreneurs to invest in high-tech parks. These incentives have already created unprecedented growth in Bangladesh's emerging ICT market. Over the past five years, more than 2,500 startups have been established in the country, with approximately 200 ICT startups entering the market each year. These investments have created more than 1.5 million jobs in Bangladesh's ICT industry over the past five years. In addition, the Bangladeshi government has facilitated the establishment of 42 accelerators and incubators to retain startups and has invested more than \$100 million in the sector.



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## FDI in Startup Ecosystem

>250 investment deals in 400+ startups over the last 5 years! International Investors are here !



### ■ Conclusion

The development of the Bangladeshi economy is expected to expand rapidly, and the preferential policies of the Hasina administration in attracting foreign companies are expected to accelerate the entry of Japanese companies into the country. The expansion of the market economy is closely correlated with the expansion of demand for electric power, and the promotion of smart grids is expected to be developed at a rapid pace. We believe that the demand for smart meters, our product, is certain to grow in tandem with this trend, and we are working to prepare for this.

### Survey Details

"Analysis of the Local Economic Environment from Documents Prepared by the ICT Division of the Government of Bangladesh."

In order to forecast the demand for our smart meters after the completion of the demonstration test in Bangladesh, we analyzed the local economic environment from government policy documents and conducted a survey as basic information for our measures.

Survey period: Monday, April 17, 2023 ~ Monday, April 24, 2023

Research method: Interviews with relevant parties based on ICT Division data, Government of Bangladesh

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## About M2 Co., Ltd

### **【Company Profile】**

Company name: M2 Co., Ltd

Head Office: 10F Hibiya Fort Tower, 1-1-1 Nishi-Shinbashi, Minato-ku, Tokyo

Representative Director: Miki Terada

Business activities: Industrial machinery handling, system integration, system development M2 power control devices

Established: September 2017

URL : <https://www.m2-co.jp>

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