



Domestic market of Software & ITES remained sluggish, due to non-conducive government policies and indifferent attitude of the private sector users.

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I can not say that the Software & ITES Industry performed well in 2012. The contribution of this sector to the country's GDP continues to be insignificant, and this industry has hardly any relevance to the national economy. But we continue to talk big and create hypes, delivering not much.

Private sector business is still struggling to come out of the recession. The focus in 2012 was to keep afloat. Investment in IT was generally a far cry. However, a few corporate bodies made some investments in automating their processes. Unfortunately, most of the Applications, which could have been developed locally, were imported.

Some public sector initiatives were noticed. Government made some budgetary allocations under "Digital Bangladesh", whatever that means, in financing few projects. One such project is called "Information Centers" at Union levels. Computers were imported & deployed and Internet connectivity provided for use by the citizens to access information. The emphasis was on importation of Computer Hardware and Peripherals, and there was not much focus on developing contents locally. That did not help the growth of the local industry. Incidentally, it has been reported that many of these 'Information Centers' are not in operation for various reasons. Another project that was taken in hand under 'Digital Bangladesh' was to create content for the course materials at primary schools. A number of Primary School Teachers were trained on 'Power Point' technology to develop digitized study materials. I heard two opposite views of this program: one claiming that it was a great success, and the other suggesting that it was a waste of time & money. However, the fact remains that 'Power Point' is not the appropriate tool to design & create e-learning course materials. Yet another project that was taken in hand some years back; namely setting up 'computer laboratories' in High Schools, has now been abandoned, after spending substantial amount of money in foreign exchange.

We have been hearing of number of Government-sponsored IT projects for many years, most of which are yet to see the light of the day.

There was lot of noises about local production of Laptop at a selling price of Tk.10, 000/- each. A few thousand Laptops were delivered to some Government Offices, and then nothing more was heard. It is reported that the project has been shelved, because it was subsequently discovered that it was technologically non-viable and financially non-feasible. Meanwhile, we continue to import PCs & Laptops by spending scarce foreign exchange, and

committing to long term to import of spare parts, thereby keeping our dependency on foreign suppliers indefinitely.

Domestic market of Software & ITES remained sluggish, due to non-conducive government policies and indifferent attitude of the private sector users. Although some progress was made in 2012, mostly in the financial sector, the vast market potential remained untapped. The only way to activate this Industry is to expand 'domestic market', by motivating the users, both Public and Private Sectors, to buy locally developed Application Software & Services. This will generate employment, offer an opportunity to develop technological & managerial expertise, and help users to improve efficiency.

The main-stream Government activities continue to be conducted manually, as before. Whereas sporadic attempts have been made, mostly on ad-hoc basis, to develop some Applications, the focus was mostly on Web-page Development. Automation of Workflow Process in the Ministries and field offices has not been started in any real sense of the term. Unless that kind of initiative is taken, this Industry will not grow. We have seen quite a few Government-initiated projects which have not achieved the desired results within the specified cost & time. I have already talked about the Study Materials for Primary School students, the Information Center and the Computer Laboratories. A few other projects, namely Machine Readable Passport/Visa, Driving License, and now the RFID-enabled number plates for motor vehicles, are in progress. MRP/MRV has run in to troubles a few times; delay, cost over run (original project cost already revised upward thrice), pilferage of Passport books, forged/duplicate Passports, low productivity etc are but a few issues. Driving License project is totally mismanaged. RFID-enabled number plate is a new concept recently introduced. We have to wait and see how it performs.

In 2012 the activities related to export of Software & ITES were quite visible. Some of the existing vendors managed to expand their business, and a few new vendors came in the scene. Although the export revenue remains at a low level, the entrepreneurs are certainly in the right direction. I hope that more and more young people will find this sector interesting.

We are very excited about the 'freelancing outsourcing' business. According to some estimates, as many as 150,000 young boys & girls are engaged in this activity. Most of these 'exporters' are students, and good ones at that. But I think that we are wasting our talent and time through the online freelancing business.

Freelancing cannot be a career profession. Students attend classes all day-long and at after-hours they engage themselves in freelancing where they are required to learn only a few technologies, and use the same repeatedly over and over again. The opportunity for upgrading themselves on technology ladder is almost non-existent. Though the total freelancing income is very high for an individual, I feel it is not benefitting our country in the long run. This business is totally cost-focused. The moment customers find a cheaper place to work with, they will move away. Freelancing may be good for some people for a short time, but it can not be a long term profession. Those who are currently engaged in this business should seriously consider moving up in the value chain and be gainfully employed in corporate culture.

Bangladesh is not yet known as an address for the Software & ITES source. We have to send the message abroad that we too can make Software and provide Services. Whatever progress we have made so far, are primarily through efforts of individual contacts and efforts. Consequently, projects are generally small and short-run. Globally recognized big customers are not aware of our capabilities. Government has to play a big role in promoting Bangladesh as a dependable source of Computer Software & IT-enabled Services, and thereby attract the attention of the big international players.

We have a huge pool of easily trainable educated human resources which no country, other than China, can match. 25% of our population is aged below 30 years. They are intelligent and talented, and can be converted to skilled manpower in short time. However, they must feel assured that after training they would be gainfully employed. This is possible only when the Software & ITES Industry becomes vibrant.

Bangladesh was connected to the Internet in 1996, initially via VSAT, and then through Submarine Cable. It is reported that not even 20% of the capacity is currently under use, due to exorbitant cost. Yet, a second Submarine Cable, as a back-up, has been commissioned. Something should be done to keep the price of bandwidth at a level not more than Tk. 10,000/- per unit for the users. WiMax has been in the market for quite sometime. But its use is still limited, because of cost. 3G is now available, but only with one of the Operators. We are yet to assess its performance.

I don't see any particular improvement of this industry in 2013. As this is an election year, the Government will focus on expenditures geared towards election activities. Budgets from sectors, such as IT, will get reduced. In my opinion the Government investment relating to IT activities in 2013 will be lower than what we saw in 2012.

Uneven competition against foreign Application Software will continue, and the local industry will remain crippled. The only solution is to ban import of Application Software which can be designed, developed and supported locally.

However, the sector has huge potential and eventually all manual work will get converted to automation. Within the next 5 to 10 years we will experience the changes. The Government must automate its workflow processes. Only that one decision will help creation of hundreds of IT vendors and millions of IT Professionals.

Automation helps the users in three ways; (i) increases work speed, (ii) establishes accountability, and (iii) ensures transparency. Will we ever have a bureaucracy which is courageous enough to support such a proposition?

Interview is taken by Md. Ashaduzzaman Riadh and Tanzina Ahmed Choudhury. All views and opinions expressed here are solely of the interviewed persons and neither represent the views of LankaBangla Securities Ltd. nor those of any of its associated institutions.

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