CHAPTER 11

TRANSPORT AND COMMUNICATION

A well-organised, sustainable and modern transportation and communication infrastructure is an important yardstick for measuring the overall socio-economic development of a country. A well-knit transport and communication network play an important role in ensuring a well-balanced distribution system for the means of production, efficient marketing of produced commodities, maintaining stability of prices, free flow of information technology and rapid industrialisation. In the current context of globalisation and market economy, there is a critical need for evolving a developed and well-knit transport and communication system as well as connecting the society with the information superhighway that should be able to integrate Bangladesh with the international transport and communication network. Realising this importance, the concerned ministries and their agencies continue to exert their concerted efforts to develop the system. In FY 2005-06 there is an allocation of Tk. 5,823.99 crore in revenue and development budget combined for the Ministry of Communication. In FY 2005-06, the contribution of this sector to the GDP at constant prices is about 10.10 percent. The transport and communication network in Bangladesh has evolved with roads, railways, water and air-transport as well as post, telecommunication and information technology.

Roads and Highways Department (R&HD)

In Bangladesh, among the various modes of transport like railway, waterways and roads, road transport system in recent years has been playing a significant in transporting passengers and goods among the various like railways, waterways and roads. This department is implementing a number of programmes for building vital roads and bridges network throughout the country for socio -economic development. According to data released by BBS (Bangladesh Bureau of Statistics), in FY 2005-06 the share of transportation sector in GDP at constant price is 6.69 percent. A total of 196 development/investment projects have been included in the RADP of R & HD for FY 2005-06. To implement these projects an amount of Tk. 2739.69 crore allocated GoB component Tk. 2062.45 crore and project aid Tk 667.24 crore has been allocated against total allocation an amount of Tk. 2492.52 crore has spent up to June 2006. The overall financial progress achieved during the period is 90.98 percent, compared to the achievements of 90.59 percent in the previous fiscal year. The R& HD manages a road network of 21,571 km of which the paved road is 16,500 km. and brick paved as well as katcha road is 5,071 km.

Of the total road network 3,570 km. constitute national highways; about 4,323 km. regional highways and 13,678 km. districts roads. RHD under its control a total number of 3,790 bridges having the length of 130 km. and 10,981 culverts with a total length of 54 km. RHD is currently operating about 209 ferry boats in 103 ferry ghats on its road network throughout the country. The

road network under R & HD combining different types of roads built over a period from 1994 to 2005 is given table 11.1:

Table 11.1: Various Categories of Roads under Roads & Highways Department

Year(Up to the June, 30)	National Highway (km)	Regional highway (km)	Feeder Road 'A' type (km)	Total (km)
1994	2920	1687	11063	15670
1995	2920	1700	11450	16070
1996	2920	1700	12934	17554
1997	2920	1700	15665	20238
1998	3144	1746	15964	20854
1999	3090	1752	16116	20958
2000	3086	1751	15962	20799
2001	3086	1751	15962	20799
2002	3086	1751	15962	20799
2003	3086	1751	15962	20799
2004	3723	4832	13823	22378
2005	3570	4323	13678	21571

Source: Department of Roads & Highways, The Ministry of Communication.

Local Government Engineering Department (LGED):

For infrastructure development of urban and rural areas, LGED is implementing a range of programmes with foreign and local funding. Included among them are: construction of rural roads, bridges /culverts, growth centres, hat bazar, embankment, UP complex, ghat/jetty, sluice gate, Besides these, for the convenience of the people in urban areas, the department is engaged in constructing roads/ footpaths/bridges/culverts, drains, latrines/community latrines, bus /truck terminals, town halls, super markets/kitchen markets, tube well etc. Recently, LGED has completed the construction of Khilgaon Flyover using indigenous technology. It is a new addition to urban infrastructure development in Bangladesh. During FY 1991-92 to 2005-06 a total of 1,07,401 km. (64,549 km dirt road and 42,852 km paved road) upazila road and union road and 5,32,391 meter bridge/culvert, besides 1,990 growth centre/rural shopping centre development, 15,967 km tree plantation, 1,669 nos. UP complex bhaban, 2,48,938 hectare Flood Control Drainage Irrigation (FCDI) & Command Area Development and 386 Cyclone shelters have been constructed/reconstructed. The programmes of LGED for infrastructure development during FY 2005-06 are shown below:

Table 11.2: Programmes of LGED for Infrastructure Development

Activities	Cumulative June-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Cumulative figure up to June '06
Dirt Road (km)	26257	10102	4555	4770	6252	6040	6573	64549
Paved Road (km)	15985	3870	3255	3829	4804	5237	5872	42852
Bridge/Culvert (m)	221082	67449	50882	42937	49405	60908	39728	532391

Source: LGED.

Bangladesh Road Transport Authority (BRTA)

This organisation is responsible for issuing registration and fitness certificate as well as for executing of other regulatory activities as net Motor Vehicle Ordinance. To bring discipline in this sector, the organisation has already adopted the following programmes:

***Formulation of Polices and Laws*:** The draft action plan of 2005-07 has been prepared after the termination of Natural Road Safety Action Plan 2002-04.

***Safety on Roads*:** Road safety cell has been set up and at the same time," Accident Research Centre" has also been set up in BUET. There is an initiative to include road safety issues in the primary and high school curriculum. Reflectors have been installed at the important intersections of roads.

Measures to Control Pollution of Environment: To control pollution, two stroke three-wheelers have been withdrawn, use of CNG -driven motor vehicles has been encouraged and the age of imported reconditioned motor vehicles has been reduced from five years to four years. Two pollution detective mobile vehicles have been procured. These vehicles will detect the transport emitting black smokes to bring them under law.

Jamuna Multipurpose Bridge Authority (JMBA)

Jamuna Bridge is playing a vital role in road transport system. The bridge has made the communication between eastern and northern region of the countryside much easier. This has resulted in increased production of agricultural commodities in the northern region of the country side by side with the establishment of industries, new employment opportunities have also been created. In order to maximise the benefit from high investments in Jamuna Bridge, a dual gauge railway link with the northern region of the country has been established. This new link has made possible direct rail communication between the capital city and other district town like Rajshahi, Lalmonirhat and Khulna. In addition, this has created an opportunity to manage railway with greater efficiency. Aside some road and railway facilities, electricity and gas pipelines have also been laid on the budget. There is an increasing trend in tolls collection from the users of Jamuna Bridge. Set out below is a table that shows yearwise tolls collected by Jamuna Multipurpose Bridge Authority (JMBA) during FY 1997-98 to FY 2005-06:

Table-11.3 Toll Collected by JMBA

(In crore Taka)

Fiscal Year	Target	Collection	Revenue as % of target
1997-98	1.06	99.68	93.26
1998-99	54.17	58.81	108.56
1999-00	66.03	64.77	98.09
2000-01	78.09	81.15	103.91
2001-02	84.94	91.99	108.30
2002-03	95.03	107.02	122.62
2003-04	106.21	129.30	121.70
2004-05	117.6	150.43	127.92
2005-06	131.11	156.08	119.04

Source: Jamuna Multipurpose Bridge Authority.

Other Projects for Construction of Bridges

After successful completion of Jamuna Bridge, the Government has taken initiatives to build bridges over other major rivers to develop an integrated transportation network throughout the country. Building bridge over Padma is one of these initiatives taken by Government. The proposed Padma bridge will provide direct link between Dhaka and the south-west region of the country that includes Patuakhali, Khulna, Jessore, Magura, Gopalganj and Faridpur. Japan International Cooperative Agency (JAICA) has concluded feasibility study of the project combining road, railway, telecommunication and energy facilities. The JICA study has confirmed the viability of the project with the railway provision. The total cost of the 5.58 km. long bridge has been estimated at Tk. 8,587.77 crore with a local and foreign currency of Tk. 3005.28 crore and Tk. 5582.49 crore respectively. As recommended in the JICA feasibility study, preparation of land acquisition plan (LAP), Resettlement Action Plan (RAP) and Environmental Management Plan (EMP) has been completed in FY 2005-06. Land acquisition of the project is expected to commence from FY 2008-09 subject to completion of the detailed design and other pre-construction activities and availability of foreign fund from the potential development partners. It will take about five years to complete the project the proposed bridge, is likely to establish a significant milestone in the transportation network of Bangladesh.

With the growing population in Dhaka city, it has become imperative to connect the adjoining areas by an integrated transportation network. As a step towards establishing this link the construction of 6th China-Bangladesh Friendship Bridge at Mukterpur over the river Dhaleswari on Dhaka-Munshigonj road has began since March 2005 at an estimated cost of Tk. 196.49 crore which includes Tk. 119.67 crore as Chinese foreign assistance. The construction of this bridge is progressing fast and is expected to be completed by the middle of 2008. With the completion of the bridge/quick and easy transportation of vegetables, fruits and other products would be possible. This will also result in increased economic activities in Munshigonj and other adjoining areas. The construction of the bridge will bring further momentum in the ongoing economic development efforts of Bangladesh.

Dhaka Transport Co-ordination Board (DTCB)

The main objectives of Dhaka Transport Co-ordination Board (DTCB) are to plan and coordinate transport infrastructure facilities and traffic management the initiatives in Dhaka Metropolitan Area (DMA). Besides, institutional capacity building of different organisations and preparation of long-term transport development plan is one of the prime tasks of the board. In order to develop transport facilities, DTCB has implemented Dhaka Urban Transport Project (DUTP) with the collaboration from different organisations like, Dhaka City Corporation (DCC), Roads and Highways Department (RHD), Bangladesh Road Transport Authority (BRTA) and Dhaka Metropolitan Police (DMP).

The main deliverable outputs of the board under the project were construction of Mohakhali fly over, widening and improvement of arterial road networks, development of intersections and installation of electronic traffic signals, construction of pedestrian facilities, rehabilitation of roads damage by flood, and improvement of inter-district bus terminals.

Government has taken an initiative to improve the transport system of DMA and prepared a-20 years (up to 2024 year) Strategic Transport Plan (STP) under the project. This plan integrated land use plan and transport plan for better benefits. DTCB has send PPP on identified projects for 1st Phase (2005-2009) to the Ministry of Communications (MOC) for Technical Assistance. The identified projects are as follows:

- Regional Arterial Highway in Dhaka Area;
- Preliminary Highway Design Package;
- Elevated Expressway System in Dhaka;
- Traffic Management for major Arterial Highway in Dhaka;
- The Public Bus System in Dhaka;
- Mass Rapid Transit System for Dhaka;
- The BRT System in Dhaka;
- The Metro System in Dhaka;
- Re-planning and Reconstruction of Old Dhaka Traffic Planning and Management;
- Detail Institutional Reform in Dhaka; and
- Tongi-Ghorasal (via Kaliganj) Road.

Bangladesh Road Transport Corporation (BRTC)

Although this organisation remained a losing concern for many years, it has now been able to infuse dynamism, skill and discipline in management and other areas following several reforms after 1990. In FY 2004-05, the operating surplus of the entity was TK. 14.02 crore and in FY 2005-06 the surplus stood at Tk. 7.35 crore.

Besides its Strategic interventional role, BRTC arranges special bus services with treatment facility at the time of Eid and Bishaw Ijtema at less fare. There are reserve seats for freedom fighters, women and disabled persons. It also provides bus services for women and working women through 22 buses. Above all, BRTC workshop plays a vital role in employment and training of the drivers.

Rail Transport

Bangladesh Railway (BR)

Bangladesh Railway is one of the oldest service-oriented, environment-friendly; less hazardous and cheap transport service. BR has got a total network of 2854.96-route kilometer (Broad Gauge

-660.22 km, Dual Gauge -365.00 km and Meter Gauge-1829.74 km). After inclusion of railway track over the Jamuna Bridge, railway link between East and West Zone has been established. The overall Activities of Bangladesh Railway from FY 1995-96 to 2005-06 is presented in Table 11.4.

Table 11.4: Overall Activities of Bangladesh Railway

Fiscal Year	Passenger traffic km (million)	Freight traffic km (million)	Revenue earnings (crore Tk)	Revenue expense (crore Tk)
1995-96	3333.25	689.02	284.09	401.59
1996-97	3753.61	782.43	330.68	414.17
1997-98	3855.5	803.85	350.91	433.36
1998-99	3678.00	896.40	374.27	461.15
1999-00	3940.69	777.10	341.49	469.86
2000-01	4209.00	907.8	366.39	523.87
2001-02	3972.00	951.8	388.40	535.48
2002-03	4024.20	951.8	420.10	586.71
2003-04	4341.5	895.5	394.17	639.41
2004-05	6164.13	816.82	445.62	695.09
2005-06	4081.35	728.57	521.00	750.63

Source: Bangladesh Railway, Ministry of Communication.
*PSO and welfare grants are included.

Box 11.1: Recovery Programme of Bangladesh Railway

A recovery programme aided by ADB has been introduced to make the organisation profitable. Following are the five elements of the reform programme:

1. Significant deficit reduction;
2. Termination of open-ended subsidies;
3. Labor rationalization;
4. Institutional reforms;
5. Adoption of rational investment programme.

Source: Ministry of Communication

In order to turn BR into a commercially and financially viable organisation and to run it with professional expertise, a decision has been taken to give it more autonomy and change its organisational structure. To meet this requirement, a technical assistance project titled "Organisational Reforms" was taken up with the assistance of ADB .The project was divided into 3 phases:-(1) Phase 1: Diagnostic, (2) Phase 2: Implementation, (3) Phase 3: In continuation of Phase 1 and 2, other activities like achieving financial viability of BR, long term involvement of private sectors, rationalisation of personnel, standardisation of accounting system etc. The 1st, 2nd and the 3rd phase had been completed in June '05. In FY 2005-06 up to Feb. 2006 passenger revenue increased more than 4 percent compared to that of the corresponding period of FY 2004-05.

Water Transport

Chittagong Port Authority (CPA)

Chittagong Port is the major sea port of Bangladesh. About 85 percent of imports and 80 percent of exports are handled this port. Alongside, with the remarkable change in cargo handling in international maritime trade introduction of open market economy during the nineties and foreign trade liberalization policy, cargo handling at Chittagong port has been increasing gradually. Consistent with the improvement of modern ports around the world, efforts are continuing to develop CPA as a modern port. With this end in view, a range of development programmes has been undertaken, these include building of a container terminal in the New Mooring area, procurement of container handling equipment including granty cranes, capital dredging in Karnaphuli river, computerisation of overall activities of Chittagong Port under the Chittagong Port Trade Facilities project, environment management and building of local roads. Statistics of income and expenditure of the CPA during FY 1995-96 to FY 2005-06 are shown below:

Table 11.5: Income and Expenditure of CPA during FY 1995-96 to FY 2005-06

(In Crore Taka)

Fiscal Year	Income	Expenditure (except the contribution in Govt. treasury)	Surplus
1995-96	315.86	223.46	92.40
1996-97	324.31	213.33	110.98
1997-98	345.22	242.72	102.50
1998-99	374.51	262.17	112.34
1999-00	421.81	295.17	126.64
2000-01	477.00	302.28	174.72
2001-02	531.37	396.10	135.27
2002-03	530.66	373.75	156.91
2003-04	557.36	325.60	231.76
2004-05	649.78	319.65	330.13
2005-06	742.08	357.61	384.47

Source: Chittagong Port Authority, Ministry of Shipping.

Mongla Port Authority (MPA)

Mongla is the second seaport of Bangladesh. About 13 percent of total export and 8 percent of the import are handled by this port. In FY 2005-06, 12.15 lakh metric tons of goods have been imported and 2.68 lakh metric tons of goods have been exported through this port.

Bangladesh Shipping Corporation (BSC)

To provide an efficient shipping service and to carry out all activities related to international sea trade, Bangladesh Shipping Corporation (BSC) was established in 1972. In spite of limited resources, BSC has built up a mixed fleet of 13 vessels where 10 vessels are ordinary cargo carriers, 1 container carrier & 2 lighter oil tankers. BSC can switch 8-9 percent of our export and import by its present fleet. The main objective of BSC is to transport the major share of export and import. With this end in view, BSC had a plan to build up a mixed fleet of vessels through acquisition of 6 new and 2 second hand container vessels under three years rolling investment

programme from 2005-06 to 2007-08. Despite being a public sector entity, the performance of BSC is no less than the private shipping companies. Table 11.6 shows gross income-expenditure and net profit-loss during FY 1995-96 to FY 2005-06:

Table-11.6: Statement of Income-Expenditure and Profit-Loss of BSC during FY 1995-96-FY 2005-06

(In Crore Tk.)

Fiscal Year	Total Income	Total Expenditure (including depreciation & interest)	Net Profit	Depreciation & Interest	Profit/Loss excluding depreciation & interest
1995-96	218.90	233.78	(14.88)	27.00	12.12
1996-97	206.84	232.03	(25.19)	37.79	12.60
1997-98	207.23	216.44	(9.21)	18.94	9.73
1998-99	153.96	183.93	(29.97)	20.87	(9.10)
1999-00	142.92	174.49	(31.57)	21.40	(10.17)
2000-01	212.59	225.49	(12.90)	24.72	11.82
2001-02	200.33	200.21	0.12	20.05	20.17
2002-03	208.20	207.64	0.56	21.12	21.68
2003-04	257.49	242.24	15.25	15.12	30.37
2004-05	315.69	282.44	33.25	15.30	48.55
2005-06	322.47	296.58	25.89	16.15	42.04

Source: Bangladesh Shipping Corporation, Ministry of Shipping.

Bangladesh Inland Water Transport Corporation (BIWTC)

BIWTC is a service-oriented government-owned organisation. It is also the largest inland water transport organisation. Currently, there are 194 vessels in this organisation. Of these, 141 are commercial and 53 are auxiliary vessels. Most of the vessels of the organisation are very old. As a result the Corporation incurs heavy expenditure for their repair and maintenance; despite that it continues to provide its service for the sake of public interest. Apart from this, a container terminal is being constructed at Pangaon, Dhaka jointly by Chittagong Port Authority and BIWTA.

BIWTC is also continuing its coastal and inland service on subsidy in the interest of public. Although, it set out its journey as a losing concern, now it has been able to augment its revenue by streamlining its management. A statement showing income and expenditure of the corporation is presented below:

Table 11.7: Income and Expenditure Statement of BIWTC during FY 1995-96 to FY 2005-06

(In crore Tk)

Fiscal Year	Income	Actual Expenditure	Operational Profit (+)/Loss (-)	Interest & depreciation	Remark
1995-96	73.89	59.48	14.41	12.90	- 1.51
1996-97	86.75	64.64	22.11	13.08	9.03
1997-98	85.58	65.06	20.52	13.34	7.18
1998-99	68.64	61.21	7.43	13.75	- 6.32
1999-2000	77.80	64.66	13.14	14.38	- 1.24
2000-01	88.72	69.60	19.12	16.18	2.94
2001-02	99.73	72.03	27.70	17.18	10.52
2002-03	109.61	69.66	39.62	21.04	18.58
2003-04	118.16	70.54	47.62	22.27	25.35
2004-05	121.61	73.20	48.41	21.91	26.50
2005-06	134.05	85.57	48.48	21.30	27.18

Source: Bangladesh Inland Water Transport Corporation, Ministry of Shipping.

Bangladesh Land Port Authority (BLPA)

As trade volumes with the neighbouring countries of Bangladesh through land routes have increased substantially enacted to Bangladesh Land Port Authority has been established under the Ministry of Shipping with its headquarters in Dhaka. Out of 13 land port only Benapole port is operated by the Governments directly. Facilities have also been created in the India-Bangladesh border customs check posts especially in those check posts through which large volume of export-import takes place. Included among them are Benapole, Darsona, Sona Masjid, Hilly, Burimari, Birol, Bhomra, Bibir Bazar, Bangla Bandh, Akhaura, Tamabil, Haluaghat and Tekhnaf check posts.

Improvement of land ports will result in increased volume of trade, prevention of smuggling and reduction of evasion of customs duty. It would also promote and expand the area of co-operation between government and private sector in different areas of development. Private investment in the peripheral area of the country will increase which will also augment government revenue income. In FY 2005-06 BLPA's income was Tk. 77.36 crore while its expenditure stood at Tk. 51.76 crore.

Department of Shipping

Department of Shipping is a regulatory body under the Ministry of Shipping. The prime objectives of this department are to ensure secured movement of domestic ships, coastal fishing ships and ships bound for foreign destinations and to protect the trade interest of Bangladeshi ships. The Department, therefore, implements the provisions of ordinance made by international organisations and also prepares its rules and regulations to ensure more safety in this sector. This

department plays an important role in employment generation by providing training facilities to seamen. Bangladesh is now included in the IMO white list as the Department of Shipping has been able to revise its examination and certificate system conforming international criteria. This has resulted in the expansion of employment generation opportunities for the Bangladeshi officers and sailors.

Fees for registration and survey of inland and seagoing vessels, competency examination fees for officers and sailors, light house dues, penalty for violations of shipping rules are the sources of income of this department. In FY 2005-06, Department of Shipping earned revenues to the tune of against which Tk. 7.35 crore its expenditure stood at Tk. 3.73 crore respectively.

Air Transport

Civil Aviation Authority (CAA)

As a member state of the International Civil Aviation Organization (ICAO), the CAA as part of its responsibility is putting in place necessary infrastructural facilities for movement of domestic and international aircrafts. To ensure quick and secured movement of foreign and domestic aircrafts in the Bangladeshi sky territory, the CAA builds and maintains airports, air traffic, air navigation and installs telecommunication services and provides other facilities for the passengers. It is now maintaining 3 international airports and 5 domestic airports. Apart from this, 1 domestic airport and 5 STOL ports have been built for the convenience of airlines.

Out of the 14 operative and 13 non-operative airports and STOL ports, Zia International Airport is the only airport, which has an operating surplus. Because of huge realisation of outstanding, the revenue surplus of FY 2005-06 has increased by 86.29 percent compared to previous year. The financial position of CAA during FY 1995-96 to FY 2005-06 is shown below:

Table 11.8: Financial Position of CAA during FY 1995-96 to FY 2005-06

(in Lakh Taka)

Fiscal Year	Revenue income	Revenue Expenditure	Net Profit
1995-96	12824.9	5653.56	7171.43
1996-97	13335.9	6317.65	7018.28
1997-98	14588.2	6896.28	7691.93
1998-99	15640.7	7527.58	8113.15
1999-00	19494.4	8503.45	10991.0
2000-01	20794.4	10388.3	10406.0
2001-02	19768.47	10875.20	8893.27
2002-03	20103.76	10990.16	9113.60
2003-04	21218.41	13335.95	7882.46
2004-05	21857.42	14126.43	7730.99
2005-06	32358.00	17956.00	1402.00

Source: Civil Aviation Authority.

Biman Bangladesh Airlines (BBA)

The national flag carrier Biman Bangladesh Airlines makes significant contribution towards establishing air links within the country and with other countries. Despite various

constraints, Biman is continuing its development efforts with its fleet of 13 aircrafts. Biman is operating flights to 8 domestic and 24 international destinations. In FY 2005-06, Biman carried 1,62,729 passengers in domestic and 11,51,778 passengers in international routs, which recorded a decrease of 38.43 percent and 6.01 percent respectively over FY2004-05. Biman's system wide passenger carriage has decreased by 11.77 percent in 2005-06. However, due to significant rise in aviation fuel price in Bangladesh, Biman's expenditure increased. Provisional accounts of FY 2005-06 shows 13.69 percent increase of expenditure over 2004-05 resulting in loss of TK. 485.35 crore. The price of aviation fuel increased by 13.33 percent and 13.56 percent at Dhaka and Chittagong respectively in 2006 over the previous year. The budgeted accounts of FY 2006-07 shows 11.56 percent increase in revenue earnings and 16.32 percent increase in revenue expenditure, which implies budgeted total loss of Tk. 691.39 crore.

Information and Communication

Bangladesh T & T Board (BTTB)

For modernisation, improvement and extension of a telecommunication system of the country, government has been taken a series of initiatives. In the present era of information technology, telecommunication system as a productive and profitable industry has both direct and indirect impact on the socio-economic development of a country. In FY 2005-06, an allocation of Tk. 899.63 crore has been made in the ADP for implementing 11 projects of BTTB.

To ensure high speed data communication and to provide broadband Internet service, 71 Digital Data Network node have been established in 41 districts. To make dial up internet service easier and to avoid using NWD channels, BTTB has already established Remote Access Server in 39 districts. Internet service has already been extended to all the districts and also to those upzilas having digital exchanges. Presently, the number of international circuits of BTTB is 10,467 which are meant to make International Direct Dialing easier BTTB has already established economy dialling system with in 25 countries.

To develop modernised telephone system at upazila level, BTTB is going to establish small size Digital exchanges at 92 upazilas of the country using its fund titled "Resource Mobilisation and Services". Up to June2006, a total of 228 upazilas / growth centres have already been provided with digital exchanges by utilising this fund and other funds available with ongoing development projects.

Mobile phone service from the public sector, installed under the project titled "10 Lakh T&T Mobile phone (2.5 lakh in the first phase)", a separate company named "Teletalk" has already been established to operate the mobile phone services. Currently 0.3 million subscribers have been connected with Teletalk mobile phone. In order to deploy a self-sufficient optical fibre network

throughout Bangladesh, a high capacity optical fibre link has been installed between Dhaka-Chittagong along with some spur links. Side by side, optical fibre links between Dhaka-Bogra and Brahmanbaria- Sylhet are also in progress. With the establishment of optical fibre line all the telecommunication system of Bangladesh will be completely replaced by digital system.

BTTB earns revenue by providing telecommunication services. A statement showing revenue target, collection, expenditure and surplus during FY 1995-96 to FY 2005-2006 is given below:

Table 11.9: Revenue Target, Collection, and Expenditure and Surplus of BTTB during FY 1995-96 to FY 2005-06

(In Lakh Tk.)

Fiscal Year	Target	Revenue collection	Revenue expenditure	Surplus	Achievement against target (%)
1995-96	90000.00	83731.85	29041.32	54690.53	93
1996-97	120525.39	107248.46	57380.98	49867.48	89.36
1997-98	147518.42	124518.38	72017.09	52501.29	84.41
1998-99	138000.00	125424.81	61678.40	63746.41	91
1999-2000	150000.00	140067.64	48648.31	91419.33	93.38
2000-01	160000.00	126511.37	39045.39	87465.98	79.07
2001-02	160300.00	158305.15	46354.09	111951.06	99
2002-03	160000.00	154479.98	58843.12	95636.86	96.55
2003-04	1702,00.00	1531,15.67	62687.42	90427.25	90
2004-05	1650,00.00	142478.27	81892.35	60585.92	85.45
2005-06	185000.00*	131630.00	82413.00	49217.00	--

Source: BTTB, The Ministry of Post & Telecommunication.* January 06

Bangladesh in Information Super Highway

International Telecommunication System of Bangladesh was dependent on satellite which was slow and having narrow band width. According to Telecommunication Policy of the government, International Telecommunication Network system is being regulated by BTTB. Bangladesh has been connected with high speed submarine cable consortium called SEA-ME-WE-4 to facilitate economical modern telecommunication and low-price ICT services. Laying of SEA-ME-WE-4 submarine cable has been completed in December 2005 and has been an operating since May 2006. With the use of submarine cable, activities surrounding information and communication technology will be steeped up rapidly in the country. For the upcoming generation next will provide unhindered access to the information super highway and will also augment new employment opportunities in the country. Box 11.1 presents important information on submarine cable:

Box 11.2: Bangladesh Connected with Submarine Cable

Project name: International Telecommunication Management through submarine cable
Cost: Tk. 628.11 crore
Consortium member: 16 international telecommunication companies in 14 countries.
Member Country: Singapore, Malaysia, Thailand, Bangladesh, India, Sri Lanka, UAE, Pakistan, Saudi Arabia, Egypt, Italy, Tunisia, Algeria and France.

Total Length: 20,000 km.
Length of Bangladesh Branch: 1260
Bandwidth: 10 gigabyte/second

Bangladesh Telecommunication Regulatory Commission

In order to ensure development of telecommunication services in Bangladesh and to regulate it all over the country, Telecommunication Regulatory Commission was formed as an independent statutory body under the Telecommunication Act 2001. All relevant powers, responsibilities and pertinent matters related to telecommunication regulation have been vested with the Commission. The bjectives of the Commission include *inter alia:* broadening the efforts for improvement of the sector through better regulation; providing the people with easy access to the telecommunication services for economic development; ensuring a modern dependable telecommunication and internet service to the people at a reasonable cost, ensuring the efficiency of the telecommunication system and enhancing its capability to compete at both the national and international sphere, preventing and abolishing discrimination in providing telecommunication services. The aim of the Commission is to progressively rely on competitive market-oriented system. In keeping with this objective, the Commission is committed to ensure effective control on telecommunication and to introduce new services and to create a favourable atmosphere for the local and foreign investors who intend to invest in the telecommunication sector in Bangladesh.

According to BTRC's database up to June 2006 the total number of subscribers of five cell phone operator company is 1.42 crore. Along with fixed phone the total number of subscriber is 1108990 and tele density is 10.00. Table 11.10 shows the number of subscriber that grew during the period from 2001-2006.represent as follows:

Table 11.10: The number of Fixed Phone and Cell Phone subscribers during 2001-2006

Year	Grammen	AKTEL	Bangla Link	City Cell	Teletalk	Fixed	Total
2001	471371	80368	69700	41109	0	564800	1227348
2002	774881	161265	112900	91348	0	682000	1822394
2003	1140531	401680	186500	179058	0	716721	2624490
2004	2388158	1096620	369500	296509	0	831280	4982067
2005	5540000	2072328	1026100	439389	191278	1081450	10359267
2006*	8467000	2505664	2313900	686494	235255	1108990	15317303

Source: BTRC * June

It is evident from the table that the number of cell phone subscriber is growing rapidly compared to the fixed phone subscriber in Bangladesh. The growth rate of fixed phone subscriber was 21 percent in 2002 and in 2005 it rose to 30 percent. Again this, the growth rate of cell phone subscriber was 72 percent in 2002 and it was up to 123 percent in 2005.

Postal Service

Bangladesh Postal Department (BPD)

The Postal Department is an attached department of the Ministry of Post and Telecommunication. This department provides postal services through 9985 post offices. The principal aim of the postal department is to ensure least costly, regular and quick transmission of postal services to the people. Although the Postal Department is basically meant for rendering services in terms of collection, transmission and delivery of postal articles, it also renders a number of other services to the people. In exchange of these services, the Postal Department receives commission at a specified rate.

Information and Communication Technology (ICT) Sector

Bangladesh intends to use ICT as the key-driving element for socio-economic development. Considering the gravity and importance of ICT the government has taken a number of steps in the light of National ICT policy. A draft on ICT Act has been prepared by the Ministry of Science and Information Communication Technology (MOSICT) with the help of Law Commission. To help the ICT sector flourish in the country and to create a legal environment, the amendment of the Copyright Act 2000 incorporating issues related to ICT/software has been published by gazette notification. All public & private universities are conducting undergraduate and postgraduate courses on ICT and the government is allocating more funds to these institutions.

To develop skilled computer professionals within shortest possible time MOSICT has taken up a programme to conduct PGD (Post Graduate Diploma) Course in ICT through public universities. Presently 10 public universities are conducting this program. In FY 2005-06 another 5 universities will be brought under this program.

The government has undertaken an initiative to start the ICT Internship from fiscal year (2004-2005) for the development of ICT human resources with a view to promote the export of ICT products and services.

The Government within its limited budget has already taken initiatives to introduce e-governance in the country. Major Ministries, Divisions and Departments have already launched their websites. The official website of the Government of Bangladesh, www.bangladeshgov.orgT, contains link to other ministries and government agencies. A project "Support to ICT Task Force" primarily for introducing e-Governance is being implemented by the Planning Commission under the Ministry of Planning initially covering 6 Divisional HQs, PM office and 8 ministries. The purpose of this

project is to establish a communication network for voice, data and video communication. In order to develop software industry in the country an ICT Incubator has been set up in Dhaka. Presently 48 ICT companies are working in the ICT incubator.

To provide a range of modern infrastructure and administrative support services and to create an efficient working environment for the development of Information Technology, electronics, telecommunications, engineering, biotechnology and other knowledge-based industries government has planned to establish a Hi Tech park in the country at a cost of Tk. 25 crore.

Currently more than 50 software & IT service companies in Bangladesh are exporting software and their services to 30 different countries which include among USA, UK, Australia, Canada, Denmark, KSA, Japan, Sweden, UAE, Germany, Italy, Netherlands, Norway, Switzerland, France, Nepal etc. Some important users of Bangladeshi software are Nokia, JAPAN Airlines, World Bank, HP, US Postal Department, and US Department of Agriculture. Software applications and IT-related services also available in the field of custom business application, Contract programming services, Web content development, Internet/e-government software tools, Data conversion and transcription services, Call Centers and BPO (Business Process Outsourcing) services etc. To meet the growing need of skilled IT professional at home and abroad in the Bangladesh-Korea Institute of Information and Communication Technology (BKIICT) has been established in the ground floor of BCC bhaban in Bangladesh with the technical assistance from Korea.

Table11.11: Export Statistics of Data Processing, Computer Consultancy and Computer Software during 2000-01 to 2004-05

FY	Data processing	Computer Consultancy	Computer Software	Total Computer Services
2000-01	7.88	4.21	00	12.09
2001-02	7.76	2.10	6.18	16.04
2002-03	9.33	3.09	11.90	24.32
2003-04	11.47	2.06	28.83	42.36
2004-05	12.69	5.99	59.29	77.97
Total	**49.13**	**17.45**	**106.2**	**172.78**

Source: Bangladesh Bank