



Exploring new business opportunities

Impression of the IT and BPO-mission to Bangladesh (2011)

Rotterdam, 9 February 2011

For more than 20 years, companies in The Netherlands have been conducting IT- and BPO (Business Process Outsourcing) work in various low-cost countries. There are two main reasons for offshore sourcing: the possibility to reduce costs and the availability of specialized skills abroad. India is the most popular offshore destination and hundreds of Dutch firms have outsourced IT projects to India. The total annual value of this work exceeds more than 1.000 million Dollar. In the current financial and economic situation, Dutch companies face many challenges. They must cut costs, develop new products and find new markets. In these fields, Bangladesh is a relatively unknown, but interesting option.

Bangladesh: Asia's Next Big Opportunity

A large number of IT companies in Bangladesh offer IT services such as software programming, software testing, system conversion and migration, mobile applications and building of websites. In addition, BPO-services are being offered as well: administrative services, contact centers, animation and graphic design services. Around 150 enterprises in Bangladesh export these services abroad, and the USA has a market share of 60%. The EU is responsible for 30% of the exports, and several Dutch companies are employing IT staff in the capital Dhaka – some already for more than 10 years. Bangladesh enjoys a competitive advantage in terms of the availability of more than 25.000 IT & BPO professionals and retention of staff is no problem. The salaries are very competitive with other offshore destinations, and they are lower than India or China. Bangladesh is an interesting outsourcing destination and is also one of the Goldman Sachs N-11 countries: the next eleven countries that are highly likely to follow the BRIC's in leading world growth. Gartner has very recently included Bangladesh as one of its top 30 offshore destinations.



From 30 January – 4 February 2011, a Dutch IT-delegation visited for the first time Dhaka, together with a delegation from Denmark. The mission was organized as part of a new project of ITC (International Trade Centre, Geneva), funded by CBI (Centre for the Promotion of Imports from developing countries), an agency of the Dutch Ministry of Development Cooperation.

SHORT OVERVIEW OF THE PROGRAM

Sunday 30 January 2011

The first European participants arrived in Dhaka. Option to attend a press conference of BASIS (Bangladesh Association of Software and Information Services) about the upcoming SoftExpo IT-exhibition.

Monday 31 January

All Dutch and Danish participants meet for an informal welcome reception and dinner at the Pan Pacific Sonargaon Hotel. Introduction to Bangladesh and practical information about the mission was handed out. The schedules for the pre-arranged one-to-one meetings are distributed.



Tuesday 1 February, Wednesday 2 February

The individual matchmaking sessions were held in a dedicated room, located in the Bangabandhu International Conference Centre (BICC), where the annual exposition SoftExpo 2011 takes place. For every session, each European participant had 30 minutes or 1 hour, in order to meet the service provider from Bangladesh.



Impression of the matchmaking sessions

On Tuesday, some participants also attended the opening ceremony of the SoftExpo event. Speeches were given by Finance Minister A. Muhith, BASIS President Mahboob Zaman, Commerce Minister Faruk Khan, Minister for Science and ICT Yaefesh Oman and others. Later that day, Finance Minister Muhith had a look at the matchmaking sessions organized by ITC.



Opening ceremony of the SoftExpo



A visit to the ITC-project by Finance Minister Muhith



The European delegates also attended the seminar: "Exploring outsourcing of IT and ITES to Europe", organized by BASIS and DCCI (Dhaka Chamber of Commerce and Industry). With almost 100 participants, there was a lot of interest among the Bangladeshi audience. Speakers included Mr. Alphons Hennekens (Ambassador of The Netherlands), Mr. Asif Ibrahim (President of DCCI), Mr. T.I.M. Nurul Kabir (Vice President of DCCI), Mr. Mahboob Zaman (President of BASIS) and the members of the ITC-team (Martin Labbé, Paul Tjia and Tine Bork).

See for a report of the seminar: www.dhakachamber.com/news/News.asp?id=657

On Wednesday, we were invited for a presentation and a dinner at GP House, the brandnew headquarters of GPIT (Grameen Phone IT). This is a recently started IT services company and an offspring of the large mobile operator Grameen Phone.



Thursday 3 February, Friday 4 February

Based on the individual meetings of the previous days, participants arranged visits to a number of local service providers in Dhaka. A car and a driver was made available for each participating company.



Example of a company visit

On Thursday, some participants attended a seminar on "Bangladesh in Top 30 of IT Outsourcing Destinations in Gartner's ranking".

On Thursday, a first evaluation of the business mission took place; all the participants found the program, with tailormade meetings and company visits, informative and well-varied.

On Friday, there was the option to take part in the Gala Dinner at the SoftExpo event.

In addition, there were opportunities for informal meetings as well.



SoftExpo 2011 exposition

The Bangladesh Association of Software and Information Services (BASIS), the national trade association representing IT and BPO, organized its annual exposition SoftExpo 2011 from February 1-5, at Bangabandhu International Conference Centre (BICC), Dhaka. One of the major aims of the event is to present Bangladesh's market potentials to local and international players. Information can be found at: www.softexpo.com.bd. More than 100 exhibitors from home and abroad participated at this exposition. The number of visitors at SoftExpo 2011 is expected to be more than 50.000.

Impression of SoftExpo 2011:



Organizer of the 2011 IT & BPO-mission to Bangladesh

International Trade Centre

At the end of 2010, the International Trade Centre (ITC), a joint UN-WTO agency engaged in trade-related technical assistance, has started a 30-month project to promote and market Bangladesh as the next offshore outsourcing destination. This project is funded by the Dutch government (through CBI) and the UK. The Netherlands and Denmark are selected as the target markets for the marketing and match-making operations: www.intracen.org



In cooperation with the following organizations:

BASIS (Bangladesh Association of Software and Information Services) is the national association for Software & IT Enabled Services companies of Bangladesh. BASIS started with 17 members in 1997; today the membership stands over 380: www.basis.org.bd



DCCI (Dhaka Chamber of Commerce and Industry) is the largest and most active chamber of the country and established in 1958. The basic functions of the DCCI relate to the promotion and development of trade, commerce and industry: www.dhakachamber.com



CBI (Centre for the promotion of Exports from developing countries) is an agency of the Dutch Ministry of Development Cooperation. CBI contributes to sustainable economic development in developing countries through the expansion of exports from these countries. It supports a number of IT companies from Bangladesh: www.cbi.eu



With local support in the UK, Denmark and The Netherlands



GPI Consultancy

Established in 1995, GPI Consultancy is a specialized Dutch consultancy firm in the field of offshore sourcing. It is regularly involved in study tours to various countries. One of the delegation leaders is Mr. Paul Tjia, founder and director of GPI Consultancy; he has been involved in various IT projects conducted in Bangladesh and visited the county several times: www.gpic.nl



Paul Tjia (together with American professor Erran Carmel) is the author of the handbook: "Offshoring Information Technology - Sourcing and Outsourcing to a Global Workforce" (Cambridge University Press). The Table of Contents can be found at www.gpic.nl/bookTOC.pdf (5th printing in 2009).

For information



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