

# **Software Industry in Bangladesh**



# **Institute of Information Technology**

## **University of Dhaka**

### **Report on**

### **Software Industry in Bangladesh**

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12th May, 2024

Mr. Avijit Mallik  
Assistant Professor  
Institute of Business Administration

University of Dhaka

**Subject: Submission of Group Report on "Software Industry in Bangladesh"**

Dear Sir,

We, the undergrad students of Institute of Information and Technology, University of Dhaka, are pleased to submit our group report on the topic "Software Industry in Bangladesh" as part of our Business Communication (BUS - 503) course.

The report has been prepared collaboratively by our group members with roll number BSSE 1312, 1313, 1314, 1315, 1316. This report is an outcome of our research and analysis conducted as a part of our course requirements. We have endeavored to present a comprehensive analysis of the software industry in Bangladesh drawing upon our collective knowledge and research findings.

We sincerely hope that you will accept our timely submission and oblige thereby. We remain available for any further clarification or explanation that you may require. Thank you for your guidance and support.

Sincerely yours,

Tanjuma Tabassum Jerin - 1312  
Mosamma Sultana Trina - 1313  
Amit Kumar Roy - 1314  
Abir Ashab Niloy - 1315  
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Institute of Information and Technology,  
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## **Acknowledgement:**

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## Executive Summary

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This report provides a comprehensive overview of the software industry in Bangladesh highlighting its evolution, present status and future prospects. It examines the industry's early stages, its current situation and the challenges it faces along with potential solutions.

Bangladesh's software industry is experiencing a period of exciting growth, fueled by a large and skilled talent pool and competitive pricing. With a workforce exceeding 300,000 IT professionals and a steady stream of graduates, Bangladesh boasts a significant advantage. The industry thrives in sectors like banking, healthcare, and hospitality catering to both domestic and international clients. However, exporting software and services remains a challenge requiring strategic development to overcome this hurdle.

One of the key strengths of Bangladesh's software industry lies in its human resources. Universities and training centers churn out a steady stream of IT graduates, many proficient in English. This, coupled with competitive salaries compared to other Asian IT hubs, makes Bangladesh an attractive option for cost-conscious businesses. Additionally, a growing domestic market presents an expanding pool of potential clients within the country.

However, the industry faces limitations. While domestic demand is robust, exporting software and services requires further development. Effective marketing strategies and strategic partnerships with international companies are crucial to tap into the global market. Additionally, Bangladeshi companies themselves often rely on foreign software solutions. This not only hinders the growth of domestic software but also prevents Bangladeshi companies from showcasing their capabilities on a larger scale.

To overcome these challenges and unlock its full potential, the Bangladeshi software industry needs strategic investments. Upskilling the workforce in emerging technologies like Artificial Intelligence (AI), blockchain, and machine learning is critical to remain competitive. Furthermore, fostering a culture of innovation and entrepreneurship within the industry will encourage the development of cutting-edge software solutions. Government policies and initiatives can also play a vital role in supporting the industry's growth.

To ensure future success, the report recommends that the industry adopts advanced technologies, upgrades skill sets and expands its global presence.

## **Introduction**

The software industry in Bangladesh has witnessed remarkable growth over the years positioning itself as a significant player in the global market. With favorable factors such as low labor costs, high productivity and a proficient English-speaking workforce, Bangladesh has emerged as a preferred destination for outsourcing software development. Here we provide an in-depth analysis of the Bangladeshi software industry covering its evolution, present status, challenges and future prospects. It examines the industry's early stages, its current situation and the opportunities it presents for both local and international collaboration. Additionally, we explore the industry's contribution to Bangladesh's economy, employment opportunities and the role of government initiatives in supporting its growth.

## **Software Industry in Bangladesh**

Bangladesh, with its whooping 170 million people, is one of the biggest developing countries out there. The IT sector in Bangladesh has some real advantages, according to BASIS (Bangladesh Association of Software & Information Services). They say things like the cost of hiring workers is low, programmers get a lot done, and many people here speak English well.

Right now, there are about 51 universities, both public and private, and some other places offering degrees in IT at undergraduate level, 31 universities offering 31 Master programs in IT & three different universities offering 3 PhD programs in IT. Every year, around 3,0000 fresh IT graduates are coming out of these schools, most of them from Computer Science programs & almost 7000-8500 freshers from Information Technology programs. Plus, there are loads of places where people can get trained in IT, with around 25,000 folks enrolling each year in these centers. Some of these training spots are even run by foreign companies.

Generally, people here know their tech basics pretty well. Students from University of Dhaka, BUET (Bangladesh University of Engineering and Technology), CUET(Chittagong University of Engineering and Technology), RUET(Rajshahi University of Engineering and Technology), KUET(Khulna University of Engineering and Technology), SUST(Shahjalal University of Science & Technology), Jahangirnagar

University and a few private universities have done really well in both local and global computer programming competitions.

According to the latest updates from IBTCI(International Business & Technical Consultants Inc.), it seems there's still some room for growth in project and business management skills among IT professionals in Bangladesh. Back in 2002, they pointed this out, and it seems the situation hasn't changed much.

BASIS, short for the Bangladesh Association of Software & Information Services, has been the go-to national association for software and IT companies since its establishment in 1998. With a membership that's rapidly growing, now they have around 2400 members. BASIS keeps the industry buzzing with events like seminars, workshops, and even a national software programming contest. They also host trade fairs like SoftExpo Bangladesh 2002 and represent Bangladesh in international IT exhibitions to boost the country's IT sector.

**BASIS SoftExpo** is the largest private-sector exposition aimed at showcasing IT and ITES products and services in Bangladesh. The 17th BASIS SoftExpo, the largest regional technology congress, took place from February 23rd to 26th, 2023. It focused on creating more collaborative relationships at the national and international level, inviting trade delegations from various countries to experience the immense potential of the Bangladeshi ICT industry. As the country has taken a great leap in Digital Wave, this time SoftExpo will be bigger and better than ever before. The event that year was a congregation of ICT companies, personalities, professionals, key policymakers, industry leaders, and other ICT stakeholders.

### Big Show's



**Women in IT: Inclusion of women in the tech industry**  
23 Feb, 2023 | 03:00pm-05:00pm



**Freelancers Conference**  
23 Feb, 2023 | 06:00pm-08:00pm



**Startup Conference**  
24 Feb, 2023 | 09:00am-12:00pm



**Ministerial Conference**  
24 Feb, 2023 | 05:00pm-08:00pm



Python, Java, C, C++, C#, VB, Visual Basic, PL/SQL, MySQL, PostgreSQL, JavaScript, CSS, HTML, CSS3, JavaScript, PHP, ASP.NET, Python, Java, C, C++, C#, VB, Visual Basic, PL/SQL, MySQL, PostgreSQL, JavaScript, CSS, HTML, CSS3, JavaScript, PHP, ASP.NET, ActionScript, Objective-C, Swift, Go, Rust, Kotlin, Dart, TypeScript, C++, C#, VB, Visual Basic, PL/SQL, MySQL, PostgreSQL, JavaScript, CSS, HTML, CSS3, JavaScript, PHP, ASP.NET, ActionScript, Objective-C, Swift, Go, Rust, Kotlin, Dart, TypeScript



A man in a suit is speaking at a podium in front of a large audience seated in rows of chairs.



A crowded exhibition booth with people interacting and looking at displays.

Fig-1 : Big show's of Basic SoftExpo

Then there's BCS, the Bangladesh Computer Samity, formed back in 1987. It's a big tent, welcoming all kinds of IT firms, from hardware and software retailers to wholesalers, assemblers, and developers. With around 180 members, it's a significant player. Some companies are part of both BASIS and BCS.

## Early stages of software industry in Bangladesh:

When software was identified by the government of Bangladesh as an industry with an important export potential, the Ministry of Commerce established a task force in 1997 to identify methods by which this sector could be developed. A report, which was submitted by a committee headed by Mr. Choudhury in September 1997, identified Bangladesh's competitive advantages as

- low labor costs
- high programmer productivity
- widespread knowledge of English
- the availability of a wide range of hardware platforms
- existence of an experienced software sector.

The report also identified four types of constraints (fiscal, human resources, infrastructure and marketing). The main constraints were recognised as poor telecommunications infrastructure, the insufficient number and capacity of ISP's and the lack of contacts with international markets.

Out of the forty-five recommendations made by the task force to both the government and the private sector, twenty-five have been put into action, while nine are currently being implemented (Choudhury, 2000). Importing computer hardware and software is now duty and tax-free.

Software and IT service firms get a tax break for ten years. Foreign-owned companies can do business freely, and investors from abroad can take all their profits and capital gains back home. There's been a law on Intellectual Property Rights since 2000, and they're still working on laws for electronic transactions and cyber crimes. Plus, software and data processing exporters can get help from the Export Promotion Bureau's fund for promoting markets.

## **Software Exports:**

International organizations like the World Bank highlighted trade opportunities in IT for developing nations years ago (Schware, 1992). A thriving IT export sector is crucial for Bangladesh as it brings in foreign currency and creates high-skilled jobs. To make this happen, the education system needs to produce better-prepared students, and IT infrastructure should be enhanced. If the IT industry doesn't grow, the issue of brain drain will persist. Around 80% of graduates and teachers have expressed a desire to move abroad (UNCTAD).

Sadly, Bangladesh has already lost many of its scientists, technologists, and engineers to the Western world.

Exporting IT services from countries like Bangladesh is complex. Selling software products abroad is even harder. It takes time and effective marketing to succeed. Potential clients in Europe struggle to find info about Bangladesh's IT sector. There's little collaboration with Bangladesh, and few articles discuss it in magazines. One solution is opening a marketing office abroad or partnering with local agents for sales and marketing.

## **Present Situation of the Software Industry in Bangladesh**

Experts in the technology field are forecasting a promising outlook for the software industry in Bangladesh. Over time, the IT sector in Bangladesh has garnered recognition in the global software market. Bangladeshi firms are becoming the preferred option worldwide for outsourcing software development due to their ability to deliver top-notch software at competitive prices. This reputation is fueled by the exceptional skills of the country's software developers.

In the last fiscal year 2021-22, Bangladesh's software exports hit \$60 million, a nice jump from the \$51 million the year before. This shows the country's software industry is getting stronger worldwide.

But things didn't go as well in Fiscal Year 2023. Bangladesh made less money from computer services, dropping from \$592 million to \$548 million, about 7.42% less. For software exports, they only earned \$47.85 million from July 2022 to June 2023, which is 22.82% less than what they expected.

## **Future Situation of Software Industry in Bangladesh**

AI, Web3, Blockchain, Machine Learning, NFTs, and other tech trends are reshaping the digital world. Bangladesh faces the risk of losing its IT market share to countries like China and India due to the increasing demand for new tech expertise. This has created a significant need for skilled professionals within the country. Bangladeshi software firms must concentrate on specific target markets for success, with some specializing in banking, blockchain, healthcare, or hospitality sectors.

## **List of some top rated Software companies in Bangladesh**

### **Brain Station 23**

Brain Station 23, they've become one of the top software companies in Bangladesh, with super-fast growth and lots of creative ideas. They offer software and IT solutions and work closely with partners in countries like Germany, the USA, Norway, the Netherlands, Canada, Australia, Japan, and South Africa. Big names in Bangladesh like Grameenphone, Citibank, British American Tobacco, and Robi are just some of their clients.

According to the official website of Brain Station 23

- Years of Experience: 16+
- Tech Partners : 12+
- Employees : 700+
- Countries Served: 25+
- Projects Completed : 2000+

### **Industries We Serve**

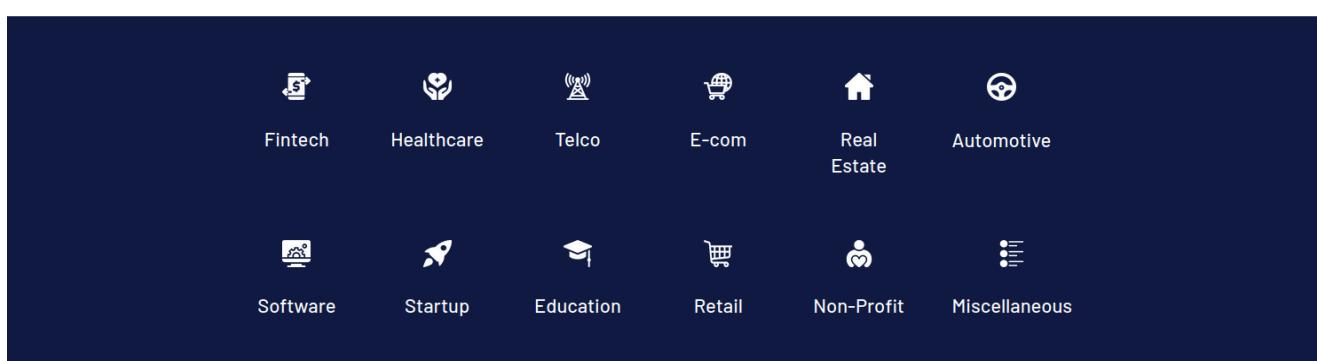


Fig-2 : Industries served by the Brain Station

## Key Client Portfolio

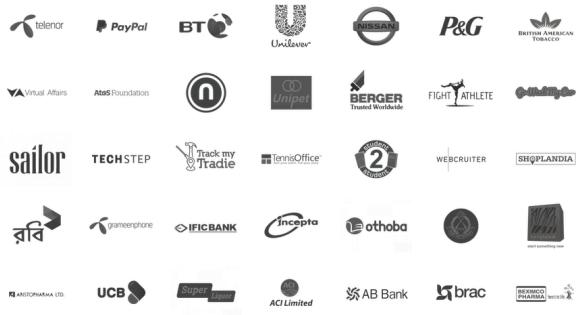


Fig-3 : Key Client of Brain Station

### Services:

- Banking Solution
- Mobile Application
- AR-VR Solution
- Game Studio
- Cloud & Cyber Security
- E-Commerce Solution
- Data Science & Business Intelligence
- ML & AI

### Company Growth

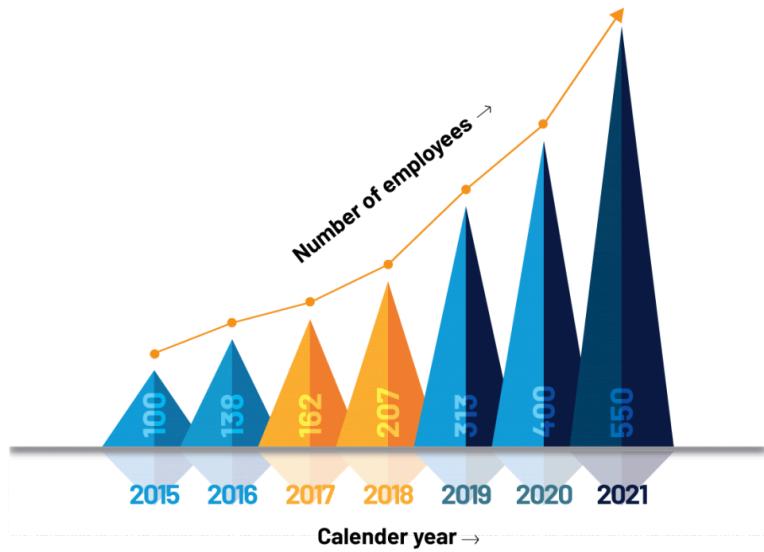


Fig-4 : Employees increasing rate

## Datasoft

Datasoft is a big deal in Bangladesh's software scene. They're the first in Dhaka to hit CMMI Level 5. They hook up both commercial and public sectors with top-notch, budget-friendly tech services. People love them for whipping up software that works like a charm, exactly how customers want it. Plus, they're all about sticking to their promises to clients.

- Experience: 24+ Years
- Employee: 400+
- Ready Software: 20+

### Services :

- Banking & Finance
- Port & Logistics
- Government a Defense
- SME & Development
- Automobile & Telecommunication

## Cefalo

Cefalo is a Norwegian software development company with unique access to premium developers. Cefalo is known in Bangladesh as a highly attractive workplace that puts emphasis on technology, the work environment, and sharing of knowledge for collective growth and success.

- Experience: 20+ Years
- Employee: 200+

## TigerIT

Tiger IT is a rising star in Bangladesh's software scene. They're all about apps, games, and government projects. Plus, they're big shots in biometrics, introducing stuff like the Automated Fingerprint Identification System (AFIS). They're one of the few worldwide to make the AFIS-certified NIST and the first in South Asia to do it.

- Employee: 300+
- Experience: 18+ Years
- Ready Software: N/A

### Services :

- Biometrics
- Civil Registry Solution
- Vehicle Solution

## Dream 71 Bangladesh

Dream71 Bangladesh Ltd is a major player in Bangladesh's software game. They've nailed it in both local and international markets, rocking both domestic and international scenes. They've teamed up with lots of government and private projects too.

- Employee: 250+
- Experience: 10+ years
- Tech Partners: 20+

- Projects Completed: 200+
- Countries Operating: 12+

Services :

- Web and mobile apps
- games
- customized software solutions

## **Why Bangladesh**

According to Dream 71, Bangladesh is a developing country with an abundant supply of talented engineers and programmers. Bangladesh's government is supportive of the development of ICT services.

## **English Proficiency**

In Bangladesh, most grads speak English well since it's key for business and school. We especially look for good English speakers when hiring. That makes chatting with developers super easy for English-speaking clients.

## **Education**

Our country makes lots of software grads who can match up with those from Western schools. Every year, over 9,000 students get engineering degrees in different IT fields from universities recognized worldwide.

## **Work Ethics**

In Bangladesh, talent and skills are important, but so is having the right attitude toward work. With our team, you can count on their values, honesty, and respectful behavior to see projects through, no matter what. Plus, at Dream71, we make sure our workplace is both enjoyable and productive, so we always get the job done well.

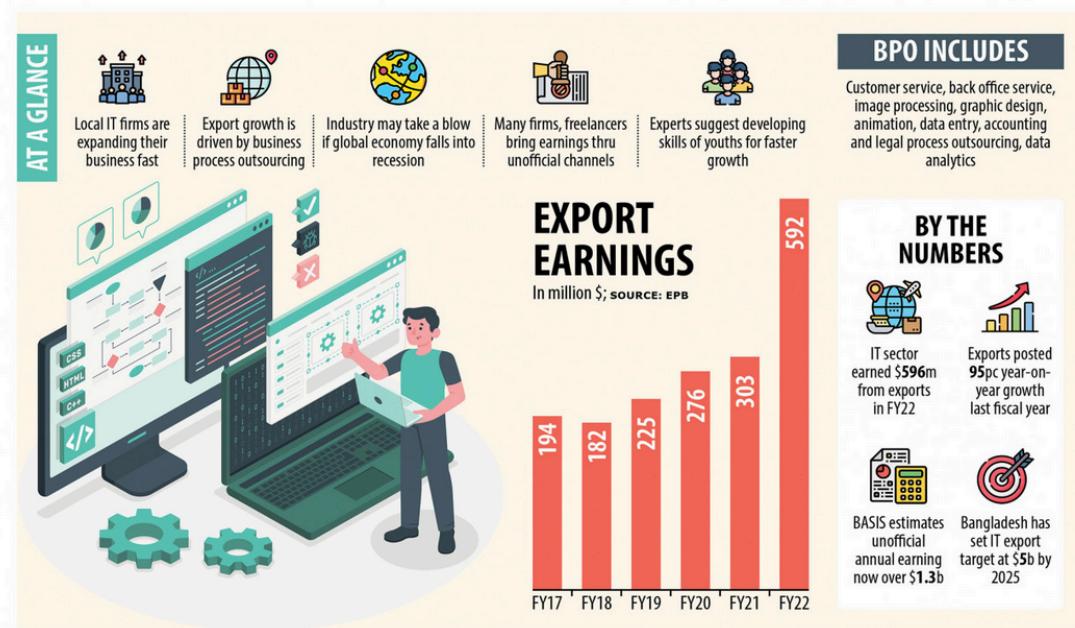


Fig-5 : Export Earnings

## BJIT Group

BJIT is a big software company in Bangladesh. It's a partnership between Japan and Bangladesh. They've scooped up lots of awards for their work. Their team of over 750 skilled engineers works in seven offices worldwide: Japan, Finland, Singapore, the USA, Sweden, Bangladesh, and the Netherlands.

- Employee: 750+
- Experience: 23+ Years
- Ready Software:
- Create Custom Software: Yes

### Services:

➤ AI Solutions

➤ IoT

➤ Blockchain

➤ SAP

➤ Salesforce

➤ Odoo

➤ Enovia & CATIA



Fig-6 : Clients of BJIT group

### Other Popular Software Companies In Bangladesh(Special Mention)

8. Ollyo
9. Nascenia
10. Enosis Solutions
11. Samsung Bangladesh Ltd.
12. ReliSource Technologies Ltd
13. weDevs
14. IBCS-PRIMAX Software (Bangladesh) Limited
15. Kona Software Lab Limited
16. CSL Software Resources Ltd.
17. WellDev Bangladesh Ltd.

18. Kaz Software

19. BdTask

20. OrbiTax and more

## Recruitment process of the software companies

### Internship Opportunities

- [Cefalo](#) and [Streamstech](#) actively engage in hiring interns, recognizing the value they bring to the company. Cefalo hires freshers regularly and even offers a probationary period for additional training if needed. Streamstech receives intern requests primarily from prestigious institutions like IUT, DU, BUET, MIST etc indicating a selective process.
- [Enosis](#) generally doesn't hire interns, they directly hire employees by their coding and other tests.
- [Genuity Systems](#) takes a different approach, hiring interns mainly from public universities as part of their social responsibility. Private university students are given lower priority, and they work remotely with supervision.
- [Selise Digital Platform](#)'s internship hiring depends on ongoing project needs, ensuring interns can contribute effectively.
- [Brain Station-23](#) has collaboration with some institute like DU, SUST, IUT from where they directly hire interns by a short interview.Besides they hire interns by their signature event “STAR-CODER”.

### Application Criteria

- Most companies prioritize technical skills such as programming knowledge and problem-solving abilities, and give a little importance to the grade of a candidate. They also value extracurricular activities, indicating a holistic approach to candidate evaluation.
- Selise Digital Platform emphasizes a learning mindset and enthusiasm for acquiring new skills, indicating a focus on continuous improvement and adaptability.

## **Recruitment Process For Permanent Job**

- Most of the companies typically follow multi-phase recruitment processes involving technical assessments, live coding sessions, and HR interviews. Enosis stands out by offering a probationary period for additional training.
- And Selise and BS-23 have a good acceptance rate, they offer permanent jobs to almost all the interns, rest people don't get rejected rather they get a chance to prove themselves.

## **Contribution of Interns**

- While some companies acknowledge that interns may not directly contribute to company growth, others highlight their role in project execution. Brain Station 23 mentions that interns work on both local and global projects, showcasing their impact on company operations.

## **Salary and Benefits**

- Intern remuneration varies across companies, but common benefits include meals, leaves, and opportunities for permanent employment based on performance.

## **Contribution of Software Industry in the economy of Bangladesh**

In Bangladesh, the software industry is booming, growing super fast. It employs more than 300,000 people. They do all kinds of stuff like making software, websites, mobile apps, and giving IT advice. This industry also helps a lot with the country's economy, making up over 2% of its GDP(May 9, 2024).

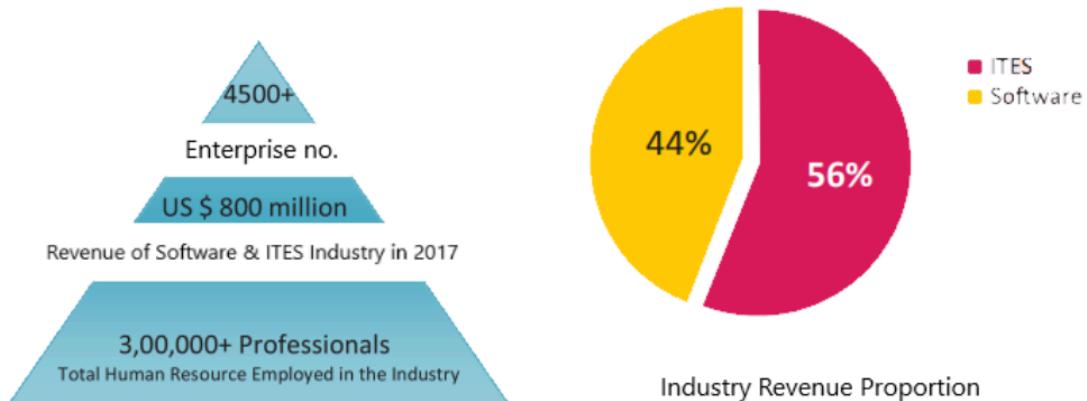


Fig-7 : Revenue of Software & ITES industry

## Government initiatives and support for the IT sector in Bangladesh

The government of Bangladesh is actively working to help the IT sector grow. They've introduced various initiatives and policies to make it easier for IT companies and professionals to thrive. The Digital Bangladesh Vision aims to turn Bangladesh into a smart and tech-savvy country. Additionally, the ICT Policy 2018 lays out a plan for developing the IT industry.

To support startups, the government has set up technology parks and IT incubators. These places provide startups with the space and resources they need to succeed.

The government also updated the ICT policy in 2018 to keep up with the latest trends. This policy covers everything from business development to improving skills and infrastructure. In 2011, the Ministry of Information and Communication Technology, now called the ICT Division, was created to lead the implementation of these policies.

### Regulations for the IT Industry:

There are laws and regulations in place to govern the IT sector. The ICT Act 2013, which was updated from the 2006 Act, is one such law. Additionally, there are Statutory Regulatory Orders (SROs) that outline specific rules for the industry. You can find more information about these regulations on the Bangladesh Association of Software and Information Service (BASIS).

## **Sector-specific Investment Incentive and Restriction Incentive**

Incentive	Seven-year full Corporate Income Tax (CIT) exemption until 2024 Access to Equity Entrepreneurship Fund (managed by the Bangladesh Bank) to support equity provision Access to 10% cash incentive (only for exporters) Other generally applicable regimes are as specified in the last page.
Restriction	No specific restriction exists upon the entry of foreign investors.

## **Industry Association and Supporting Institution**

Association of Software and Information Service (BASIS)	The national trade body for the software and IT-enabled service industry of Bangladesh. Established in 1998, the association has been working with a vision of developing vibrant software & IT service industry in the country and is engaged in market development, capacity building for skill training and resource sharing, and membership services, policy advocacy
BASIS Institute of Technology and Management (BITM)	BITM was established with a vision to be a world-class IT institute in Bangladesh for the purpose of enhancing the competitiveness of the IT sector in Bangladesh by creating a pool of qualified IT professionals and quality certified IT companies.

## **Hi-tech Parks**

The Bangladesh Hi-tech Park Authority (BHTPA) was founded in 2010 with the aim of setting up and managing high-tech parks throughout the country. These parks are designed to attract both local and foreign IT companies, promoting the development of IT hubs. BHTPA envisions establishing a total of 28 high-tech parks. Currently, it has already set up the following parks:

### **Kaliakoir Hi-tech Park, Gazipur**

- Equipped with factory building, admin./ service building, Data Centre
- Developed as a world class high-tech industry zone to accommodate foreign investors



*Fig-8 : Kaliakoir Hi-tech Park*

### **Janata Tower Software Park, Dhaka**

- Equipped with fully backed-up power supply, high-speed fiber optic internet connection
- Attached with training and conference facilities, 24 hours management service



*Fig-9 : Janata Tower Software Park*

### **Sheikh Hasina Software Park, Jessore**

- Equipped with dormitory for workers



*Fig-10 : Sheikh Hasina Software Park*

## **Job opportunities in IT sector**

The software industry in Bangladesh has been experiencing significant growth offering a wide range of job opportunities for individuals with diverse skill sets and backgrounds. This field encompasses various sectors such as software development, IT consulting, outsourcing, and product development.

## **Internship Opportunities**

Internships serve as a crucial entry point for aspiring IT professionals in Bangladesh. Many leading software companies actively participate in hiring interns, recognizing the value they bring to their organizations.

## **Software Development**

Software development is one of the primary sectors within the software industry, offering a plethora of job opportunities. Roles in this sector include software engineer, software developer, full-stack developer, front-end developer, back-end developer, and mobile app developer. Companies in Bangladesh often work on a wide range of projects, including web applications, mobile apps, enterprise solutions, and e-commerce platforms. Companies like Brain Station-23, Datasoft, and Cefalo are actively involved in software development, offering opportunities in various domains such as banking, mobile applications, e-commerce, and more.

## **Web and Mobile App Development**

Dream 71 Bangladesh and Ollyo are prominent players in the web and mobile app development space, catering to both local and international clients.

## **IT Consulting**

IT consulting firms play a crucial role in providing advisory services, technical expertise, and solutions to businesses across various industries. Job roles in this sector include IT consultant, business analyst, project manager, and solution architect. IT consultants work closely with clients to understand their requirements, identify technology solutions, and oversee the implementation of IT projects.

## **Data Analysis:**

As businesses gather more and more data, the need for skilled data analysts has soared. These professionals help companies understand their data better, making it easier to make smart decisions.

## **Cybersecurity:**

With the rise of online threats, protecting digital information has become a top priority for organizations. Cybersecurity professionals in Bangladesh work to keep sensitive data safe and prevent unauthorized access to systems and networks.

## **Digital Marketing:**

In today's digital world, companies rely heavily on digital marketing to connect with customers. Digital marketing experts in Bangladesh use online platforms to promote products and engage with audiences effectively.

## **Outsourcing**

Bangladesh has emerged as a prominent destination for IT outsourcing services, particularly in areas such as software development, web development, graphic design, and digital marketing. Outsourcing companies in Bangladesh cater to clients from around the world, offering cost-effective solutions and high-quality services. Job opportunities in this sector include software developer, QA tester, graphic designer, digital marketer, and content writer.

## **Emerging Technologies**

Companies like BJIT Group and TigerIT are exploring cutting-edge technologies such as Artificial Intelligence (AI), Internet of Things (IoT), Blockchain, and Biometrics, providing exciting opportunities for professionals with expertise in these areas.

## **Product Development**

With the growth of entrepreneurship and startup culture in Bangladesh, there has been an increasing focus on product development within the software industry. Startups and product companies work on developing innovative solutions, including software products, mobile apps, and software-as-a-service (SaaS) platforms. Job roles in product development include product manager, UX/UI designer, product marketer, and growth hacker.

## **Skill Requirements**

To excel in the software industry in Bangladesh, individuals need to possess a diverse set of technical skills as well as strong communication, problem-solving, and teamwork abilities. Some of the key technical skills sought after by employers include proficiency in programming languages such as Java, Python, JavaScript, and PHP, knowledge of web development frameworks (e.g., React, Angular, Django), familiarity with database management systems (e.g., MySQL, MongoDB), and experience with agile development methodologies.

Furthermore soft skills such as communication, critical thinking, adaptability, and collaboration are highly valued in the software industry. Employers look for candidates who can effectively communicate with clients and team members, think analytically to solve complex problems, adapt to changing project requirements, and collaborate with cross-functional teams to deliver high-quality solutions.

## **Problem & Prospects of Software Industry in Bangladesh**

Over the years, Bangladesh has made remarkable progress in the IT and software industry. Now, it contributes significantly to the national income and provides employment opportunities for young graduates. The software industry is attracting lots of new entrepreneurs, especially young graduates. Many of them are coming back to Bangladesh from other countries, hoping to build successful businesses here. They're building strong companies that can last, and their determination is a big driving force for the IT industry in Bangladesh. According to a survey by BASIS, around 30,000 professionals work in this sector, which is worth over US\$250 million. According to a recent survey by BASIS, over 70% of IT companies in Bangladesh are developing and maintaining software for their clients. They offer various IT solutions like graphics/web design, data processing, software development, and content management. The top software companies in Bangladesh are always trying to outdo each other by introducing new services and strategies. For example, they're introducing new payment methods like online payments via credit cards or mobile options.

Around 45% of these companies focus mainly on software development, but others are expanding into specialized areas like e-commerce, e-learning, listing services, or payment services and now they are being specialized in machine learning, AI etc .

Interestingly, most of these IT companies are currently focused on the local market, with 63% of them doing business mainly within Bangladesh. This focus on the local market could be a barrier to expanding globally. However, some companies are making efforts to break into the global market while maintaining high quality. With many skilled professionals, it has the potential to be a top exporter of software in the region. Despite facing some challenges, the software market here is worth about US\$1 billion and is growing by 20% each year. While most of the software exports go to North America and Europe, there's also a rising demand for Bangladeshi software in Asia and the Middle East.

The banking and financial sectors have a big demand for IT specialists, but most banks still rely on software from foreign companies. However, Bangladeshi software companies are making efforts to change this by offering their services. Other sectors like manufacturing, textiles, pharmaceuticals, and production industries are also starting to use IT solutions like ERP software and HR information systems. They currently depend on vendor companies for their IT needs, but this is changing slowly. Telecom and real estate companies heavily rely on services from the best software companies in Bangladesh, creating a big market for IT solutions.

Government contracts have become important for software companies, with larger companies leading the way in targeting government sectors. Bangladesh's progress in the IT and software sector has gained international recognition. This has attracted companies like Samsung, AMD, LG, and IBM to set up research and development centers in Bangladesh.

Industry experts believe that there should be regular upgrades in skill sets and technologies in the software industry. Advanced technologies like cloud computing, storage networking etc should be adopted for future success.

Overall, software companies need to adapt to changing technologies to secure a bright future in the industry.

## **The main challenges faced by software industry in Bangladesh are:**

### **Lack of infrastructure and resources**

In Bangladesh, the software industry encounters major obstacles due to insufficient infrastructure and resources. This encompasses issues such as limited access to technology, inadequate internet connectivity, and a lack of funding for software development projects. Software companies in Bangladesh often struggle to secure funding, which makes it difficult for them to grow and expand their businesses.

To address this challenge, the government must prioritize investment in infrastructure development and extend financial support to the IT sector. Additionally, private companies should allocate resources towards enhancing technology and human capital to foster growth and bolster competitiveness in the global market.

### **Lack of standardization**

In Bangladesh, software companies face a big problem: things aren't done the same way across the board. Plus, companies should invest in training to make sure their employees are up to speed and doing things the right way.

### **Lack of specialized skills**

There's also a lack of software developers skilled in new tech like artificial intelligence, blockchain, and the Internet of Things (IoT). To fix this, the IT industry should focus on training programs to help workers gain these skills. Additionally, software industries should collaborate with universities and colleges to establish programs that provide students with hands-on training in emerging technologies.

### **Limited market access**

Another hurdle for software industries in Bangladesh is limited market access. This means they struggle to break into new markets, promote products, and set up distribution channels. To overcome this, software development firms should prioritize building a solid brand reputation and invest in marketing and promotional efforts. Additionally, the

government should engage in trade negotiations with other nations to improve market access for software exporters.

### **Inadequate legal framework**

Another obstacle for software industries in Bangladesh is the insufficient legal framework. This encompasses issues like inadequate protection for intellectual property, challenges in dispute resolution, and restricted access to funding. To address this, the government should create a robust legal framework that ensures adequate protection for software exporters. Moreover, software development companies should invest in legal expertise to guide them through the legal landscape and resolve disputes efficiently.

### **Lack of innovation**

In Bangladesh, software industries face challenges such as not investing enough in research and development, having limited access to the latest technology, and lacking creativity and originality. To overcome this, software firms should invest more in innovation and research. Also, the government should offer financial aid for innovation and promote collaboration between universities and businesses.

There's also a shortage of highly skilled IT professionals in Bangladesh. This makes it tough for software companies to find the talent they need to expand their operations.

### **Intellectual property protection**

There are still concerns about intellectual property protection in Bangladesh, which can make it difficult for software companies to protect their products and ensure they are not pirated.

### **Language barriers**

Many software developers in Bangladesh speak limited English or other languages, which can make it difficult for them to communicate effectively with clients in other countries.

### **Cultural differences**

Differences in culture between Bangladesh and other countries can sometimes cause misunderstandings and communication challenges, which can negatively impact software exports.

Although software industries in Bangladesh face challenges, the country has the potential to be a top software exporter in its region. To make this happen, the government and private sector must collaborate to tackle obstacles and offer support to the Software or IT industry. By doing so, Bangladesh can reach its potential and become a major player in the global software industry.

## Conclusion

Bangladesh's software industry is on the brink of unprecedented growth driven by a skilled workforce and a thriving local market. While significant progress has been achieved, there are still hurdles to overcome to unleash its full potential globally. Through targeted investments in skills enhancement, innovation and market expansion, Bangladesh can cement its position as a pivotal player in the Asian tech landscape. The combined efforts of government backing and industry-driven initiatives will be crucial in propelling the sector towards sustained growth and competitiveness. As Bangladesh navigates the complexities of the digital era, the prospects for its software industry are undeniably bright. With unwavering dedication to innovation and collaboration, Bangladesh is well-positioned to carve out a unique space in the global software arena fostering economic prosperity and technological advancement in the years ahead.

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