



IT Business Utilizing New Technologies in

Developing Countries

Challenge of BRACNET in Bangladesh

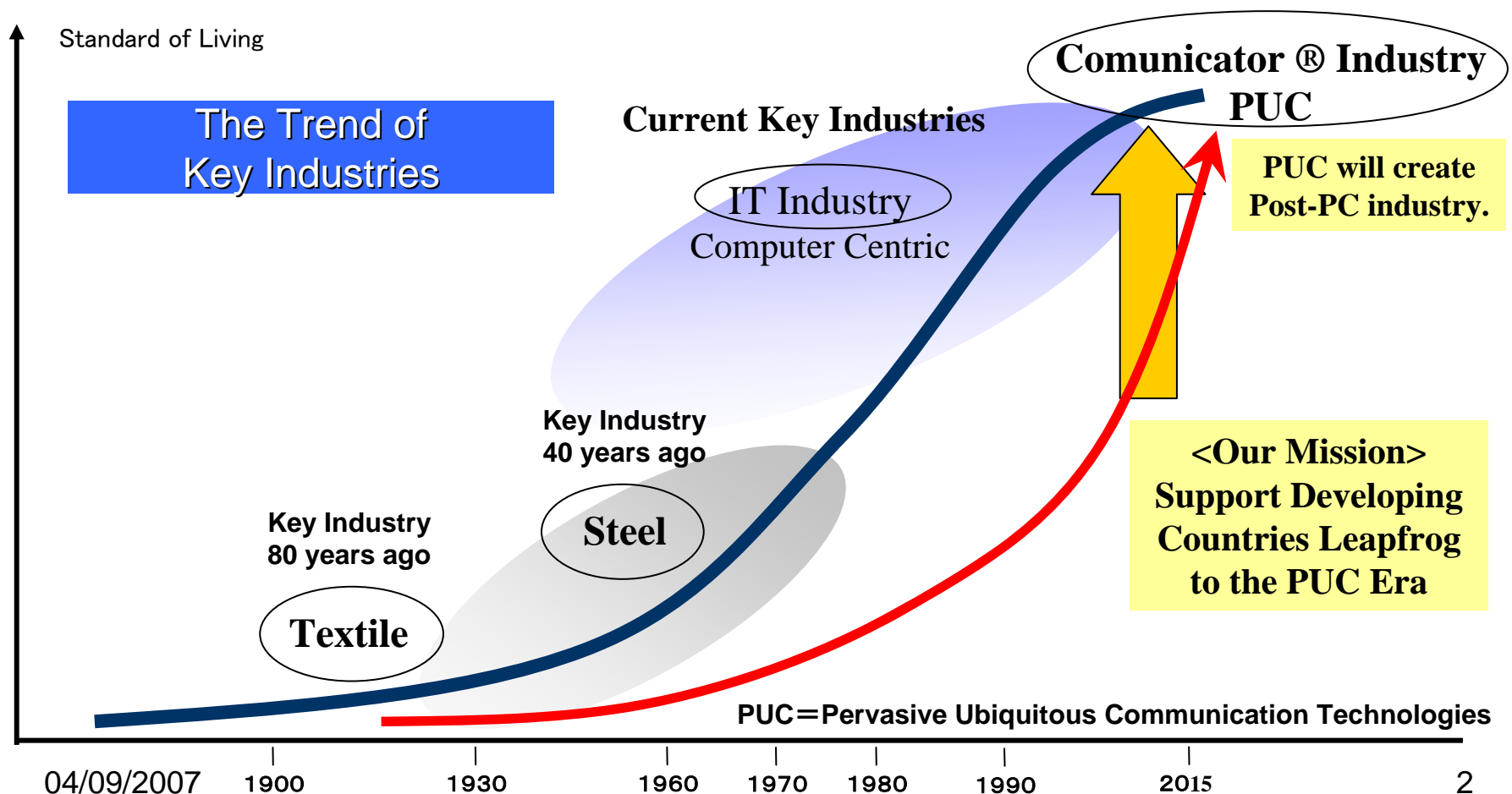
April 9, 2007

DEFTA Partners Group

Taku Furukawa

Creating a New Key Industry in the Post-PC IT Era

1. Explore the Way to Create a New Key Industry (Comunicator® Industry) in the Post-IT Era in Developed Countries.
2. Establish IT infrastructure in Developing Countries Leapfrogging to PUC Era.



Vision of Defta Development Project

**Improve Standard of Living and IT Infrastructure
in Developing Countries by Leapfrogging to PUC Era.**



Substantial Improvement in Standard of Living

**Remote Education, Remote Medical, VoIP,
eCommerce(B2B, B2C), eBanking, Micro Payment...etc.**

Introduction of PUC Technologies

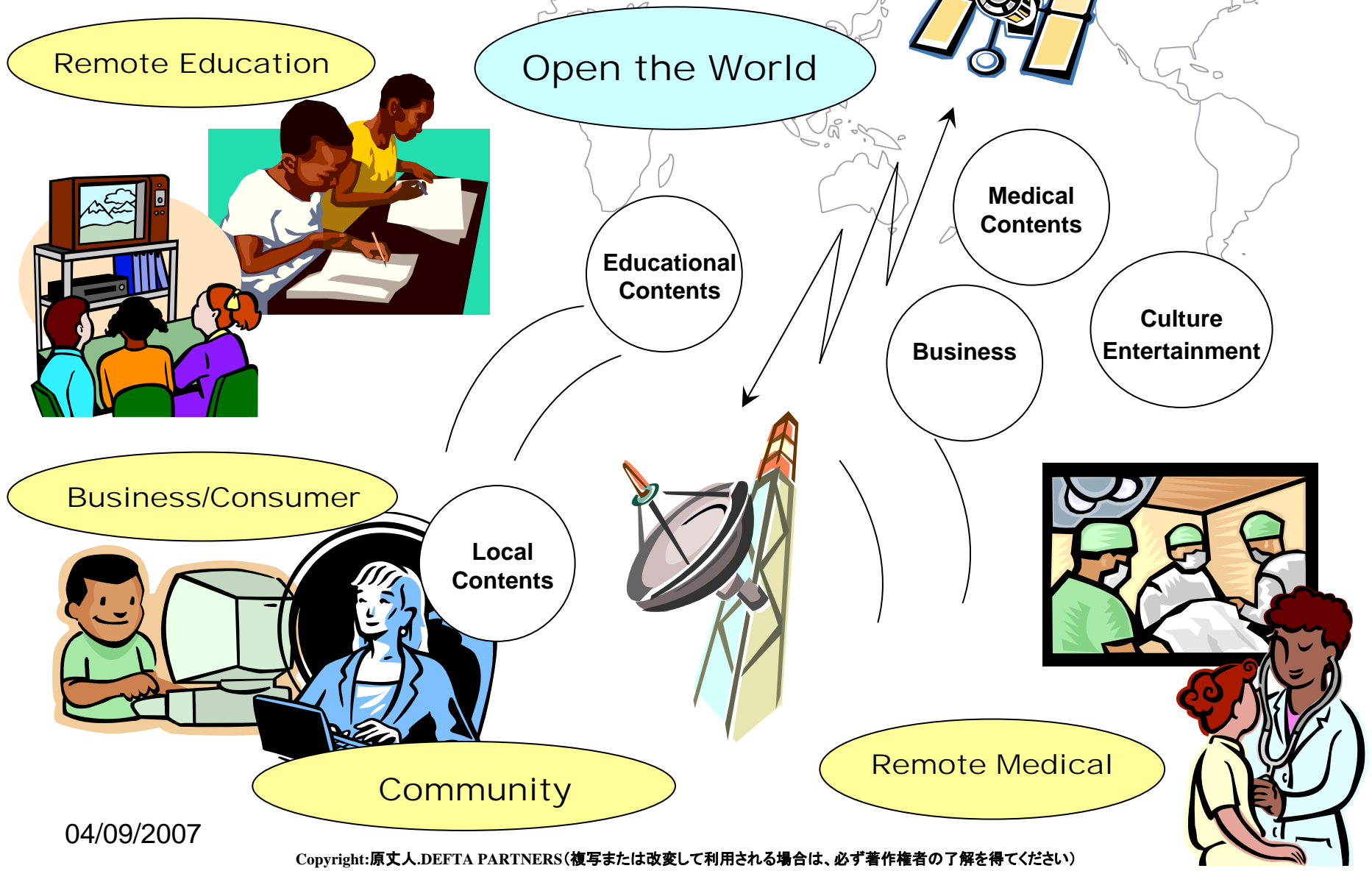
**XVD Next Generation Database
Peer to Peer Real time OS Integrated Embedded Model**

Development of Broadband Infrastructure

04/09/2007

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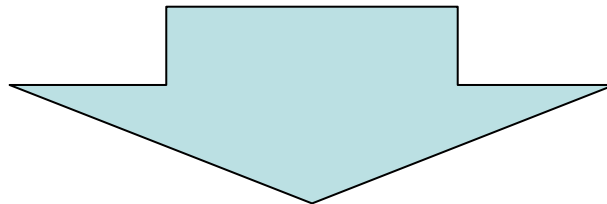
Usage of Broadband Infrastructure



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How do we accomplish this?

1. **Usage of Wireless Broadband Technologies.**
2. **Collaboration of Global Strategic Partnership.**



Low Cost and Effective Development.

Outline of Bangladesh



The People's Republic of Bangladesh

1. Area: 144 thousand km²
2. Population: 140 million
3. Capital: Dhaka
4. Ethnicity: 98% Bengali
5. Language: Bengali
6. Religion: Islam 88.1%
7. History: 8/1947 Independent as Pakistan
12/1971 Independent as Bangladesh
8. Main Industry: Textile, Fishery, Jute and etc.
9. GDP Per Capita: \$480
10. Literacy Rate: 49.7%
12. Poverty Rate: 50%

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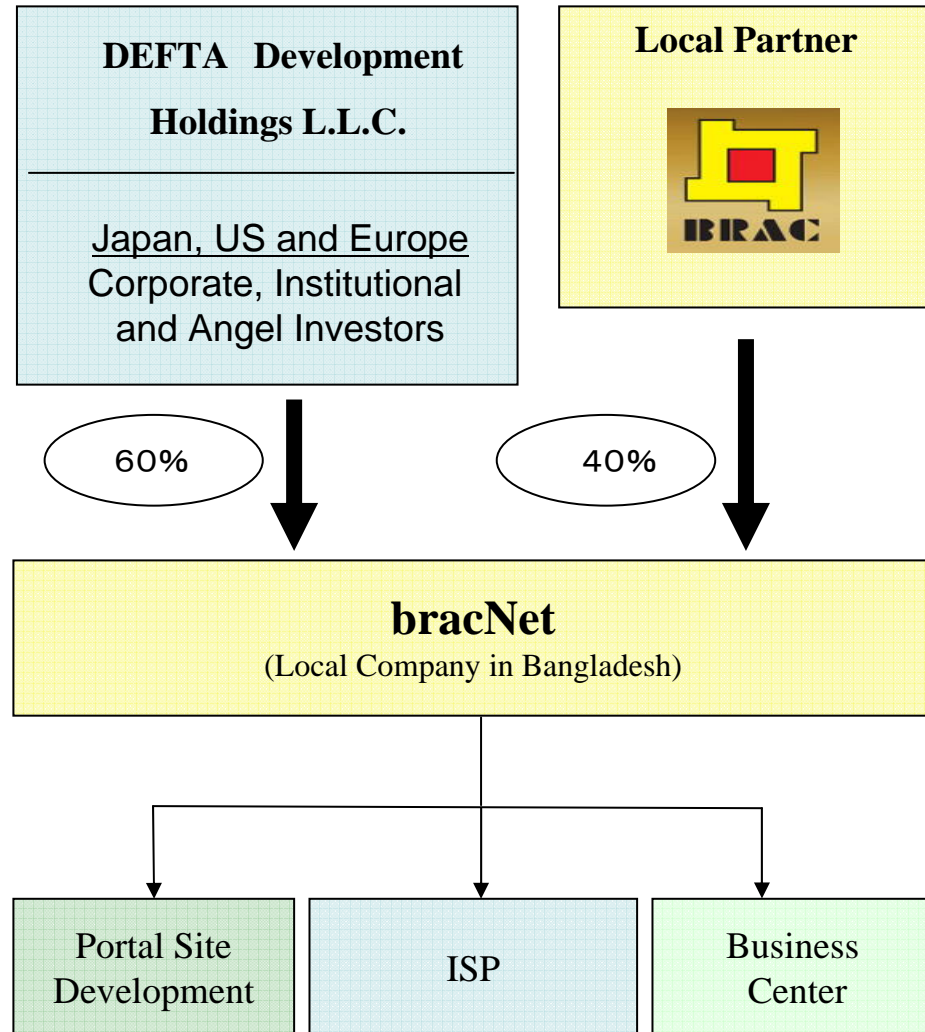


bracNet Business Overview

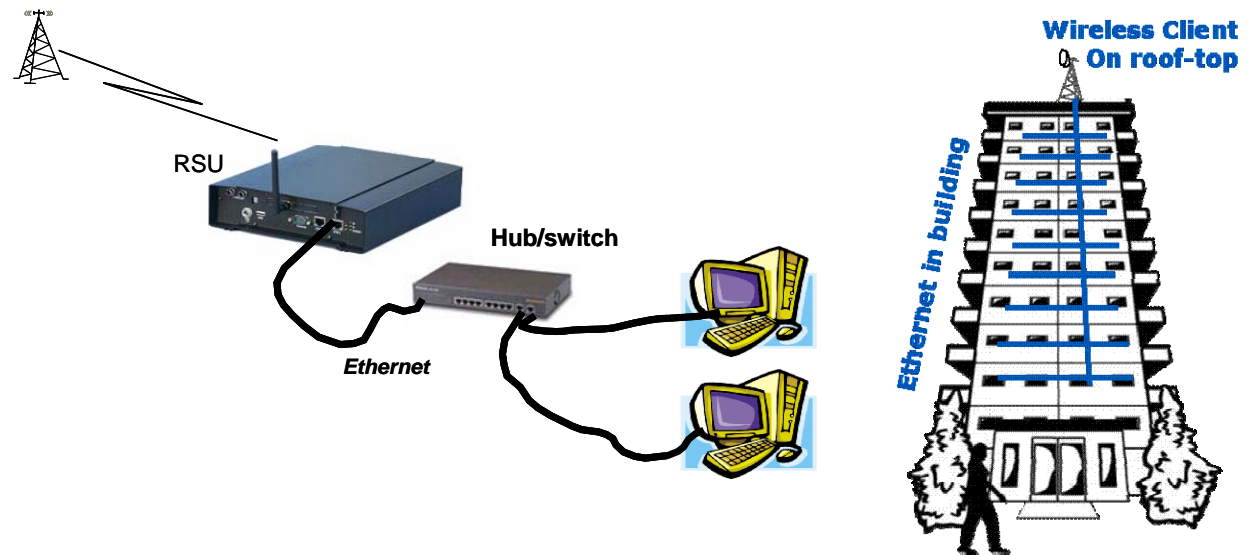
- 1. **Name:** BRAC BDMail Network, Ltd.
- 2. **Capital:** US\$6 Million
- 3. **Ownership:** DEFTA 60%
BRAC 40%
- 4. **Location:** Dhaka, Bangladesh

Business

- 1. **Internet Service Provider**
 - Wireless Broadband Service
 - The First ISP to Nationally Expand in Bangladesh
- 2. **“ehut” Internet Business Center**
- 3. **Development of First Portal Site in Bangladesh**



Broadband Infrastructure using Wireless Technologies (1)



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Broadband Infrastructure using Wireless Technologies (2)



Base Station

WiMAX 802.16-2004

- **Range:** Up to 20km
- **Ease of Installation**
- **Cost**
 - **Base Station:** about US\$65,000
 - **Subscriber Unit:** Around US\$330**Cost Substantially declining**
2006: \$600 → 2007: \$300

5 Base Stations will cover the entire Dhaka City

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New Structure for Supporting Developing Countries

Key Factors for Success in Strategic Partnership (1)

Arranged by Private Consortium
Avoid Interference and Create Cooperation with the Developing Country Government

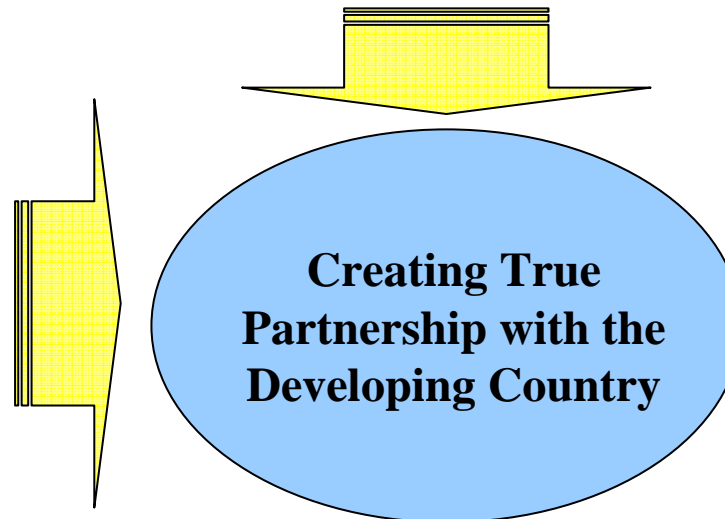
1. **Global Strategic Partnership in the field of Technology, Management, Finance and Operation.**
2. **Effectiveness through avoiding bureaucracy of government.**

Promote Self-Supportive Industry

1. **Promote sustainable and self-supportive industrial development.**
2. **Provide the skill and knowledge of Strategic Partners. Staff training.**
3. **Business rooted in local situation.**

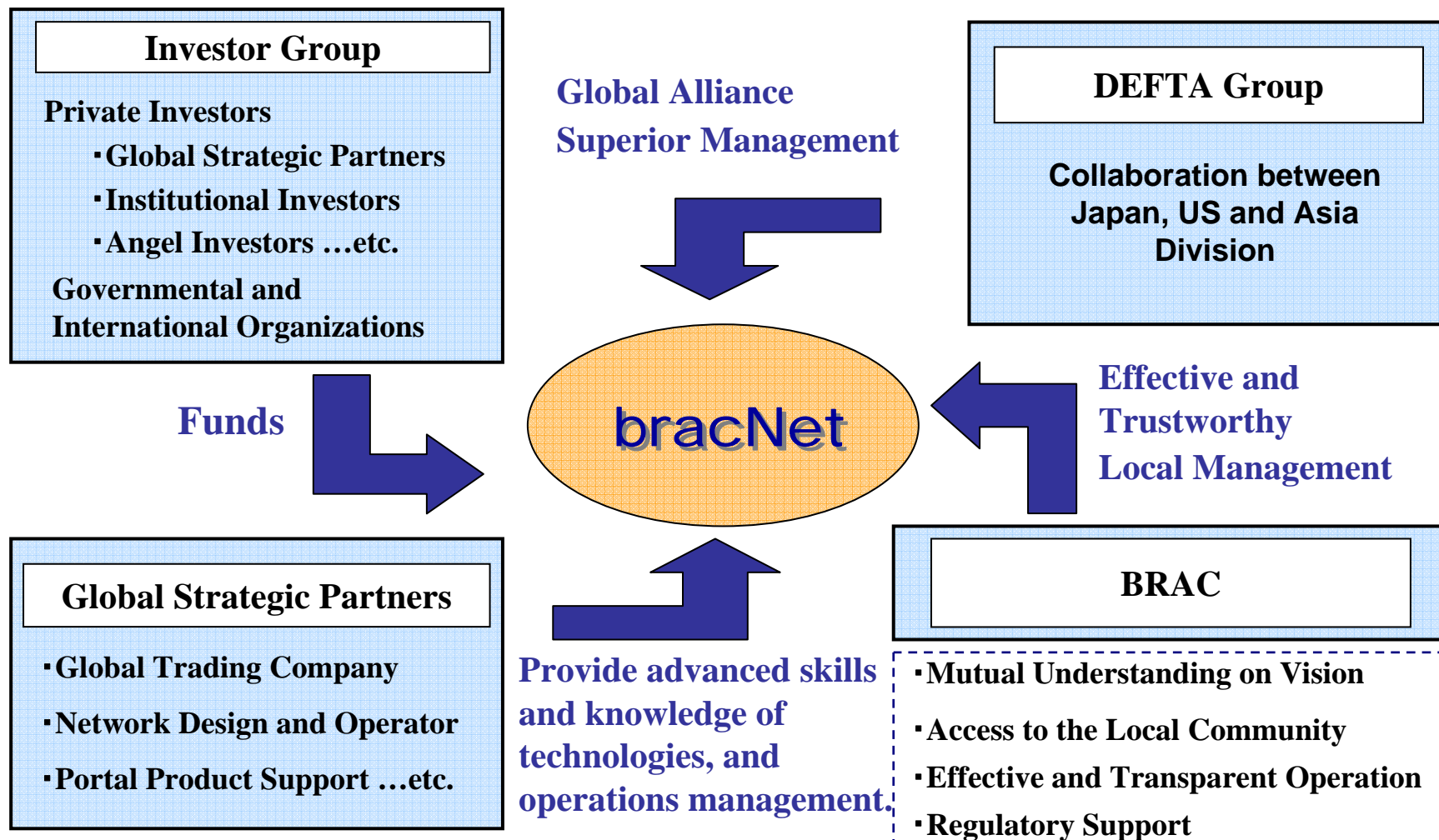
Expectation on Profitable Returns from the Business

1. **Risk Management by Experienced Management.**
2. **Business Plan producing considerable return consistent with the level of risks.**
3. **Mutual Incentive between the Investor side and Local side for the success.**



Project accomplished by Global Strategic Partnership

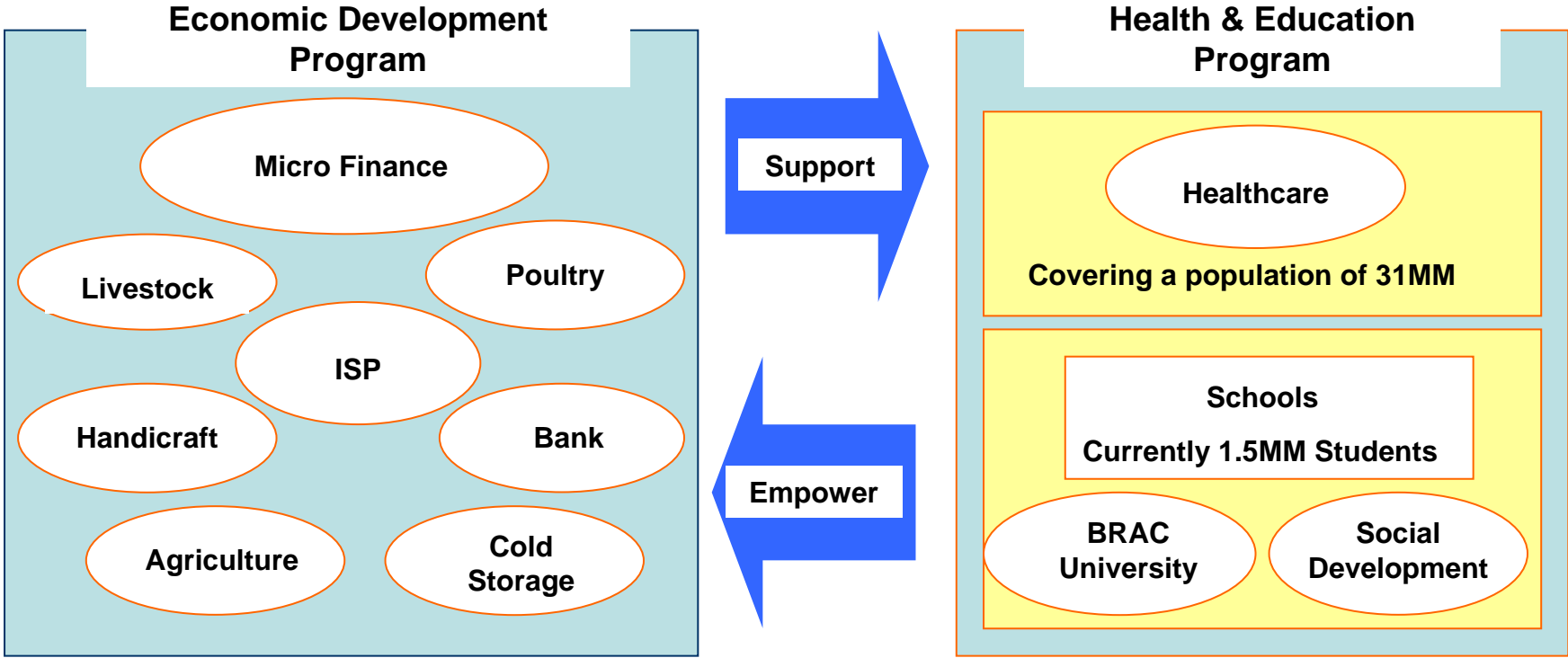
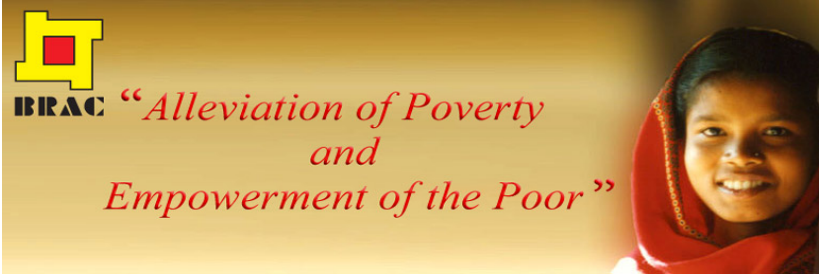
Key Factors for Success (2)



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Local Partner BRAC: World's Largest NGO (Annual Expenditure of US\$303MM in 2006)

Over the past 33 years, BRAC has taken great strides in the alleviation of poverty in Bangladesh and beyond. It has contributed much to the empowerment of the poor and of women in particular. Creating job of 7MM and Microfinance membership of 5MM with repayment rate of 99.49%.



BRAC: Supreme Ability in Organization and Finance

Establishment of Independent Financing



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<2005>

Loan Disbursement 2005: US\$501MM

Member's Savings: US\$141MM

Self funding Approximately 80% of the Annual Expenditure

