



Bangladesh Mobile Phone Market Registers a Modest 4.1% Growth in 2019; Vendors Shift Gears to the Local Assembly, IDC India Reports

NEW DELHI, 24th February 2020 – According to the [International Data Corporation](#) 's (IDC) [Worldwide Quarterly Mobile Phone Tracker](#), 4Q19, Bangladesh mobile phone market returned to growth in 2019 with a 4.1% annual growth, shipping 29.6 million units during the year. Feature phones continued to dominate with 76.6% share and 22.7 million units shipment with a 4.9% annual growth. In the smartphone category, a total of 6.9 million smartphones were shipped in 2019 with a 1.4% year-over-year (YoY) growth. The last quarter of the year (4Q19) saw healthy growth in the overall mobile phone shipments as the category grew 19.5% YoY and 16.2% from the previous quarter, contributing 8.8 million shipments to the year.

In June 2019, the government of Bangladesh had increased the customs duty on the import of completely built units (CBU) of the smartphone to 25% from 10% earlier, resulting in a 4.1% decline YoY in 2H19. However, as feature phones were left outside of this increased duty structure, it saw a strong recovery with 20.1% YoY growth in 2H19.

The China-based vendors continued to launch higher-priced smartphone models with better specifications. This helped the average selling price (ASP) of smartphones to reach \$99 with a 5.7% YoY growth in 2019. The share of 4G-enabled smartphones reached 69% with 50.4% annual growth in 2019. However, 3G smartphones still hold 31% category share, primarily because these smartphones were selling at less than half of the price of a 4G smartphone. Also, due to limited coverage and poor quality of the 4G network, users are still reluctant to upgrade.

“Despite modest growth, the country saw a shift in local manufacturing as three out of four smartphones shipped in 4Q19 were locally assembled from just one-fourth smartphones assembled in 1Q19,” says [Ekta Mittal](#), Market Analyst, Client Devices, IDC India. “Walton was the leading vendor in local production as it assembles all its devices in the country. Among the global vendors, Samsung assembles almost all of its smartphones in the country but still depends on import of feature phones. Also, OPPO and vivo had started their local production from 2H19 and a few more vendors are expected to set up their local production in the coming months,” adds Mittal.

Commenting on the recent growth of local assembly, [Jaipal Singh](#), Associate Research Manager, Client Devices, IDC India states, “As the local governments continue to discourage the CBU (Completely Built Units) import across countries, it is putting immense pressure on global

vendors to diversify their production plants in key geographies to meet the local demand. This provides an opportunity to reduce the dependency on China. At the same time, it also brings a lot of challenges, starting from managing the overall cost, inventory, and production, especially when the domestic demand is limited, and manufacturing is largely restricted to assembling of devices locally and all the components still have to be imported.”

“As vendors settle their production challenges, we expect a gradual shift to smartphones in the coming years. However, the 4G network coverage and data pricing will play a critical role in this transition,” concludes Singh.

Top 5 Company Highlights: 2019

Samsung surpassed Symphony to become the market leader in 2019. It shipped 1.1 million units with an 87.1% annual growth, mainly contributed by its expansion in tier-2 and tier-3 cities. Galaxy A2 core was the top-selling model for the company comprising one-fifth volumes, followed by Galaxy A10.

Symphony slipped to the second slot as its shipments declined 29.5% from the same time a year ago. The vendor attempted to correct the pricing of its existing models and introduced new models in ultra-low-end price bands with better specifications. However, it struggled to compete against the new competition from China-based vendors and Samsung’s expansion.

Transsion displaced Huawei for the third position as its shipments grew 14.3% in 2019. Its effective channel management, continuous focus on the ultra-low-end segment, and strong retailer connect helped it to gain a quick share in the market. Also, its sub-brand “Tecno” saw an impressive 75.5% YoY growth in 2019 due to the increased market visibility.

Walton climbed to the fourth position as its shipments saw 23.6% annual growth in 2019. Walton was able to strengthen its position in the entry-level segment as its share had increased to 15.4% in 2019 from 11.0% a year ago in the sub \$100 segment. Brand’s EMI scheme is also playing a role in onboarding first-time users.

Xiaomi made it to the top 5 for the first time as the brand almost doubled its shipments from a year ago. Xiaomi had been aggressive throughout the year and launched 14 new models in 2019. Xiaomi’s Redmi Go and Redmi 6A contributed almost one-fourth to its total volumes and helped it to further cement its position in the entry-level segment.

Figure 1



Bangladesh Smartphone market, Top five companies, Market Share, Year-over-Year Growth 2019

Company	2019 Shipments	2019 Market Share	Year-over-Year unit change (2019 vs 2018)
1. Samsung	1.12	16.1%	87.1%
2. Symphony	1.08	15.5%	-29.5%
3. Transsion	0.94	13.5%	14.3%
4. Walton	0.73	10.5%	23.6%
5. Xiaomi	0.71	10.3%	80.6%
Others	2.37	34.1%	-18.8%
Total	6.95	100.0%	1.4%

Source: IDC Worldwide Quarterly Mobile Phone Tracker, 4Q19

Note: Shipments are in millions of units

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