

The recently released Telecom Regulatory Authority of India's (TRAI) performance indicator report for the quarter ended September 2011 reviews growth trends in telecom services sector for the period June-September 2011. It is compiled on the basis of information furnished by the service providers.

According to the report, the total number of telecom subscribers in the country (wireless and wireline) has increased from 885.99 million at the end of June 2011 to 906.93 million at end of September 2011, registering a growth of 2.36 per cent over the previous quarter as against 4.69 per cent during the quarter ended September 2011. This reflects year-on-year (Y-O-Y) growth of 25.39 per cent over the same quarter of last year. The overall teledensity in India has reached 75.48 as on September 30, 2011.

With 75.48 million net additions during the quarter, the wireless segment continued to follow an upward trajectory. The total wireless (GSM + CDMA) subscriber base registered a growth of 2.57 per cent over the previous quarter and increased from 851.70 million at the end of June 2011 to 873.61 million at the end of September 2011. The Y-O-Y growth over the same quarter of last year was 27.03 per cent. Wireless teledensity increased from 71.11 to 72.7 in the same quarter.

The wireline user base, on the other hand, registered a 2.86 per cent decline to stand at 34.29 million. The rural subscriber base grew from 298.05 million in June 2011 to 305.51 million in September 2011. Consequently the rural teledensity has increased from 35.60 to 36.40 percent. The urban subscriber base also increased, from 587.94 million to 601.72 million, during the same period, with urban teledensity totaling 166.01 per cent.

In the quarter ended September 2011, 64.37 per cent of the total net additions were in urban areas as compared to 60.14 per cent in the previous quarter. Both, the urban and rural subscription have recorded a decline in rate of growth during the quarter ending September 2011. Rural subscription growth rate dipped from 5.60 per cent in June 2011 to 2.50 per cent in June 2011, and urban subscription declined from 4.23 per cent in QE June 2011 to 2.29 per cent in QE September 2011.

Wireline

The country's wireline subscriber base continued to decline. It dropped from 34.29 million at the end of June 2011 to 33.31 million at the end of September 2011, bringing down the wireline teledensity from 2.86 per cent to 2.77 per cent for the quarter under review.

The rural subscriber base marked a Y-o-Y decline of 12.17 per cent, from 9.13 million at the end of September 2010 to 8.02 million at the end of September 2011. During the same period, the urban subscription recorded decline rate of 4.33 per cent.

Bharat Sanchar Nigam Limited continued to lead in the segment with a market share of 71.08 per cent and a subscriber base of 23.6 million. However, specifically for the quarter ended September 2011, its subscriber base decreased by about 4.2 per cent over the previous quarter. Tata Teleservices limited (TTSL) recorded the maximum net additions (0.034 million subscribers) during this quarter. Circle-wise, Delhi, Mumbai, Tamil Nadu (including Chennai) and Orissa were the service areas that showed positive wireline growth.

The number of public call offices (PCO) in the country stood at 2.59 million at end September 2011 as compared to 2.83 million at the end of June 2011, showing a reduction of 0.24 million PCOs over the previous quarter. The decline over the corresponding quarter of 2010 was 26.32 per cent.

The number of village public telephones has remained the same at 583,000 at the end of September 2011. Currently, 98.2 per cent of the total 593,731 inhabited villages in the country (as per the 2001 census) are connected.

Wireless

The total wireless (GSM+CDMA) subscriber base increased from 851.70 million at the end of June 2011 to 873.61 million at the end of September 2011, indicating a growth of 2.57 per cent. Wireless teledensity rose from 71.11 per cent to 72.70 per cent. The number of rural wireless subscribers increased from 289.57 million to 297.49 million.

GSM services continued to dominate the wireless market. The GSM subscriber base stood at 761.20million, accounting for 87.13 per cent of the total wireless subscriber market. The CDMA segment had a total of 112.42million subscribers and a market share of 12.87 per cent.

Bharti airtel, with a subscriber base of 172.78 million, had the highest share in the wireless market. The company also led the wireless market with 22.7 per cent market share.

Amongst CDMA operators, Reliance Communications maintained its lead position with a subscriber base of 55.15 million, accounting for a 49.06per cent market share.

Mobile ARPUs

The stiff competition in the market continued to impact the ARPUs of these companies. The monthly ARPU for GSM mobile services declined by 4.59per cent from Rs 98 in the quarter ended June 2011 to Rs 93in the quarter ended September2011. The decrease over the corresponding quarter of 2010 was 15.11 per cent. The monthly ARPU for CDMA mobile services registered an increase of 9.56per cent, from Rs 64 in the quarter ended June 2011 to Rs 71 in the quarter ended September2011.

Mobile usage pattern

In spite of cheaper call rates and innovative tariff plans, there was a steep decline in the monthly minutes of usage (MoU) for both GSM and CDMA services. GSM MoU declined by 3.90per cent, from 344 in the quarter ended June 2011 to 331 in the quarter ended September 2011. For CDMA subscribers, the monthly MoUs per subscriber fell from 238 in the quarter ended June 2011 to 230in the quarter ended September2011, a decline of 3.27per cent.

Wireless quality of service

During the period under review, the performance of wireless service providers deteriorated with respect to quality of service (QoS) parameters such as metering and billing credibility - post paid and pre paid; BTSs Accumulated downtime (not available for service); Resolution of billing/ charging/ validity complaints; fault incidences per 100 subscribers per month and time taken for refund of deposits after closure.

The performance of wireless service providers improved during the quarter with respect to parameters like Point of Interconnection (POI) congestion; call drop rate; time taken for refund of deposits after closures and connection with good voice quality.

Internet and broadband

The number of internet subscribers increased from 20.33 million at the end of June 2011 to 20.99million at the end of September 2011, registering a quarterly growth of 3.2 per cent. BSNL holds about 56.9per cent of the market share with a internet subscriber base of 11.95million at the end of September2011 as against 11.63 million at the end of June 2011. Reliance is at second position (2.48 million million) followed by MTNL (2.68 million). The 10 leading internet service providers together accounted for 94.57 per cent of the subscriber base.

The share of broadband in the total internet subscriber base increased from 60.7per cent to 61.1per cent. The total number of broadband subscribers increased from 12.35 million to 12.8 million, registering a quarterly growth of 3.93 per cent and a year-on-year growth of 24.54 per cent. Digital subscriber line was the preferred broadband technology, which was used by over 85.4 per cent of subscribers.

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