

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:4312

ANSWERED ON:02.05.2012

DECLINE IN SUBSCRIBERS OF BSNL AND MTNL

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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether there has been a substantial fall in the telephone subscribers of BSNL and MTNL in comparison to the private players;
- (b) if so, the comparative details of the telephone subscribers of these PSUs with private telecom operators as on date, Statewise alongwith the reasons therefor;
- (c) the revenue, expenditure and the market share of these PSUs during the last three years and the current year;
- (d) whether the Government has reviewed the performance of these PSUs and if so, the details and the outcome thereof;and
- (e) the corrective measures taken/proposed to be taken by the Government to enhance their telecom and internet broadband market share and profitability?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a)&(b) The number of telephone subscribers of BSNL and MTNL is increasing on year by year basis. However, the growth in case of BSNL and MTNL is less as compared to that of some private operators. The details of number of telephone subscribers license area wise of BSNL / MTNL as well as of private operators for the last three years and current year as on 29.02.2012 is given at Annexure -I.

(c) The revenue & expenditure of BSNL & MTNL during the last three years and the current year (upto 31.12.2011) is as follows:

(in Rupee crores)

BSNL MTNL

Year Income Expenditure Income Expenditure

2008-09 35,812 34,354 5,250 4,986

2009-10 32,045 34,078 5,058 8,477

2010-11 29,688 36,002 3,992 6,767

2011-12 (upto 31.12.2011) 20,617 27,770 2,671 5,329

The details of market share of BSNL / MTNL in terms of total telephone connections as on 31st March of last three years & current year as on 29.02.2012 is given in Annexure-II.

(d)&(e) Department of Telecommunications (DoT) regularly reviews the performance of BSNL and MTNL to improve their financial health. Some of the steps taken by BSNL and MTNL to make them profitable are as follows:

Optimizing CAPEX and OPEX through convergence and consolidation of infrastructure.

Strengthening of stable revenue streams through concerted focus on broadband and enterprise business with major focus on Government projects.

Focussing on the revenue from top 100 Cities for monitoring purpose.

Sustained operational focus on customer care, service delivery, service assurance, revenue management and asset management.

Aggressive push on Data usage and value added services.

Clear cut segregation of commercial activities from social obligation to ensure sustainable growth.

Progressive migration of current network to Next generation network thereby ensuring convergence, consolidation and seamless delivery of various services to end customers across different technologies.

To bring about synergies between various telecom units of DoT, a committee was constituted by DoT. The Committee has recommended that the DoT may encourage creation and recognition of synergistic alliance of BSNL and MTNL through appropriate policy interventions and support for optimum utilisation of their resources and strengths to their mutual benefit.

In addition, one of the provisions in the draft revised National Telecom Policy (NTP- 2012), inter-alia also contains the provision to encourage recognition and creation of synergistic alliance of public sector and other organisations of Department of Telecommunications through appropriate policy interventions and support for optimum utilisation of their resources and strengths in building a robust and secure telecom and information infrastructure of the nation.