

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

UNSTARRED QUESTION NO:613
ANSWERED ON:07.08.2013
GROWTH OF TELECOM INDUSTRY
Sugumar Shri K. ;Thamaraiselvan Shri R.

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

- (a) whether the cellular mobile industry is reeling under the pressures of a crippling debt and negative growth;
- (b) if so, the details thereof;
- (c) whether the industry expected to hit the 1 billion subscription mark by 2014, it continues to be deeply constrained by the negative growth witnessed in 2012;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to improve the situation and the measures taken to curb the negative growth of telephone subscription in 2012 both in urban and rural areas?

Answer

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

(a) & (b) The debt position of access telecom service providers (wireless & wireline) and gross revenue of Wireless industry is as under:

(Rs. in crore)		
2010-11	2011-12	Growth
Debt		
173095	182938	5.69%
Gross Revenue		
116313	133701	14.95%

(c) & (d) The number of mobile telephone connections continued to increase till June 2012. It increased from 165.09 million by the end of March 2007 to 919.17 million by the end of March 2012 and further to 934.09 million by the end of June 2012. Thereafter, the number of mobile telephone connections declined to 861.67 million by February 2013 and then increased to 870.20 million by the end of May 2013. The decline in mobile telephone connections after June 2012 was primarily due to the removal of inactive mobile telephone connections. As per the Twelfth Five Year Plan, a target of 1200 million telephone connections by the year 2017 has been fixed.

(e) The following steps have been taken to increase the number of telephone subscribers:

(i) Government approved National Telecom Policy-2012 (NTP-2012) on 31st May 2012 which addresses the Vision, Strategic direction and the various medium term and long term issues related to telecom sector. The primary objective of NTP-2012 is maximizing public good by making available affordable, reliable and secure telecommunication and broadband services across the entire country. The NTP-2012, inter-alia, envisages to increase rural tele-density to 70% by the year 2017 and 100% by the year 2020.

(ii) Various schemes have been implemented in rural & remote areas with the financial support from Universal Service Obligation Fund (USOF) to improve the telecom growth, details of some of which are given as under:

1. A scheme has been launched to provide subsidy support for setting up and managing 7353 number of infrastructure sites (towers) in 500 districts spread over 27 states, for provision of mobile services in the specified rural and remote areas, where there is no existing fixed wireless or mobile coverage. 7317 sites and 16246 Base Transceiver Stations have been commissioned by Service Providers as on 31.05.2013.

2. As on 31.05.2013, 5,82,147 villages i.e. 98.07% of the Census 2001 inhabited revenue villages have been covered with Village Public Telephones (VPTs).

3. Government has approved a project, at an initial estimated cost of Rs.20,000 crore, for creating National Optical Fibre Network (NOFN) to connect all the Gram Panchayats (approx. 2,50,000) in the country through optical fibre to bridge the connectivity gap

between Gram Panchayats and Blocks, for providing broadband connectivity. A Special Purpose Vehicle (SPV) namely Bharat Broadband Network Limited (BBNL) has been incorporated on 25.02.2012 under Indian Companies Act 1956 to execute this project.