CHAPTER-3

GROWTH OF INDIAN TELECOM SECTOR

3.1 Introduction

The service sector growth worldwide has been phenomenal which is reflected in its increased contribution to Gross Domestic Product (GDP) as well as employment generation mechanism. Liberalisation, Privatisation and Globalisation have brought unprecedented changes in the economic, trade, and industrial scenarios. India is fast moving from a protected economy to an open market economy and becoming integrated with the world economy. The change environment has exposed various organizations including the service sector to the challenges of competition, service quality, cost, and the competitive environment. It will help organizations to modernize. Some of those unable to cope with the changes may have to face the consequences of the survival of the fittest.

India, like many other countries of the world, has adopted a gradual approach to telecom sector reform through selective privatisation and managed competition in different segments of the telecom market. To begin with, India introduced private competition in value-added services in 1992 followed by opening up of cellular and basic services for local area to private competition. Private competition was also introduced in National Long Distance (NLD) and International Long Distance (ILD) telephony at the start of the current decade. The Indian mobile services industry is moving in full swing, be it investment, subscriber base, technology or Value Added Services (VAS). Also the industry is coming up with innovative ways to lower their cost of operations. Apart from this, cut-throat competition in terms of technology as well as among the service providers has pushed the industry to innovate which has benefited the ultimate consumer. This section of the thesis through a light on the growth & development in Indian telecom sector and also give brief introduction of selected telecom operators.

3.2 Present Status of Telecommunication Sector in India

Telecommunication has been recognized the world-over as a powerful tool of development and poverty reduction through empowerment of masses. It is one of the
key enabler for ‘inclusive and sustainable’ growth and in areas of poverty reduction, employment generation, gender equity, balanced regional development and special protection for vulnerable sections of the society. Indian telecommunication sector has emerged as a strong growth engine for the Indian economy in the last decade with the country witnessing tremendous growth in wireless sector. The penetration of internet and broadband has also improved. The Government of India approved a project for creation of National Optical Fibre Network for connecting 2.5 lakh Gram Panchayats with support from Universal Service Obligation Fund (USOF). The proposed National Telecom Policy, under finalization in consultation with various stakeholders is a step forward for bringing rapid and equitable growth of this sector. Indian Telecommunication sector maintained the impressive growth rate during the current year. Indian telecom network has 926.55 million connections at the end of December'11 with 893.86 million wireless connections and is the second largest network in the world after China. The one billion mark also appears to be achievable. The penetration of internet and broadband has also improved with 20.99 million internet subscribers and 13.30 million broadband subscribers across the country. The future progress of telecommunication in our country is very encouraging as operators have started rolling out the wireless broadband networks in the country and soon the services are expected to be available in the entire country. The present status of telecom sector is given in Box-1:

**Box-1: Present Status of the Telecommunication Sector (As on 31.12.2012)**

- Indian Telecom market is one of the fastest growing markets in the world.
- With its 926.55 million Telephone connection, it is the second largest network in the world after China.
- It is also the second largest wireless network in the world.
- The country is poised to achieve 1 billion telephone connections.
- Wireless telephones are increasing at a faster rate. The share of wireless telephones is 96.47% of the total phones.
- The share of private sector in total telephones is 86.09%.
- Overall tele-density has reached 76.86%. Urban tele-density is 167.46%, whereas rural tele-density is at 37.52% which is also steadily increasing.
- Broadband connections increased to 13.30 million.
Table 3.1 Telecom Subscription Data as on 31st January, 2013

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Wireless (Millions)</th>
<th>Wireline (Millions)</th>
<th>Total Wireless + Wireline (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Subscribers</td>
<td>862.62</td>
<td>30.52</td>
<td>893.15</td>
</tr>
<tr>
<td>Total Net Monthly Addition (Millions)</td>
<td>-2.10</td>
<td>-0.27</td>
<td>-2.36</td>
</tr>
<tr>
<td>Monthly Growth (%)</td>
<td>-0.24%</td>
<td>-0.86%</td>
<td>-0.26%</td>
</tr>
<tr>
<td>Urban Subscribers</td>
<td>528.88</td>
<td>23.66</td>
<td>552.55</td>
</tr>
<tr>
<td>Urban Subscribers Net Monthly Addition (Millions)</td>
<td>-4.24</td>
<td>-0.17</td>
<td>-4.41</td>
</tr>
<tr>
<td>Monthly Growth (%)</td>
<td>-0.80%</td>
<td>-0.73%</td>
<td>-0.79%</td>
</tr>
<tr>
<td>Rural Subscribers</td>
<td>333.74</td>
<td>6.86</td>
<td>340.60</td>
</tr>
<tr>
<td>Rural Subscribers Net Monthly Addition (Millions)</td>
<td>2.14</td>
<td>-0.09</td>
<td>2.05</td>
</tr>
<tr>
<td>Monthly Growth (%)</td>
<td>0.65%</td>
<td>-1.33%</td>
<td>0.61%</td>
</tr>
<tr>
<td>Overall Teledensity*</td>
<td>70.57</td>
<td>2.50</td>
<td>73.07</td>
</tr>
<tr>
<td>Urban Teledensity*</td>
<td>142.10</td>
<td>6.36</td>
<td>148.46</td>
</tr>
<tr>
<td>Rural Teledensity*</td>
<td>39.26</td>
<td>0.81</td>
<td>40.07</td>
</tr>
<tr>
<td>Share of Urban Subscribers</td>
<td>61.31%</td>
<td>77.54%</td>
<td>61.87%</td>
</tr>
<tr>
<td>Share of Rural Subscribers</td>
<td>38.69%</td>
<td>22.46%</td>
<td>38.13%</td>
</tr>
</tbody>
</table>

Source: TRAI Press Release, 2013

- Mobile Number Portability requests increased from 80.06 million subscribers at the end of December 2012 to 84.26 million at the end of January 2013. In the month of January 2013 alone, 4.20 million requests have been made for MNP.

- Active wireless subscribers on the date of Peak VLR in January 2013 are 708.00 Million, 82.08% of the total subscribers.

- Broadband subscription reached 15.01 million in January 2013 from 14.98 million in December 2012.

3.2.1 Total Telephone Subscribers

Figure 3.1 Telephone Subscribers (March 2012)

The number of telephone subscribers in India increased to 951.34 Million at the end of March, 2012 from 943.49 Million at the end of February 2012, thereby registering a growth rate of 0.83%. The share of urban subscribers has declined to 65.23% from 65.59% whereas share of Rural Subscribers has increased to 34.77% in the month of March 2012. With this, the overall Tele-density in India reaches to 78.66 at the end of March, 2012 from 78.10 of the previous month.

3.2.2 Overall Teledensity (circle wise)

Figure 3.2 Overall Teledensity (circle wise)

Source: TRAI report, 2012

Notes: 1. Population data/Projections are available state wise only.

2. Teledensity figures are derived from the subscriber data provided by the operators and the population projections published by the Office of the Registrar General & Census Commissioner, India.

3. Delhi Service area, apart from the State of Delhi, includes wireless subscribers of the areas served by the local exchanges of Ghaziabad & Noida (in UP) and Gurgaon & Faridabad (in Haryana). West Bengal service area includes Kolkata, Maharashtra includes Mumbai and Tamil Nadu includes Chennai.

The above graph explains about the status of overall teledensity (circle wise) in India.
3.2.3 Wireless Segment (GSM, CDMA & FWP)
Private operators hold 88.65% of the wireless market share whereas BSNL and MTNL, two PSU operators hold only 11.35% market share. The graphical presentations of market shares and shares in net additions of all the service providers during the month of March, 2012 are given below:

**Figure 3.3 Service Provider wise Market Share as on 31st January, 2013.**

![Market Share Pie Chart]

Source: TRAI, Report 2013

3.2.4 Wire-line Segment
Wire-line subscriber base declined from 32.33 Million at the end of February 2012 to 32.17 Million at the end of March 2012. The share of Urban Subscribers has increased from 76.43% to 76.54% whereas share of Rural Subscribers has declined from 23.57% to 23.46%. The overall wire-line teledensity has marginally decreased from 2.68 in February 2012 to 2.66 in March 2012, with urban and rural teledensity being 6.73 and 0.89 respectively. BSNL and MTNL, two PSU operators hold 80.59% of the Wire-line market share. The graphical presentation of market share of all service providers as on 31st March 2012 is given below:
3.3 Growth of Telecom Sector

The opening of the sector has not only led to rapid growth but also benefited the consumers through low tariffs as a result of intense competition. Telecom sector has witnessed a continuous rising trend in the total number of telephone subscribers. From a mere 22.81 million telephone subscribers in 1999, the number increased to 846.33 million at the end of March, 2011. The total number of telephones stands at 926.55 million at the end of December 11 showing addition of 80.22 million during the period from April to December 11. Wireless telephone connections have contributed to this growth as their number rose from 165.09 million in 2007 to 811.60 million in March, 2011 and 893.86 million at the end of December 11. The wire line connections have however, declined from 40.77 million in 2007 to 34.73 million in March, 2011 and 32.69 million in December 11.
Table 3.2 Growth of Telephones over the Years

<table>
<thead>
<tr>
<th></th>
<th>March’07</th>
<th>March’08</th>
<th>March’09</th>
<th>March’10</th>
<th>March’11</th>
<th>December’11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireline</td>
<td>40.77</td>
<td>39.41</td>
<td>37.97</td>
<td>36.96</td>
<td>34.73</td>
<td>32.69</td>
</tr>
<tr>
<td>Wireless</td>
<td>165.09</td>
<td>261.08</td>
<td>391.76</td>
<td>584.32</td>
<td>811.60</td>
<td>893.86</td>
</tr>
<tr>
<td>Gross Total</td>
<td>205.87</td>
<td>300.49</td>
<td>429.73</td>
<td>621.28</td>
<td>846.33</td>
<td>926.55</td>
</tr>
<tr>
<td>Annual Growth%</td>
<td>44.88%</td>
<td>45.96%</td>
<td>43.01%</td>
<td>44.58%</td>
<td>36.22%</td>
<td>9.48%</td>
</tr>
</tbody>
</table>

Source: TRAI press release, 2011

3.3.1 Changes in Structure of Telecom Sector in India: Wire line vs. Wireless

The growth of wireless services has been substantial, with wireless subscribers growing at a compounded annual growth rate (CAGR) of 42.7% since 2007. Wireless has overtaken wire lines. The share of wireless phones has increased from 80.19% in 2007 to 96.47% in December’11. On the other hand, the share of wire line has steadily declined from 19.81% in 2007 to 3.53% in December’11. Wireless phones have increased as they are preferred because of their convenience and affordability. As a result, telephones today have come within the reach of the common man.

Fig. 3.5: % Change in wire line & Wireless  
Fig. 3.6: % Change in wire line & wireless

Source: TRAI press release, 2011
3.3.2 Private vs. Public

The fruits of the liberalization efforts of the Government are evident in the growing share of the private sector. The private sector is now playing an important role in the expansion of telecom services. The share of private sector in total telephone connections is 86.09% as per the latest statistics available for December 11 as against a mere 5.35% at the end of March 1999.

Figure 3.7: Growth in Private Telecom Network


3.3.3 Trend in Tele-density

Tele-density is an important indicator of telecom penetration in the country. There has been phenomenal growth of tele-density in the country with the evolution of new wireless technologies.

- The tele-density which was 18.22% in March 2007 increased to 70.89% in March, 2011 and 76.86% in December 11. Thus there has been continuous improvement in the overall tele-density of the country.
- The rural tele-density which was 5.89% in March 2007 increased to 33.83% in March, 2011 and 37.52% at the end of December 11.
- The urban tele-density increased from 48.10% in March 2007 to 156.94% in March, 2011 and stands at 167.46% at the end of December 11.
For economic and social development of rural areas, rapid increase in rural teledensity is of utmost importance. With the introduction of wireless phones in rural areas, there is increasing trend in rural teledensity also. The Government is taking various measures under USOF for expansion of mobile network in remote and rural areas. As the urban areas have got largely saturated, private service providers are also looking for further opportunities in rural areas. All these factors have led to increasing trend in rural teledensity.

### 3.3.4 Shifting Focus on Rural Telephones

The rural telephone connections increased from 47.10 million in March 2007 to 282.29 million in March, 2011 and further to 315.39 million in December’11. The share of rural phones in the total telephones has constantly increased, from 22.88% in 2007 to 34.04% in December’11. The wireless connections have contributed substantially to total rural telephone connections. Their share in the rural telephones increased from 73.33% in March, 2007 to 96.90% in March, 2011 and further to 97.53% in December’11. During 2011-12 (up to December), the growth rate of rural telephone was 11.73% as against the growth of 8.35% of urban telephones. The private sector has also contributed to the growth of rural telephones as it's share was 86.78% in December’11 up from 51.87% in 2007. The measures undertaken by USOF to increase rural connectivity are given in **Box-2.**
Box-2: Steps taken under USOF for increasing Rural Connectivity

- By December’11, 5.76 lakh (97.11%) villages were covered by Village Public Telephone (VPT) facility in the country.
- A total number of 1, 84,775 Multi Access Radio Relay (MARR) based VPTs installed before 01.04.2002 has been replaced by VPTs with advanced reliable technologies as on 31.12.2011.
- Setting up of 7353 towers spread over 500 districts of 27 states of the country under Infrastructure Sharing Scheme. 7296 towers i.e. about 99.22% have been set up as on December 31, 2011.

3.3.5 Broadband Services

Broadband connectivity is increasingly being seen as an integral driver of improved socio-economic performance. The Indian Government strongly believes that all citizens of the country should have access to broadband and the transformative opportunities. Broadband services empower masses. They allow individuals to access new career and educational opportunities, they help businesses reach new markets and improve efficiency and they enhance the Government’s capacity to deliver critical services like health, banking and commerce to all of its citizens. Provision of Broadband in rural and remote areas will also help in bridging the “digital divide” and the widespread adoption of broadband in rural areas will have a multiplier effect over the long-term. It will help improve productivity in rural areas, help overcome the constraints of an inadequate transport infrastructure and overall improve the quality of life in rural areas. Given the significant economic and social benefits, expanding affordable access to broadband has become a high priority for the Government. The development of a robust broadband ecosystem will be the key to meet Government’s objectives. It is a known fact that wireless is the quickest and most efficient medium to provide broadband services in the access network. To ensure broadband coverage, the Government has approved a project for creation of a National Optical Fibre Network (NOFN) for providing broadband connectivity to 2.5 lakh Village Panchayats. The 3G and BWA auctions that took place last year are expected to act as catalysts for enabling internet access to even the remotest parts of India.

Indian Telecom market is on the cusp of an “Information Revolution”. Several policies have been announced and implemented to promote broadband in the country.
(Box-3). As a result of these measures, the no. of broadband subscribers grew from 0.18 million in 2005 to 11.87 million in March 2011 and 13.30 million, at the end of the December’11.

Box-3: USOF for Boosting Rural Broadband

- 2.5 lakh Village Panchayats spread across country will be connected by National Optical Fibre Network (NOFN) with estimated expenditure of approx. Rs. 20,000 crore. NOFN proposed to be completed within a period of 2 years.
- Scheme to provide 888832 wire line broadband connections to individuals and Government institutions and set up 28672 kiosks, by 2014. Institutional users such as Gram Panchayats, Higher Secondary Schools and Public Health Centres will be provided Broadband. As on 31 December 2011, 338617 broadband connections and 6729 kiosks provided in rural and remote areas.
- Subsidy proposed for the wireless broadband active infrastructure such as BTS which would provide broadband coverage to about 5 lakh villages at a speed of 512 kbps.
- Scheme launched to strengthen OFC network in rural areas to provide sufficient back-haul.

Figure 3.9: Broadband Subscribers in India (2005-2011)

Source: TRAI press release, 2011
NEW FRONTIERS OF GROWTH

3.3.6 3G and BWA services
The commendable growth of the mobile sector in India is yet to be followed in broadband sector. While the last few years were witness to mobile revolution, the next few years look even more exciting in the field of broadband and mobile value added service (MVAS). After two decades of strong growth in voice services, data services will be the next trigger for growth in the Indian telecom market - for both the wire line and wireless segment. Data usage is expected to grow at a faster pace with 3G and BWA deployments. Increasing use of smart mobile devices like I-Phones are also expected to catalyze the data usage growth.

3.3.7 Value Added Services (VAS)
The mobile value added services such as m-banking, m-education, m-governance, m-health, m-agriculture, etc. has assumed significance in recent times due to the rapid growth in wireless subscriber base. Consequently, the mobile phones have transformed into a persuasive medium to deliver information services spanning various usage areas such as governance, commerce, agriculture, education and health. Thus, m-POWERING is playing an instrumental role in bringing about empowerment to all strata of society by their delivery of services.

3.3.8 Manufacturing
The exponential growth witnessed by the telecom sector in the past decade has led to the development of the telecom equipment manufacturing and other supporting industries. With the advent of next-generation technologies and operators looking to roll out 3G and broadband wireless access services, the demand for telecom equipment has increased rapidly. In an attempt to capitalize on this opportunity, the government is focusing on developing the domestic manufacturing industry. The Indian equipment manufacturing sector has come a long way in the past few years. From being an import-centric industry, it is slowly but steadily moving towards becoming a global telecom equipment manufacturing hub. In 2002-03, India produced telecom equipment worth Rs. 144000 million, which increased to Rs. 520000 million in 2010-11, registering a growth of 265 per cent. The country is not only emerging as a manufacturing hub but is also planning to increase its telecom exports. In the year
2006-07, India exported equipment worth Rs. 18980 million, which increased by over 730 per cent to Rs. 158380 million in 2010-11.

**Figure 3.10: Telecom Equipments Production in India (2002-2011)**

![Graph showing Telecom Equipment Production (Rs. in million) from 2002-03 to 2010-11.]

Source: TRAI press release, 2011

**Figure 3.11: Telecom Equipments Export from India (2002-2011)**

![Graph showing Telecom Equipment Exports (Rs. in million) from 2002-03 to 2010-11.]

Source: TRAI press release

### 3.4 Regulatory Framework

The Telecom Regulatory Authority of India (TRAI) has always endeavored to encourage greater competition in the telecom sector together with better quality and affordable prices in order to meet the objectives of New Telecom Policy, 1999. A number of recommendations were made by TRAI during 2011-12 which, inter-alia, included recommendation on Telecom Equipment Manufacturing Policy, the Green Telecommunications, and Telecommunication Infrastructure Policy. TRAI also made 7 and 8 amendment in the Telecom Commercial Communications Customer Preference Regulations in which individual SMSs limit was fixed at 100 SMS per
SIM per day increased subsequently to 200 SMSs as a deterrent measure to stop unsolicited SMS to telecom consumers.

In order to protect the interest of the consumers, TRAI has taken steps regarding audit of metering and billing system for bringing uniformity and transparency, prescribing standards relating to accuracy of measurement and reliability of billing etc. The service providers have to furnish the Audit report to TRAI every year, with corrective action taken on inadequacies by the service providers. Besides, TRAI has undertaken activities towards consumer education.

TRAI has also taken steps to ensure the quality of service provided by the service providers by way of monitoring the performance of Basic and Cellular Mobile Telephone Service on quarterly basis and also point of interconnection (POI) congestion through monthly reports.

The above measures are expected to facilitate orderly growth of telecom sector by promoting healthy competition and enhancing investment efficiency, besides protecting interests of consumers.

3.5 Research & Development

C-DoT, an autonomous society under DoT, is carrying out research & development in areas of national importance in Telecommunication –Satellite communications, IN, ATM, DWDM, NMS, Wireless Broadband, GPON, NGN and Mobile Cellular systems. C-DoT's ATM technology has been mandated for use for onboard communication in Indian Naval fleet. GPON is expected to play a lead role in bringing broadband pipes to rural India. The SG-RAN product, based on sharing of active GSM infrastructure, will bring affordable mobile telephony to the rural market. The MAX-NG will breathe fresh life into the fixed line infrastructure of the country by bringing new service features to POTS (Plain Old Telephony Service) together with VoIP and broadband access to C-DoT's MAX / RAX subscribers.

3.6 Foreign Direct Investment

Today, telecom is the third major sector attracting FDI inflows after services and computer software sector. At present 74% to 100% FDI is permitted for various telecom services. This has helped the telecom sector to grow. Actual Inflow of FDI in Telecom Sector from April 2000 to September 2011 is US $12456 in million.
3.7 Public Sector Undertakings

DoT has four PSUs under its administrative control. These are:-

i) Mahanagar Telephone Nigam Limited (MTNL)

ii) Bharat Sanchar Nigam Limited (BSNL)

iii) ITI Limited

iv) Telecommunications Consultants India Limited (TCIL)

MTNL and BSNL are the two PSUs under the department that have been instrumental in meeting the growing requirements of telephones and other related services in the country. MTNL, set up in 1986, is a Navratna PSU and provides telecommunication facilities in India's key metros - Delhi and Mumbai. MTNL achieved a customer base of 9 million at the end of December'11. MTNL has allowed all its GSM mobile subscriber access to 3G services in order to make the 3G services popular among its subscribers. The company had 10 lakh broadband customers at the end of December 11. MTNL is providing Triple play services i.e. voice, high speed internet and IPTV on its broadband network. The Government of India currently holds 56.25% stake in the company. The Company has been facing serious competition amidst mounting staff costs and has been incurring losses. The losses which were Rs. 2611 crore in the year 2009-10 increased to Rs.2802 crore in the year 2010-11. BSNL formed in
October, 2000, is providing comprehensive range of telecom services in India: Wire
time, CDMA wireless, GSM wireless, Internet, Broadband, Carrier service, MPLS-
VPN, VSAT, VOIP services, IN Services etc. The Company had 120 million
subscribers including 97 million wireless customers (including CDMA and GSM) in
December 2011. Rural telephony is one of the focus areas of BSNL. It has provided
Village Public Telephones (VPTs) in 6 lakh villages and has 416 lakh telephones in
the rural areas at the end of December'11. BSNL also pays special emphasis on
development of telecommunication facilities in North Eastern Region and in Tribal
areas. BSNL had introduced broadband services from January 2005 and has provided
86 lakh broadband connections till December 2011. The Company incurred a loss of
Rs. 6384 crore in the year 2010-11 up from Rs. 1823 crore in the previous year. ITI
limited is India's pioneering venture in the field of telecommunications since 1948.
ITI limited is having state-of-the-art manufacturing facilities spread across six
locations and a countrywide network of marketing/service outlets. The company
offers a complete range of telecom products and total solutions covering the whole
spectrum of Switching, Transmission, Access and Subscriber Premises equipment. ITI
has also been giving solutions especially for secured network to Indian Army. The
Company incurred a loss of Rs. 459 crore in the year 2009-10 which declined to Rs.
358 crore during the year 2010-11. Telecommunications Consultants India Limited
(TCIL) was set up with a government equity of Rs. 10 lakh in 1978 with the main
objective to provide world class technology in all fields of telecommunications and
information technology to excel in its operations in overseas and in domestic markets
by developing proper marketing strategies, to acquire state-of-the-art technology on a
continuing basis and maintain leadership. TCIL is a 100% Government of India
owned Schedule-A Miniratna PSU. The Company earned profit of Rs. 163.50 crore
during the year 2010-11 compared to the profit of Rs. 197.40 crore during the year
2009-10.

3.8 Major Policy Initiatives
Two major policy initiatives relating to National Optical Fibre Network (NOFN) and
proposal to bring out National Telecom Policy were taken by Government during
current year. Government approved a project for National Optical Fiber Network in
November, 2011 for providing Broadband connectivity to all 2.5 lakh Gram
Panchayats at a cost of approx. Rs. 20,000 crore. The plan is to extend the existing
optical fiber network up to Panchayats. The Network will be available to telecom service providers for providing various services to the citizens in a non-discriminatory manner. The Network will provide a highway for transmission of voice, data and video in rural areas. It will enable the broadband connectivity up to 2 Mbps, capable of providing various services like e-education, e-health, e-entertainment, e-commerce e-governance etc. to people and businesses. The people in rural areas, students, entrepreneurs, various Government Departments providing services under e-governance projects will be benefited. It will also provide connectivity to various public institutions like Gram Panchayats, Primary Health Centres (PHCs), schools etc. in rural areas. It will also result in investment from the private sector both for providing different services and for manufacturing of broadband related telecom equipment. The project will be funded by Universal Service Obligation Fund (USOF). The project will be executed by a Special Purpose Vehicle (SPV) which will be a company incorporated under Indian Companies Act 1956 and initially will be fully owned by Central Government, with equity participation from Government and interested Central Public Sector Units (CPSUs) (BSNL, Railtel, Powergrid, GAILTEL, etc.)

3.8.1 Draft National Telecom Policy (NTP) was released on 10 October 2011 for consultations with various stakeholders. The vision of NTP 2011 is to empower the people of India by providing secure, reliable, affordable and high quality converged telecommunication services anytime, anywhere and has inter alia the following objectives:

- To provide affordable voice telephony and high speed broadband services to every citizen in India with special focus on rural and remote areas,
- To improve the broadband experience by enhancing the speed of delivery.
- To make India a global hub of manufacturing for all electronic products including telecom equipment with substantial value addition with in the country and safeguard security concerns of the nation.
- Simplification and rationalisation of licensing regime, transparent system for allocation of spectrum and enable efficient usage of spectrum.
- Discovery of price of spectrum through market related processes.
- To achieve One Nation- Full Mobile Number Portability.
• To enable free roaming throughout the country.
• To harness full potential of mobile phones for enabling provision of citizen centric services related to education, health, employment, agriculture, entertainment, banking & insurance services, skill upgradation, vocational training etc.
• To encourage indigenous manufacture of cost effective mobile devices.
• The faster roll out of high speed and reliable broadband in rural and urban areas will enable decentralised governance, participative democracy and delivery of basic services such as health and education to every citizen of the country. The thrust on manufacturing will promote entrepreneurship, create more job opportunities, reduce imports and improve security. Efficient usage of scarce resources like spectrum will result in better quality of service to the customers at affordable cost.
• The new policy regime will be beneficial to end consumers/citizens, Telecom Service Providers, Value Added Service Providers, Government and Manufacturers. Views/comments from various stakeholders have been received in the Department. The same are under consideration for finalizing the National Telecom Policy.

3.8 Mobile Number Portability
Mobile number portability helps mobile phone subscribers to change from one mobile operator to another without changing mobile phone number. The mobile number portability (MNP) was launched across India on January 20, 2011. It encourages market competition level and ensures better services. The Mobile number portability has reduced switching cost notably. The operators have developed alternative strategies to retain their loyal customers.

As per the data reported by the service providers, by the end of March 2012 about 41.88 million subscribers have submitted their requests to different service providers for porting their mobile number. In MNP Zone-I (Northern & Western India) maximum number of requests have been received in Gujarat (3.88 million) followed by Rajasthan (3.71 million) whereas in MNP Zone-II (Southern & Eastern) maximum number of requests have been received in Karnataka (4.53 million) followed by...
Andhra Pradesh Service area (3.99 million). In the month of March 2012, total number of subscribers who have submitted their request for MNP is 4.76 million. The status of MNP requests in various service areas is given below:

Table 3.3: Mobile Number Portability Statistics (2013)

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Number of Porting Requests</th>
<th>Service Area</th>
<th>Number of Porting Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi</td>
<td>2740132</td>
<td>Andhra Pradesh</td>
<td>7622912</td>
</tr>
<tr>
<td>Gujarat</td>
<td>7343825</td>
<td>Assam</td>
<td>333500</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>316019</td>
<td>Bihar</td>
<td>1654105</td>
</tr>
<tr>
<td>Haryana</td>
<td>3027364</td>
<td>Karnataka</td>
<td>10208134</td>
</tr>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>14368</td>
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Total (Zone-1 + Zone-2) 84,264,565

Net Addition (in January 2013) 4,203,611

Source: TRAI press release, 2013