

August 12, 2005, New Delhi

## 1. Subscriber Numbers for July 2005

### A. GSM Subscribers

The month of July witnessed the **highest ever growth in monthly subscriber additions** since the commencement of GSM cellular services in India. GSM subs rose by **1.95 million** from **44.92 million** in June 2005 to **46.87 million** in July 2005, representing a **growth of 4.35%** in the month under review.

Circle A and B subscribers grew by 3.79% and 5.64% respectively over the previous month while the Metro subscribers grew by 2.27%. Circle C witnessed the highest rate of growth at 9.58% as compared to Metros and A & B circles.

Metros constitute 25.45% of the total market, whilst Circles A, B and C constitute 35.99%, 31.59% and 6.91% of the total market respectively. Delhi continues to be the leading cellular market with 4.44 million subscribers accounting for 9.47% of the total market, closely followed by Mumbai with 4.25 million subscribers accounting for 9.06% of the total market. A summary picture of the company wise performance is given below:

SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		June'05	July'05	June'05	July'05	
1.	Bharti	12.25	12.78	27.28%	27.28%	23
2.	BSNL	10.23	10.72	22.77%	22.88%	21
3.	Hutch	8.44	8.84	18.79%	18.87%	13
4.	IDEA	5.55	5.72	12.36%	12.22%	8
5.	BPL	2.62	2.69	5.85%	5.75%	4
6.	Aircel	1.86	1.93	4.15%	4.13%	2
7.	Spice	1.47	1.49	3.28%	3.18%	2
8.	Reliance	1.36	1.49	3.03%	3.20%	8
9.	MTNL	1.11	1.16	2.48%	2.49%	2
	<b>TOTAL</b>	<b>44.92</b>	<b>46.87</b>	<b>100.00%</b>	<b>100.00%</b>	

GSM continued to maintain its leadership with 79% of the cellular market. In terms of Net Additions, 78% of the new subscribers opted for GSM while only 22% opted for CDMA. The subscribers for CDMA are dealt with in the next section.

## B. CDMA Mobile Subscribers

The total cumulative all India CDMA subscriber base rose by 0.54 million from 11.80 million in June 2005 to 12.34 million in July 2005, representing a growth of 4.57% in the month under review. A summary picture of the company wise performance is given below:

SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		June'05	July'05	June'05	July'05	
1.	Reliance	10.286	10.647	87.14	86.28	20
3.	TATA	1.432	1.605	12.13	13	20
5.	HFCL	0.058	0.060	0.49	0.49	1
6.	Shyam	0.028	0.028	0.24	0.23	1
	<b>TOTAL</b>	<b>11.804</b>	<b>12.34</b>	<b>100.00%</b>	<b>100.00%</b>	

Source: AUSPI

## 2. Technology Seminar – “Leadership Telecom Solutions from Texas Instruments”

**On August 8, 2005**, COAI organized a Technology Seminar to welcome Texas Instrument (TI) as its new Associate Member. At the Seminar, Mr. Thomas Engibous Chairman, TI Incorporated announced the launch of TI's cost effective single chip cellphone solution that would further drive India's efforts to make available increasingly affordable mobile handsets to Indian consumers.

The Technology Seminar was presided over by Dr. J S Sarma, Secretary, DoT and Chairman, Telecom Commission. Dr. Sarma in his Keynote Address informed the delegates that currently 53% (USD 9 Billion) of the revenue generated by the Indian Telecom Industry is exported in payments to terminal and network equipment suppliers. Dr. Sarma expressed the hope that this position would change soon and a significant portion of the equipment would be sourced from within India itself. He warmly welcomed TI's efforts in this direction and expressed hope that more such announcements would be made by the company in future also.

Mr. Biswadip Mitra MD, TI India, in his address stated that the occasion marked 75 years of TI as a worldwide corporation and 20 years of TI in India. He also announced that the first cellphones built entirely in India had been developed by BPL and Quasar in close partnership with TI for Primus, UK. He informed that these feature rich GSM+GPRS phones were in the final stages of approval and would be in production soon.

Mr. Anil Nayar, Chairman COAI, Mr. Dilip Modi Past Chairman, COAI, Mr. Asim Ghosh, MD, Hutchison Essar and Mr. Rajan Mittal, MD, Bharti TeleVentures also addressed the gathering. The summary of the event and the vote of thanks was given by Mr. TV Ramachandran, Director General, COAI.

### **3. Third ITU Forum of the Regional Working Group on Private Sector Issues**

The International Telecommunication Union's (ITU) Regional Working Group (RWG) on Private Sector Issues for the Asia Pacific Region, had its third meeting in Bangkok on **August 3-5, 2005**. The Forum was very well attended as around 200 delegates from around 15 Asia Pacific countries participated in the discussions. The meeting was held to deliberate on priority concerns for the private sector and to come up with consensus recommendations of the Group to the Telecommunications Bureau (BDT) of ITU. The issues discussed in the meeting and the recommendations on the same were as follows:

#### **a. Broadband**

- I. Broadband is an essential part of information society and ITU should encourage Governments to have separate clear and focused policies on broadband, and also promote broadband through fiscal incentives, funding from the USO Fund, etc.
- II. RWG to initiate process for establishment of a Regional Internet Exchange for Asia-Pacific region to facilitate retention of regional Internet traffic within the region and hence save on the cost of international bandwidth and improve the quality of service.
- III. ITU to formulate/devise global standards with regard to interoperability of broadband equipments and networks including customer premises equipment as this would help create economies of scale thereby lowering costs.
- IV. ITU to expedite a study on issues related with the cost of international bandwidth and to provide suitable guidelines for Internet interconnection to remove the asymmetry in the charges.

**b. Levies & Interconnection Charges**

- I. The Forum recognized that although there were significant differences on interconnection principles and practices followed in the Asia Pacific countries, at the same time, there was also a commonality of issues unique to the region thus, there was a need to share expertise on an urgent basis.
  
- II. The Forum decided to set up a subgroup under the aegis of the RWG to share and exchange expertise on interconnect issues, leading to recommendations on topical issues. Mr. N Parmeswaran was invited to be the Chairman of the sub group and Mr. Ahmad Nadeem Syed, Director Interconnect, Mobilink, Pakistan was invited to be the Vice Chair. The sub Group would invite participation from all stakeholders including Regulators and Operators in the Asia Pacific Region and also closely co-ordinate its work with the ITU-D & ITU-T Study Group questions relating to interconnection.

**c. Infrastructure Sharing**

- I. Administrations / Regulators to issue guidelines and regulations to facilitate Infrastructure Sharing amongst operators as well as devise standard specifications and guidelines for Infrastructure Sharing arrangements.
  
- II. Administrations / Regulators to be encouraged to look into the possibility of setting up of Interconnection Exchanges and issue standard specifications and guidelines.
  
- III. Entry of independent infrastructure providers to be facilitated through an open, simple and fair licensing / authorization process.
  
- IV. National Roaming is a form of Infrastructure Sharing and should be strongly encouraged.
  
- V. The Forum decided to set up a sub-group to share and exchange expertise on Infrastructure Sharing issues which could be considered with Interconnection issues leading to recommendations on topical issues.

The recommendations of the Forum were adopted by ITU and have been issued as ITU Document RWG-ASP/25 dated August 5, 2005.

#### **4. Inputs for Strategy Paper on Indian Telecom**

COAI vide its Letter No. TVR/COAI/123 dated **July 28, 2005** submitted its inputs for a Strategy Paper being prepared by the Department of Economic Affairs on the Indian Telecom Sector.

The input paper highlighted Cellular subscriber growth trends for the past 10 years and submitted that the Indian mobile industry had the potential to reach about 200 million subscribers by 2007. It also submitted that while there was abundant competition in Local call segment, there was a need to introduce greater competition in NLD segment in line with international norms.

The input paper also drew a comparison with China based on a study paper published by TRAI, which highlighted the factors responsible for rapid mobile growth in China. It was opined that to reach 200 million subscribers certain strategy/ policy issues needed to be expeditiously addressed. These included merging USO and ADC regime and introducing the same as a Hybrid revenue share regime; infrastructure sharing; reduction in the levies and duties on the sector, redress the adverse impact of double taxation because of imposition both service tax and sales tax, review of definition of AGR, suitable terms and conditions for foreign direct investment (FDI) and the encouragement of domestic manufacturing and employment generation in the telecom sector.

The full text of the input Paper can be obtained on request from the COAI Secretariat.

#### **5. Mobile Number Portability**

TRAI issued its Consultation Paper on Mobile Number Portability on **July 22, 2005**. The Paper raised various issues for consultation including the concept of number portability, its different types, technical, operational and economic issues and international experiences.

The last date for the submission of responses is August 30, 2005.

## 6. TRAI's Study Paper on 'Next Generation Networks'

On **July 15, 2005**, TRAI issued a study paper on 'Next Generation Networks'. The main issues covered in the paper were:

- a. Need for consideration about Next Generation Networks by all stakeholders in telecom.
- b. Positive impact of unification of networks and services on the service providers as well as consumers, particularly in rural areas.
- c. Role to be played by regulators & policy makers to facilitate large-scale penetration of Next Generation Networks for the benefit of customers.
- d. Need for Unified Licensing or enabling frameworks like "Convergence Act" to enable Next Generation Network deployment.

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