



MOBILE TELEPHONY

A Success Story

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BHARAT SANCHAR NIGAM LTD.



History

- The telecom services sector was liberalized in 1992 to attract additional resources to achieve nations telecom targets .
- National Telecom Policy 1994, estimated a resource gap of Rs. 23,000 crores to meet the telecom targets of the eighth five-year plan of the Government of India (1992-97).
- The National Telecom Policy then onwards set the pace for liberalization , which laid the foundation for mobile success story witnessed today .



History.....

- International studies have established that for every increase in tele-density, there is a proportionate increase in the growth of GDP .
- Cellular mobile services were one of the first areas to be opened up to private sector participation .
- The whole country was divided into the 4 metropolitan cities and 19 telecom circles, which were roughly analogous with the States of India.



History.....

- Cellular Licenses were awarded to the private sector - first in the metropolitan cities of Delhi, Mumbai, Kolkata and Chennai in 1994 and then in the 19-telecom circles in 1995 .



History.....

- Telecom proved to be a powerful attractor of foreign investment. The cumulative FDI inflow into telecom since 1993 has exceeded Rs. 43,000 Million. Within telecom, the cellular industry has attracted most of the foreign investment since 1993, accounting for almost 50% of the FDI inflow into telecom - representing amongst the biggest investments in any one sector in India.



New Telecom Policy -99

- To further strengthen the Telecom Sector , NTP 99 was announced by Govt. of India . NTP 99 is an extremely forward-looking policy. It significantly changed the dynamics of the Indian telecom industry as it not only replaced the high cost fixed licensing regime with a lower cost licensing structure through revenue sharing, but also provides for greater degree of competition and more flexibility in choice of tech.



TRAI and TDSAT

- Govt. of India established Telecom Regulatory Authority in 1997 to regulate the telecom sector and safeguard consumer interests.
- The TRAI act was subsequently amended in year 2000 giving more autonomy to TRAI and also Establishment of TDSAT .



TRAI and TDSAT

- The amendments in the TRAI Act resulted in a considerable strengthening of the Regulator & greater clarity on its role and powers. It also put in place a separate dispute settlement mechanism in the form of the Telecom Dispute Settlement and Appellate Tribunal (TDSAT) to expeditiously deal with and resolve issues relating to the telecom sector.



BSNL and MTNL entry in Mobile market

- The year 2000 also saw the licensing of BSNL and MTNL as the third cellular operators as had been mandated in NTP 99.
- Further, in July 2001, cellular licenses were awarded to the 4th cellular operators in different telecom circles.
- Cellular operators licensed to operate has gone up to 89 licensees.



CellOne – The Dawn of mobile revolution

- BSNL came into existence on 1st Oct 2000 .
- BSNL as a corporate entity identified mobile as the thrust area of operations.
- Countrywide launch of its mobile services branded as *CellOne* on 19th Oct 2002, brought about a 'tide' that caught the mobile service industry unaware.
- *CellOne* became a popular brand across the country and laid the foundation for mobile revolution .



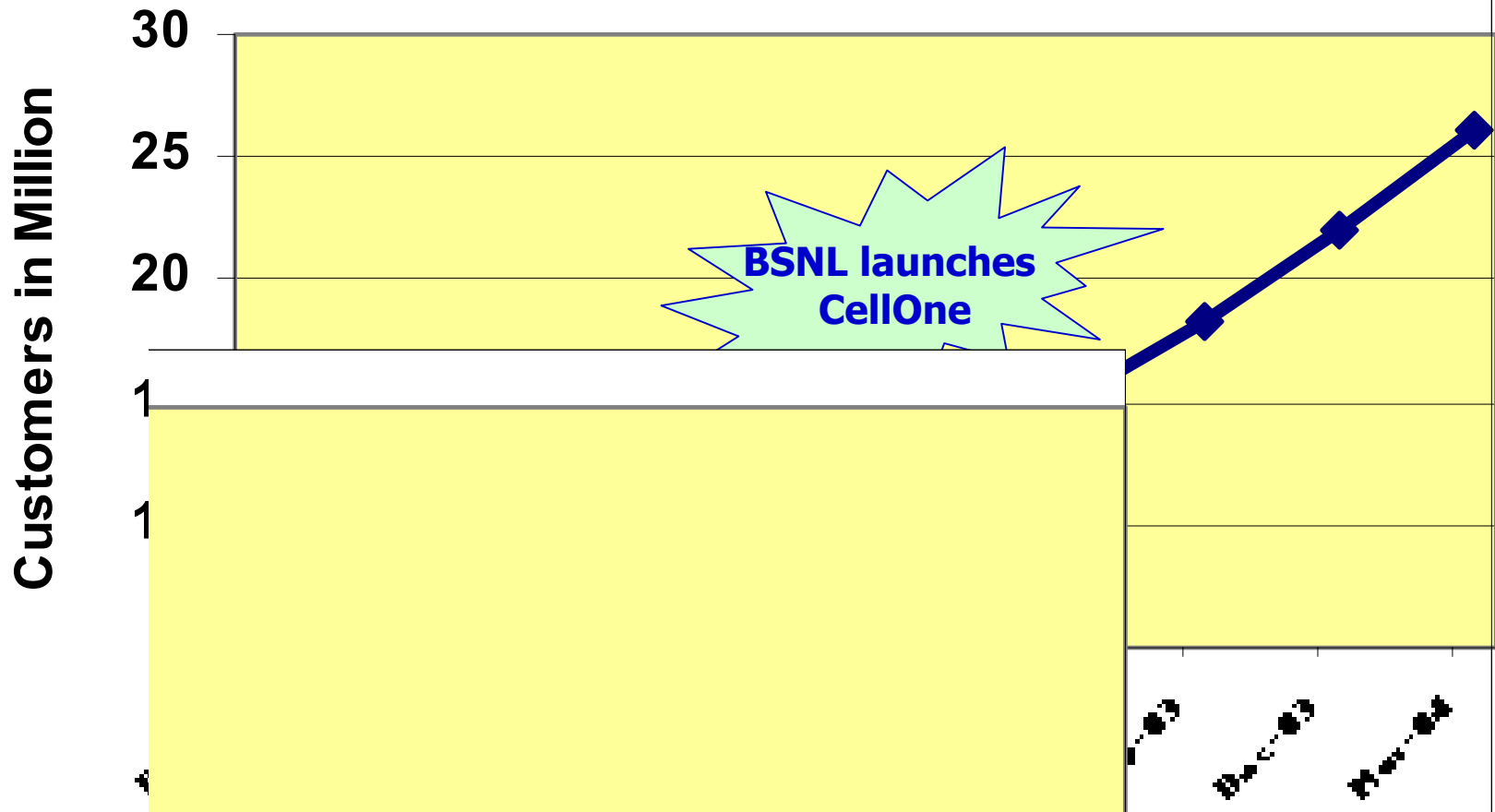
CellOne – The Dawn of mobile revolution

- Launch of *CellOne* unearthed vast potentials of mobile services in hinterland areas where private operators dreaded to foray into.
- The potential unearthed By *CellOne* has caught the imagination of competitors in the market and have since followed ,to fuel the growth pattern.



Cellone – The Dawn of mobile revolution

All India connections



CellOne – The Dawn of mobile revolution

- The entry of BSNL in mobile market changed the whole dynamics of the market with the introduction of incoming free call regime and drastic reduction in tariff.
- Cellular tariffs have dropped by over 90% since May 1999 – a feat unparalleled by any other sector or industry in India .
- Peak ceiling tariffs of Rs. 16.80 per minute prior to implementation of NTP 99 took a nosedive to settle around Rs. 2 per minute by end 2002, bridging the digital divide by bringing the vast population of country in the mobile coverage map.
- *CellOne* has enabled practice of socialism through competition.



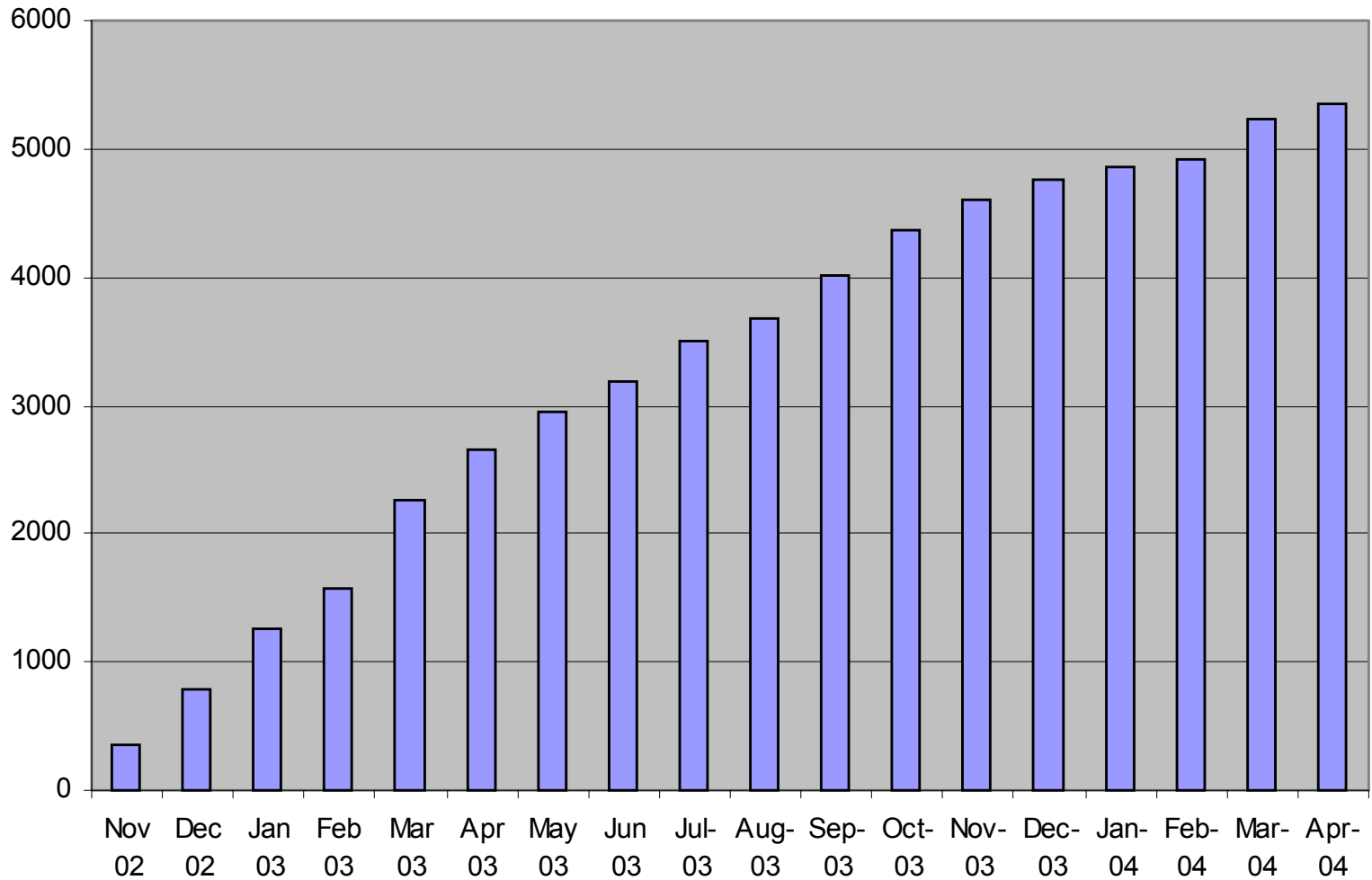
CellOne – The Dawn of mobile revolution

- CellOne services have presence in over 1800 towns/cities .
- CellOne provides coverage in 561 districts out of 593 districts in the country .
- The districts uncovered shall be provided the services by Oct 2004, which are primarily in the states of J&K ,NE and Assam .
- CellOne follows the national highways to ensure its subscribers remain connected and BSNL boasts of covering national highways & important trunk railway routes of around 42,000 kms.



CellOne – The Dawn of mobile revolution

Total Subscribers in thousands



Mobile telephony –A success story

- As of March 2004, the Indian cellular mobile industry had 74 GSM networks on air, serving 30 million subscribers across the country and 38 million including CDMA subscribers .



Mobile telephony –A success story

- The quality of the service is widely accepted to be of international standards and till date there has been no waiting period involved in availing of this service.



Mobile telephony –A success story

- In year 2004, Government Issued Guidelines for Unified licensing which allows Operators to provide all kind of services with a single license using GSM /CDMA / Fixed line Technology .
- Unified licensed operators have further contributed for the growth of mobile market .



Mobile telephony –A success story

- The cellular industry has been growing at an average rate of 85% per annum , which has advanced the achievement of Tele-density of 7 in Mar' 2004 vis a vis as targeted in NTP 99 to be achieved by 2005.



Mobile telephony –A success story

- Morgan-Stanley has projected Indian mobile market to grow to 100 million by Mar 2008 .
- CellOne is chartered to grow from present 5 million to 25 million by Dec 2005 .
- It is expected that the mobile industry will sustain its present growth in the coming years and shall grow together to prove wrong the predictions of experts to achieve the projections of 100 million, earlier by Dec 2005 .



Mobile telephony –A success story

Thank you !

