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TRAI releases Quarterly Performance Indicators of Telecom Services for the quarter ending Sept'05

- **Teledensity reaches double digit**
- **Private operators share exceeds the PSU operators**
- **Bandwidth prices both for domestic and international reduced by upto 70%**
- **Internet subscribers target achieved 3 months in advance**
- **Broadband growth lags behind**

Background: -

Telecom Regulatory Authority of India has been providing latest statistics on the performance of telecom services for the benefit of stakeholders, Analysts and research agencies. Today, TRAI has released the compilation of the performance indicators of various telecom services including Cable TV, DTH and Radio broadcasting for the quarter July-September, 2005.

Salient Features of Telecom Services at quarter ending September 2005: -

A. Subscriber Growth:

(i) The gross subscriber base of the fixed and mobile services together reached 113.07 million at the end of the quarter ending September, 2005 from 104.22 million as on June, 2005, showing an increase of around 8.49% during the quarter. The overall growth for the year (September 2004 to September 2005) was 30.17 %.

(ii) The tele-density at the end of QE September 2005 has reached 10.36 as compared to 9.61 at the end of QE June 2005, thus registering a growth of 8%. The overall growth for the year (September 2004 to September 2005) was 28.03 %.

(iii) The subscribers of Fixed Service (Fixed Line and WLL-F) increased from 46.85 million to 48.00 million, the additions being predominantly WLL-F and that for Mobile Services (GSM + CDMA) from 57.37 million to 65.07 million, during the above quarter. The growth for the year (September 2004 to September 2005) for fixed services increased from 43.87 million to 48.00 million and that for mobile services from 42.99 million to 65.07 million.

(iv) Mobile subscribers showed a growth of 13.42 % during the quarter. The Annual growth (September 2004 to September 2005) for this segment was of the order of 51.36 %.

(v) The share of private operators v/s PSU operators for gross subscriber base increased to a ratio of 52:48 in comparison to 49:51 at the end of June 2005, thus the private sector operators exceeding the subscribers base of PSU operators.

(vi) The number of PCOs in the country increased from 29.49 lakhs to 36.52 lakhs thus registering a growth of about 24 % during the quarter. The Annual growth of PCOs (September 2004 to September 2005) was 60%. PSU operators hold 62% of the total number of PCOs.

(vii) The number of VPTs in the country increased to 5.35 lakhs covering 86% of 6.08 lakhs villages in the country as compared to 5.30 lakhs at the end of June, 2005. The annual growth of VPTs (September 2004 to September 2005 was 2%.

B. Tariff Trends:

(i) The effective per minute charge for a mobile local call has reduced from Rs. 1.90 at the end of September, 2004 to Rs. 1.20 at the end of September 2005, thus registering a decline of 37 % over the year.

(ii) For local call from fixed phones, effective per minute charge has reduced to Rs.0.85 from Rs 1 registering a decline of 15% during the period from September 2004 to September 2005.

(iii) The annual tariffs for Domestic Leased Circuits (DLC) have reduced by upto 70% for higher capacities due to lowering of ceiling price by TRAI. The revised ceiling tariffs in respect of DLC are summarized in the table-1 given below:

Table –1

Capacity/ Speed	**Prevailing market price prior to 1.5.2005 (in Rs. Lakhs)**	**Revised ceiling tariff (w.e.f. 1.5.2005) (in Rs. Lakhs)**	**Reduction w.r.t. market price (%)**
E1 (2 Mbps)	8.80	8.50	3
DS-3 (45 Mbps)	185	62	67
STM-1 (155 Mbps)	554	165	70

(iv) The annual ceiling tariffs in respect of International Leased Circuits (IPLC) specified based on cost are summarized in the table-2 given below:

Table –2

Capacity/ Speed	Prevailing market price prior to Sept'05 (in Rs. lakhs)	Ceiling tariff w.e.f. 29.11.2005 (in Rs. lakhs)	Reduction with respect to market price (%)
E1	20	13	30
DS-3	361	104	71
STM-1	1000	299	70

It can be seen that there is a reduction of the order of 70% for higher capacities of IPLC

C Internet and Broadband Growth:

(i) The Internet subscribers base has crossed the Broadband Policy 2004 target of 6.0 million 3 months before the target date by reaching 6.1 million during the quarter ending September 2005 in comparison to 5.9 million at the end of quarter ending June 2005. Out of 6.1 million the share of PSU operators was 3.5 million and that of private operators was 2.6 million. The growth of this segment during the year was of the order of about 15 %.

(ii) The number of Broadband subscribers (with a download speed of 256 Kbps or more) increased from 3.96 Lakhs to 6.10 Lakhs during the quarter ending September, 2005 registering a growth of about 54 % during the quarter. But this growth is not enough to meet the policy target of 3 million by 2005. Out of 6.1 lakhs the share of PSU operators was 2.6 lakhs and that of private operators was 3.5 lakhs.

(iii) Average minutes of use per month per Internet subscriber was of the order of 315 minutes and the ARPU/month for Internet service was of the order of Rs. 190/.

(iv) The minimum monthly tariff for Broadband services has reduced to Rs. 250/- per month from a figure of Rs. 500/- in the previous quarter, thus registering a drop of the order of 50%.

	Sept'04	June'05	Sept'05	Reduction during the quarter
Minimum monthly tariff for 256 Kbps download connection for 25 hours usage (in Rs.)	1000	500	250	50%

(v) As the minimum monthly tariff for broadband has come down to the level of dialup Internet charges for a month for similar usage, the demand for broadband services has increased but "Supply" for the same is a cause of concern. The achievement of Internet target before the due date and likely failure for the same for Broadband services indicate the lack of availability of broadband services throughout the country like the dial-up Internet service due to lack of competition in the copper based last mile, which is mostly with the incumbent.

D. Quality of Service:

During the quarter TRAI issued a revised Regulation on Quality of Service Parameters of Basic and Cellular Mobile Telephone Services to cover all relevant parameters and the benchmarks.

For cellular mobile services some new parameters like "Call set-up Success Rate", "Blocked Call Rate", "Service Coverage", "POI Congestion" and "Response Time to the Customer Assistance" have been included.

For Basic services parameters "Response Time to the Customer Assistance" and "Time taken for refund of deposits after closures" have also been included.

During the quarter it was observed that most of the Cellular Mobile service providers are not meeting many of the QoS benchmarks in some of the circles. The Point of Interconnection (PoI) congestion report for the period July – September 2005 also shows that there has been increasing congestion between the networks of cellular mobile operators. In about 193 locations the POI congestion level is more than 10% and in about 72 out of such locations the level of congestion is 40% or more.

E. Cable TV, DTH and Radio Broadcasting Services:

From this quarter the performance indicators for Cable TV, DTH and Radio Broadcasting Services have also been included. The highlights of the same are given below:

(i) Regional entertainment channels are dominant in Chennai with a viewership of 62% and Kolkata having 24%.

(ii) Hindi general entertainment has the highest viewership in three Metros of Delhi, Mumbai and Kolkata

(iii) The share of Cable programmes is the 2nd largest in terms of viewership %age in all the four metros.

(iv) Total Cable Industry Revenue is estimated at US $ 2675 Million (approx Rs.13000 crores) for the Y/Ending Dec 2004 as per the Media Partner's Asia Ltd report.

(v) There have been 27 new pay channels/converted FTA Channels to pay that have been launched since 26.12.2003

(vi) Number of Applications/Letters of Intent/Licenses Issued in respect of private DTH Service Providers:-

No. of Licenses issued up to 30.9.2005	1
No. of Letters of Intent issued up to 30.9.2005	2
No. of service operational (In addition to DD's DTH)	1

(vii) There are 21 FM radio stations in operation across 12 cities.

(viii) Status of Community Radio Stations in the country as on 30.9.2005

S. No	Particulars	Till 31.3.2005	From 1.4.2005 to 30.9.2005	Till 30.9.2005
1	No of Letters of Intent Issued	28	13	41
2	No of Licenses Issued / License Agreements Signed	19	5	24
3	No of Stations Operational	7	6	13

The complete compilation is available at TRAI's website www.trai.gov.in.

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