

More rural mobiles than fixed-lines in India

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It is not the urban centres alone that are powering India's phenomenal growth in mobile telephony. Data on rural telephony, compiled by the telecom regulator, shows people in villages are subscribing to mobile services in large numbers.

The Telecom Regulatory Authority of India data shows that rural mobile phone connections stood at 39.46 million up to June 2007. With a total subscriber base of 185 million that month, rural subscribers formed a formidable block of 21.31 per cent, or over one-fifth of the total mobile user base in India.

The number of rural mobile subscribers is nearly the same as the 40 million fixed line connections installed in the country ever since the first landline telephone exchange was installed in Kolkata by the British in 1881. And if one takes into account the rapid monthly addition in mobile usage overall, rural mobile connections would have already surpassed the total fixed line connections this July itself.

State-owned Bharat Sanchar Nigam Ltd (BSNL) commands a lions' share of rural mobile phone users by virtue of its massive country-wide network coverage.

HINTERLAND ON A HIGH

Top 15 states in terms of rural mobility	Rural mobile connections (million)	Total rural population (million)	Penetration as % of rural population
Punjab	2.240	10.830	20.69
Himachal Pradesh	1.000	5.850	17.09
Kerala	2.660	25.030	10.63
Haryana	1.660	16.270	10.20
Gujarat	3.207	34.420	9.31
Tamil Nadu	2.802	32.860	8.52
Andaman & Nicobar	0.023	0.278	8.27
Rajasthan	3.274	48.660	6.72
Maharashtra	3.790	59.670	6.35
Karnataka	2.250	36.560	6.15
Andhra Pradesh	3.276	59.270	5.52
Jammu & Kashmir	0.430	8.240	5.21
West Bengal	3.010	62.480	4.81
Orissa	1.280	33.060	3.88
Uttar Pradesh	4.608	147.000	3.13
Total (1-15)	35.510	580.478	6.12
All India (total)	39.460	802.000	4.92

Source: TRAI, mobile connections data up to June 2007, All figures rounded off

Still, rural mobile penetration is pretty low – just 4.92 per cent –, though it has touched double digits in some prosperous states like Punjab, Kerala and even Himachal Pradesh. However, overall rural penetration remains way below the 43.88 per cent mobile density in urban areas.

Rural India, experts say, represents the next big growth opportunity for mobile services operators. Commenting on the data, Trai Chairman Nripendra Misra said the next phase of mobile phone growth would come from the hinterland, adding that operators need to roll out infrastructure rapidly in the under-served areas of the country. “Of the next 250 million users who will go mobile, as many as 100 million will come from rural India”, he said.

It is perhaps this reason the Trai has asked the Department of Telecom to sanction incentives for the roll-out of mobile networks in rural India. In its recent recommendations on licensing reform, the regulator asked the government to incentivise rural networks by reducing a levy charged for development of rural networks. BSNL Director (finance) SD Saxena said nearly 70 per cent of all future mobile growth in the country would come from rural areas.

“People in rural areas have the money and desire to go mobile. There is a lot of scope for growth”, he said. BSNL has recently contracted purchase of over 22 million mobile connections, a significant portion of it will go into semi-urban and rural rollout.