

Telecom Services Price Index

BACKGROUND

India is the world's second-largest telecommunications market with a total subscriber base of 1.19 billion. It has witnessed a strong growth in the past decade and is world's fourth largest app economy in the world.

As on 31st December, 2017, Urban Subscribers stood at 688.25 million and rural subscribers at 502.42 million. Total wireless and wire line subscribers stood at 1,167.44 million and 23.23 million respectively. India has a teledensity of 91.90 with urban teledensity of 168.29 and rural of 56.66.

Figure 1

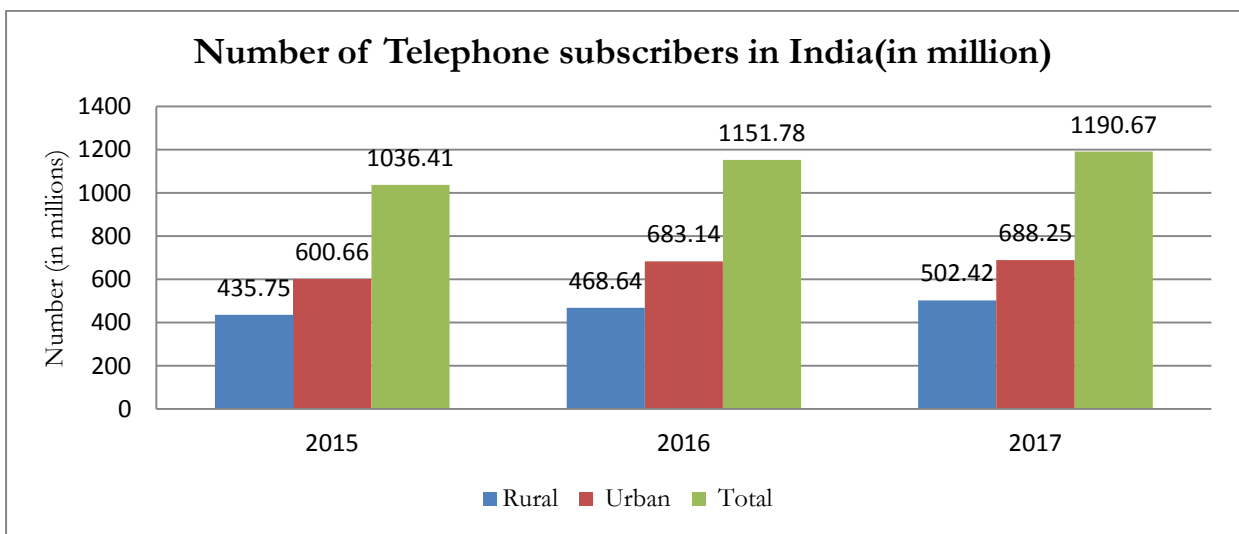
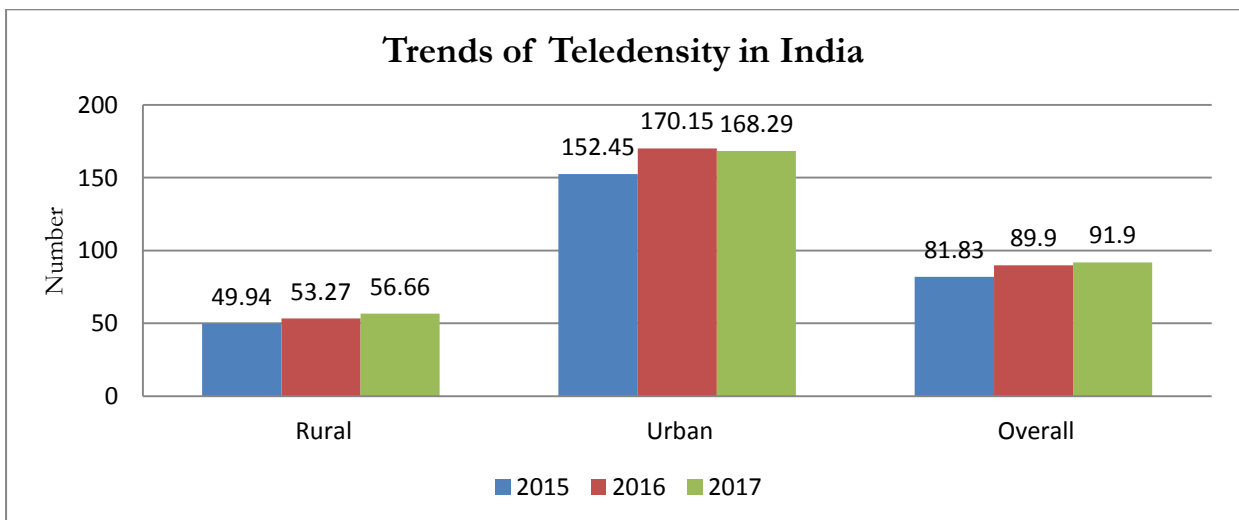


Figure 2

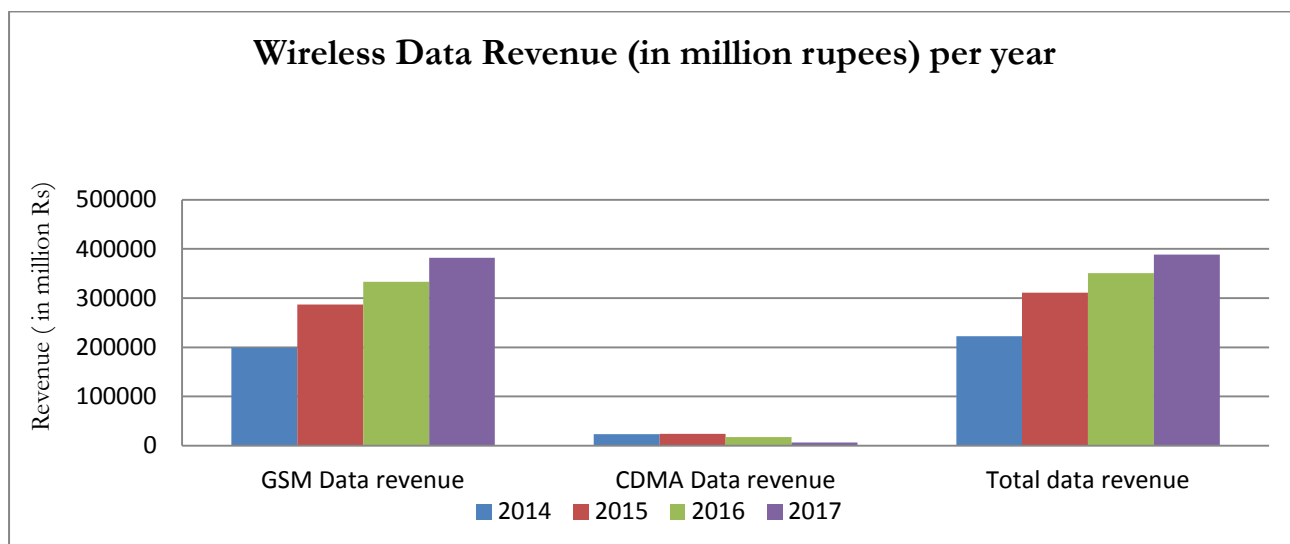


As on 31st December, 2017, total internet subscribers stood at 445.96 million with urban and rural internet subscribers being 313.92 million and 132.03 million respectively. To access internet services, over 95% of total internet subscribers use wireless mobile technology. The monthly data usage per smartphone in India was 3.9 GB in 2017. Data usage on Indian telecom operators' networks (excluding Reliance Jio), doubled in six months to 359 petabytes per month as 4G data usage share increased to 34 per cent by the end of June 2017.

Table 1:Wireless data usage (in million GB per year)

Year	GSM DATA USAGE				CDMA DATA USAGE	TOTAL DATA USAGE
	2G DATA USAGE	3G DATA USAGE	4G DATA USAGE	TOTAL GSM USAGE		
2014	340	349	-	689	138	828
2015	479	700	-	1179	196	1375
2016	477	1221	2775	4473	169	4642
2017	423	3187	16426	20036	56	20092

Figure 3



The Government of India is working towards digitalization of Indian economy connecting rural and remote regions in the country.

METHODOLOGY

SCOPE:

Product basket of telecom services has been grouped into two board categories: data services and non-data services (voice services etc.) for the compilation of Telecom service price index.

BASE YEAR:

The base year has been updated from 2009-10 to 2015-16.

PRICES:

For data services: Unit price is estimated by dividing the revenue accruing from data services by the total quantum of data consumed in GB.

For non-data services: Unit price is estimated by dividing the revenue accruing from non-data services by the total talk time consumed in minutes.

Unit value indices are computed by dividing the unit prices by unit prices of base year and Index is compiled using weighted average of unit value index of data and non-data services, the weights being the respective share of revenue accruing from data and non-data services.

Formula-Index is computed on a quarterly basis using Laspeyre's Formula.

WEIGHTS:

Weights are assigned on the basis of respective revenue accruing from data and non-data services.

GROUP	WEIGHTS
Data Services	70.3
Non-Data Services	29.7

DATA SOURCE

Telecom Regulatory Authority of India (TRAI)

REFERENCES

- Telecom Regulatory Authority of India (TRAI)
- Indian Brand Equity Foundation (IBEF)
- Department of Industrial Policy and Promotion (DIPP)