



Press Release

Upsurge in Rural Subscribers

– Role of the Industry in Development of Rural India

For past few years digital divide and rural communications have been the key areas of focus for the government as well as the Industry. The aspirations of the Indian rural subscribers are now being met by the cellular mobile service providers and the Industry is visibly inching towards bridging the divide between the connected and the unconnected.

As per the subscriber data released by TRAI, the wireless industry has more than 95% of the telephone subscribers in the country i.e. of the 806.13 Million subs as of 31st January 2011, the industry has contributed more than 771.18 million.

The data also reveals that while wireless subscription in urban areas increased from 501.30 million in Dec 2010 to 512.26 million at the end of Jan 2011, rural subscription increased from 250.89 million to 258.93 million, showing a significantly higher growth trend in **Rural subscription of 3.20% compared to the Urban subscription 2.19%**.

COAI takes pride in announcing that 70% of the total of 258.93 million rural subscribers are connected to the cellular mobile services at most affordable rates due to efforts and huge investments made by its member operators.

Not long ago the public sector units were regarded as the only carriers that could provide connectivity for the rural and remote areas. However the scenario has changed and it is the private players who have been fast reaching the remote and rural areas of the country. With this, the private mobile industry is extending the benefit of the latest technology and providing PURA- Provision of Urban Amenities in Rural Areas. They will very soon provide information / entertainment/ banking / education and health related services with the roll out of 3G services.

It should be noted and recognized that while the operators contribute most significantly towards the Universal Service Obligation Fund (USOF), which is primarily set up to ensure and promote connectivity in the rural areas, the rural connectivity achieved so far is due to the huge investments made by private operators with little aid from USOF. This is in spite of the business scenario where the ARPU is lower and CAPEX and OPEX are much higher.

The Cellular Mobile Industry is a vital sector contributing to the country's socio-economic development and the contribution to the enhancement of the common man's quality of life, is immense. We believe it is time that this industry is recognized and be given the status of a public utility service and given the benefits of an infrastructure sector.

About COAI:

The Cellular Operators Association of India (COAI) was constituted in 1995 as a registered, non-profit, non-governmental society dedicated to the advancement of communication, particularly modern communication through Cellular Mobile Telephone Services. With a vision to establish and sustain a world-class cellular infrastructure and facilitate affordable mobile communication services in India, COAI's main objectives are to protect the common & collective interests of its members. Prominent private service providers and the infrastructure vendors are members of COAI, and work closely on various Industry issues. More about COAI: (<http://www.coai.in>)