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*Bihar and MP propelling India's telecom growth revolution*

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India, the second largest telecom market in the world is deriving its growth in subscribers base from the otherwise underdeveloped states of Bihar and Madhya Pradesh. The state of Bihar registered maximum increase in annual telecom subscribers, registering a growth of 88.2 per cent in the previous fiscal as compared to the 51.1 per cent in FY 2006-07, according to ASSOCHAM Eco Pulse (AEP).

According to the AEP, *State-wise analysis of Mobile Subscription*, keeping aside Delhi, Mumbai, Kolkata and Chennai, the states like Bihar, Madhya Pradesh, West Bengal, North East region and Orissa have registered an upsurge, thanks to the major players entering into the unexplored markets in India and expanding their operations.

Fast growth in such states can be attributed to growing middle class, low tariffs and economic handsets have fuelled rapid growth in mobile phone use in India. The telecom story continues to hit the roof with an increase in the subscribers base from 165,093,655 in FY 2006-07 to 261,081,713 in FY 2007-08. The wireless boom has completely altered the mobile subscription of the country.

A state-wise breakup of wireless penetration reveals the remarkable increase in the mobile penetration. Total number of mobile phones in the state of Bihar increased from 57,73,370 in 2006-07 to 108,69,459 in 2007-08.

“While the metropolitan cities have reached their saturation point, the next phase of telecom growth in India is being driven by sub-urban places of Bihar, Madhya Pradesh, Orissa.” Mr. Sajjan Jindal, President ASSOCHAM, said.

The launch of various lifetime plans has also led to a spurt in the number of mobile users. The mobile subscription in the state of Madhya Pradesh increased from 66,82,326 in 2005-06 to 124,91,306 in 2007-08.

Excluding the mobile connections in metropolitan city Kolkata, the state of West Bengal registered an increase of 86.1 per cent in the subscriber volumes from 84.4 per cent in FY 2006-07. In volume terms, it increased from 5040111 in FY 2006-07 to 9381095 in the previous fiscal.

Falling tariffs rates and aggressive marketing by the major telecom players also contributed to the rise in the subscriber's base. Orissa registered an increase of 74.8 per cent in the previous fiscal as compared to 36.4 per cent in FY 2006-07.

<b>State-wise Growth rate of telecom subscribers (in per cent)</b>		
<b>States</b>	<b>2006-07</b>	<b>2007-08</b>
Bihar	51.1	88.2
Madhya Pradesh	94.1	86.9
West Bengal (-) Kolkata	84.4	86.1
North East states	139.8	76.3
Orissa	36.4	74.8

Source: Ministry of Communications and Information Technology

With companies continuing to penetrate deeper into the interior parts of India, the North Eastern region witnessed a whopping growth of 241.6 per cent in FY 2005-06, but due to infrastructural bottlenecks and technology related constraints, the growth rate declined to 139.8 per cent in 2006-07. Despite such constraints, the region has witnessed a healthy subscriber growth of 76.3 per cent in the last fiscal.

The mobile revolution's gaining popularity has pushed up the subscription to high levels, much ahead of the landline use. Among the metropolitan cities, Kolkata ranked top registering an increase of 55.9 per cent in the last fiscal as compared to the 43.6 per cent in FY 2006-07. Chennai and Mumbai are ranked second and third respectively growing at 52.2 per cent and 38 per cent respectively. Delhi, despite being at the saturation level, was ranked at the lowest position among the major metros, registering a decline in the growth rate from 36.2 per cent in FY 2006-07 to 34.7 per cent in the previous fiscal.

The robust telecom growth in the recent past is a clear indicator of the immense potential in the Indian market. A region wise analysis showed that Central India registered maximum growth of 84.5 per cent in mobile subscription followed by Eastern part of the country at 75.3 per cent, North East at 70.7 per cent, South 56.4 per cent, West 55.9 per cent and finally North at 52.7 per cent.