

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO. 2990
TO BE ANSWERED ON 11TH MARCH, 2020**

MARKET SHARE OF PUBLIC SECTOR TSPS

2990. SHRI MAGUNTA SREENIVASULU REDDY:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government-owned Telecom Service Providers (TSPs), i.e., Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) are unable to compete with their private counterparts and losing their market share due to which existence of both these companies is in danger, and if so, the details thereof and the reaction of the Government thereto;
- (b) the reasons for Government owned TSPs incurring losses whereas private TSPs are earning crores of rupees every year along with the reaction of the Government thereto;
- (c) the steps taken/being taken by the Government to remedy this situation; and
- (d) the details of the competitive approach adopted by these TSPs in relation to their private counterparts who have been reducing their tariff rates continuously?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS,
HUMAN RESOURCE DEVELOPMENT AND
ELECTRONICS & INFORMATION TECHNOLOGY
(SHRI SANJAY DHOTRE)**

(a) & (b) As informed by BSNL and MTNL, the market share of BSNL has increased and market share of MTNL has decreased during the last three years as given below:

Market Share (in %age)			
PSU	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019
BSNL	9.63	10.26	10.72
MTNL*	7.37	7.16	6.95

* Market share of MTNL in its Licensed Service Areas only.

The Telecom sector is facing financial stress due to stiff competition and reduction in tariffs. The Gross Revenue of two private operators i.e. Airtel and Vodafone/Idea has also reduced in FY 2017-18 and FY 2018-19. For BSNL and MTNL, stiff competition in mobile segment, high employee cost and absence of 4G services (except in few places for BSNL) in the data-centric telecom market is eroding their competitive strength.

(c) The Government has approved the revival plan for BSNL and MTNL on 23.10.2019. The revival plan inter-alia, includes the measures to reduce the Staff cost through a Voluntary Retirement Scheme (VRS) for the employees of age 50 years and above, administrative allotment of spectrum to BSNL/MTNL for providing 4G services, monetisation of assets of BSNL/MTNL for repayment of debt and generating resources for CAPEX/OPEX, debt restructuring by raising of sovereign guarantee bonds and in-principle approval for merger of BSNL and MTNL. With the implementation of the revival plan, BSNL/MTNL will offer improved and competitive services to their subscribers and turn profitable soon.

(d) To compete with the policy of reducing tariff by their private counterparts, BSNL and MTNL are offering most competitive and affordable tariff in mobile services. However, tariff rationalization is a dynamic and continuous process determined by market dynamics, regulatory guidelines etc.
