

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:1221
ANSWERED ON:27.11.2000
DECLINE IN PROFIT
ANANT GANGARAM GEETE;DR. KIRIT SOMAIYA

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the telephone usage in the country has declined by 12% during the last one year;
- (b) if so, whether per line revenue has come down from Rs. 843 to Rs. 739 during the said period;
- (c) if so, the reasons therefor;
- (d) whether it is going to affect the profitability of new schemes formed by VSNL;
- (e) if so, the details thereof; and
- (f) the steps, the Government propose to take in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

- (a) The telephone usage has slowed in the country by 9.54% from the year 1998-99 to 1999-2000.
- (b) Per line revenue has come down from Rs. 843.12 to Rs. 743.19 during the said period .
- (c) The reasons for the above are as follows:-

About 3-4% of this decrease is attributable to the increase in tele density during the period, the low rural tariffs and the reduction in tariffs for one of the peak evening hours. Another 8-9% decrease can be attributed to the rebalancing of tariffs which came into effect from 1.5.99.

- (d) & (e): No, Sir. It is not going to affect new schemes formed by Videsh Sanchar Nigam Limited (VSNL).

However, revenue in case of Bharat Sanchar Nigam Limited (BSNL) and MTNL is likely to decrease.

- (f) In order to offset the decline in revenue as stated in (b) above and generate additional resources, BSNL and MTNL are diversifying into new areas such as mobile cellular telephone services as well as expanding their Internet services.