

SANOG VII
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Mumbai, INDIA

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Secretary, ISP Association of India

ABOUT ISPAI

Registered Association under Societies
Registration Act of India.

Non-profit, Non-government organization.

Only representative body of ISPs in India.

ISPAI MISSION

To Promote Internet & Broadband for the Benefit
of All

Objectives

- To achieve 40 million Internet subscribers by 2010 (with at least 20 million broadband) Generate Employment (directly/in-directly) for
- Generate employment of 1 million by 2007
- Provide Internet Platform for growth of IT/IT Enabled/ Software Services to meet Country's Revenue target US \$ 80 billion by year 2008.
- ISPs to act as engines of growth for Indian GDP and play a role in enhancing equitable socio-economic development

ISPAI ROLE IN TELECOM REFORMS

ISPAI played vital role in :

- Formulating policy for Internet Services which opened up for private sector in November 1998.
- Setting up of International Gateways using foreign satellites as well as allowing KU Band in 2000
- Policy for setting up of Sub-marine Cable Landing Station in 2000
- Opening up of Internet Telephony in April 2002
- Formulating policies leading to IUC, Infrastructure Sharing, Inter-circle connectivity, quicker Spectrum allocation regimes, NTP 99, etc.

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ISPAI ROLE IN TELECOM REFORMS

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ISPAI played vital role in :

- Formation of Information Technology Act 2000.
 - Setting up of Certifying Authority of India {CCA}.
- Sensitizing about Broadband leading to the Broadband Policy 2004.
- Reduction in tariffs for Domestic & International Leased Lines by the Regulator.

ISPAI WORKS CLOSELY WITH

- Department of Telecommunications,
- Department of Information Technology,
- Telecom Regulatory Authority of India,
- Industry Associated Chambers such as CII, FICCI, Assocham etc.
- ISPAI has played pro-active and substantive role in various high level Sub-Committees/ Sub-Groups such as IT Task Force formed by then Prime Minister of India, Bandwidth Committee formed by Secretary, DoT, InGoT, Sub-Group of Telecom Services & Convergence etc.

ABOUT INTERNET INDUSTRY

- No License Fee till 2003. Rs. 1 per annum from 2004.
- Internet telephony attracts 6% revenue share w.e.f. 1st January 2006
- ISPs not allowed to offer VPN services
- No restriction in number of operators.
- ISPs are allowed to set up International Gateways by using foreign Satellites.
- ISPs are allowed to set up Landing Station for submarine cables.
- 100% FDI Allowed without International Gateways.
- 74% FDI allowed with International Gateways.
- ISPs are allowed to use OFC/Radio Link/OFC/Copper/Cable TV to provide last mile.

ABOUT INTERNET INDUSTRY

- ISPs Licenses issued 735 +
- Operational ISPs 168
 - Many have ZERO subscribers
- License surrendered 310 +
- Number of ITSP Licensees Issued 150 +
- Number of operational ITSP 50 +
- Internet Telephony minutes during
 - July-Sep '04 36 million minutes
 - Oct-Dec '04 43 million minutes
 - Jan-Mar '05 41 million minutes
 - Apr-Jun '05 47 million minutes

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ABOUT INTERNET INDUSTRY

Total No. of	Subscribers (Millions)	Users (Millions)
Mar '99	.28	1.4
● Mar '00	.9	4.5
● Mar '01	3.0	15
● Mar '02	3.2	16
● Mar '03	3.6	18
● Mar '04	4.5	23
● Mar '05	5.5	28
● Dec '05	6.1	38

Market Share of 4 major ISPs

Bharat Sanchar Nigam Ltd	33%
Mahanagar Telecom Nigam Ltd.	18%
Sify Ltd.	15%
Videsh Sanchar Nigam Ltd.	13%

ABOUT INTERNET INDUSTRY

Leased Lines Connectivity	12,200 +
Cyber Cafes/Kiosks (franchised)	9,200
Cyber café (non-franchisee)	1,00,000+
Broadband Connections \geq 256 Kbps	0.9 million
Average minutes of use per subscribers/month	305 minutes
ARPU	Rs. 200 p. m.
Annual Revenue	Rs. 1500 crores

ISSUES HINDERING THE GROWTH OF INTERNET

International as well Domestic Bandwidth still costly.

Predatory Policies and Practices by Incumbents.

Lack of free & fair Interconnection regime.

Effectiveness/promptness of Regulator.

Local Content – local context, local language, local hosting.

Low PC & Tele-density.

Small Cities, Town, Rural areas are largely untapped.

OPORTUNITIES FOR ISPs

- Most of the Rural, Remote, Hill regions not yet tapped
- Spread of usage of Wi-Fi / Wimax not only in metros, cities but also in remote, rural & hilly areas.
- Broadband is the way to go and grow.
- E-Governance, tele-medicine and e-learning.
- Applications for E-Commerce, E-educations, E-medicine etc. in different regional languages.
- National Telecom Policy 2006 should address these issues appropriately.

Thank You!

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