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Can BSNL-MTNL Change Their Fortunes?

09 May 2013, Gagandeep Sodhi

Why do you think BSNL and MTNL are adding subscribers when the more successful private telcos continue to lose them? The answer lies in the recent tariff hikes by the private telcos.

The Government-owned telco PSUs, Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL), have added around three lakh subscribers in the October-November-December 2012 quarter, according to the recently released Performance Indicator Report by Telecom Regulatory Authority of India.

It is no coincidence that both the Government-owned telcos have added subscribers in this period. As the private telcos hike the tariffs, the relevance of BSNL and MTNL will only increase in the market. It is largely believed that the tariffs of the state-run PSUs offer the maximum value-for-money proposition. The companies also have the mandate of providing reasonable connectivity to all the segments of society. It is this perception that will help them in getting more subscribers now. Improved network efficiency will further enable them in retaining these subscribers. (See [Idea Hikes Tariff For Postpaid Users](#) and [Tariff Hike to Improve Industry Dynamics](#))

BSNL and MTNL should capitalize this opportunity to the maximum and try to add as many new subscribers as possible. Both the companies have been recording losses for some time.

The tariff hike by telcos coupled with the scaling down of players like Uninor (known for offering one of the cheapest 2G tariffs in the industry) will definitely help BSNL and MTNL in roping in more subscribers.

However, they have to deliver services to retain these subscribers. It is now upto BSNL and MTNL to take the maximum advantage of the situation.

-Gagandeep Kaur Sodhi, Editor, [Light Reading India](#)

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