Contribution of Cellular Industry in Indian Economy

According to the data collected from Telecom Regulatory Authority of India, the cellular industry of India is recognised internationally as the 2nd largest subscriber-based destination with a count of 1058.86 million (in the FY 2015-16) (IBEF, 2017). The records of FY 2015-16, led by IBEF (2017) declared that the tele-density in the urban areas of India get a high rating of 154.01% as against the tele-density of rural India with 51.37%. These developments are getting directly proportionate to the growth of Indian economy (Kaur & Malhotra, 2014, pp. 34-38). As the cellular industry of India is rising, it is also developing the Indian economy in a large scale. A critically investigative report by Palleti (2013), about the Indian cellular industry, notes that it is at an average this industry is adding 20 million subscribers per month. Further growth gets derived by IBEF (2017) in the following manner:

Figure 1 Increasing subscribers in Indian Cellular Industry



Source: IBEF (2017, p. 8)

The data accumulated in Figure 1 is from Telecom Regulatory Authority of India that clearly notes that the cellular industry of India is gaining extensive expansion, which is counted at 19.96% CAGR showing 1058.86 million subscribers in the period from April 2007 to March 2016. There is a very radical development gets identified through this growth of the cellular industry. Deloitte (2017) stated that the technologically advanced cellular domestic market of India (e-commerce not included) is at $35 billion, which is 75% more than the IT and hardware Services, of India. This trend of growth is making an addition of enormous economic growth to the trend of Indian revenue collection. The revenue collected by Indian company from the cellular industry is growing at the rate of 7.5%. according to the information collected from Telecom Regulatory Authority of India, by IBEF (2017) the Indian company has attained 41.68 billion USD as revenue in FY15 as against 38.78 billion USD of FY14, from the cellular industry, alone (see Figure 2 for details).

Figure 2 Revenue collected by Indian Economy from Cellular Industry



Source: IBEF (2017, p. 9)

As noted in the Figure 2, the revenue collected by Indian economy from both wireless as well as wireline sectors of cellular industry, has attained a growth of 8.91% in CAGR, which is a total amount of 38.8 billion USD in FY 2006 to 2014 and further growth is yet to come.

On a futuristic note, keeping in consideration with the contribution of cellular industry in Indian economy, the Indian Government is planning to invest $19 billion USD to the cellular industry of India by the year 2020 (Deloitte, 2017, p.54).

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