

India Telecoms

Strong November GSM adds - ALERT

- **India added 17.2m GSM subs in November, the highest ever monthly GSM net adds:** The 17% M/M increase in net adds is driven primarily by an increase of net adds at Idea Cellular and Vodafone.
- **Idea: strong net adds; Bharti: momentum sustained:** Idea Cellular's net adds at 2.8m in November are the highest we have on record and are up 55% M/M. Bharti's net adds at 3.1m are up ~3% M/M and are sustaining above the 3m mark. Vodafone too reported a healthy net add number of 3.1m, +26% M/M, the highest since March this year. Overall, we believe the holiday season promotions have helped in November.
- **Only 70% of India's base is active:** A recent report by the TRAI states that only 70% of India's subscriber base is active – i.e. makes calls or sends SMS on a regular basis. Bharti came out on top here with 89% of its base active followed by Idea at 88%, Vodafone at 75%, RCOM at 67%, BSNL and Aircel at 59%, while S Tel was at the bottom with only 24% active subs. We believe this highlights the strength of the GSM incumbents (and their conservative counting) relative to the new telcos.
- Grouping Uninor, Videocon, S Tel and Etisalat as the “new” players, we note that they account for 5% of the sub base now but also note that their share of net adds is down ~3pp in November.

Table 1: Monthly GSM subs summary*

Operators	Net-adds ('000)			Net-add market share			Sub base ('000)
	Nov-10	M/M	Y/Y	Nov-10	M/M	Y/Y	
Bharti Airtel	3,101	3.3%	10.7%	18.1%	-2.4	-7.2	149,394
Vodafone Essar	3,125	25.7%	12.4%	18.2%	1.3	-6.9	121,163
IDEA	2,802	54.8%	9.9%	16.3%	4.0	-6.7	78,826
BSNL	3,017	21.5%	146.4%	17.6%	0.7	6.5	78,194
Aircel	1,219	21.4%	-24.2%	7.1%	0.3	-7.4	48,739
Uninor	2,450	-1.2%		14.3%	-2.6	14.3	16,198
MTNL	37	29.2%	-49.2%	0.2%	0.0	-0.4	5,091
Loop Mobile	19	-24.6%	-61.7%	0.1%	-0.1	-0.3	3,029
Videocon	1,128	-0.5%		6.6%	-1.1	6.6	6,744
Stel	201	-10.4%		1.2%	-0.4	1.2	2,068
Etisalat	61	329.8%		0.4%	0.3	0.4	132
All India	17,161	16.8%		100.0%			509,578

Source: COAI, J.P. Morgan. * Note these data exclude Reliance and Tata DoCoMo GSM subs

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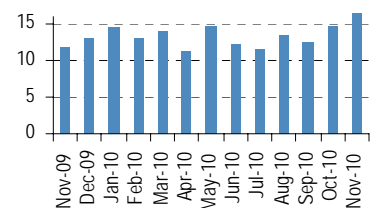
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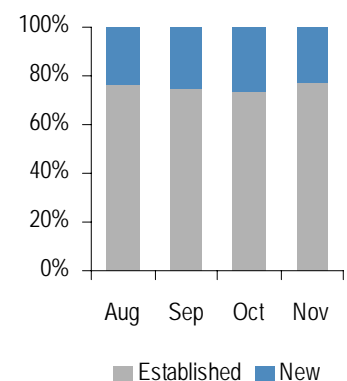
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Figure 1: Monthly GSM net-adds in Mn*



Source: coai. *excluding Reliance and Tata DoCoMo GSM subs

Figure 2: Net add share of “new” players increasing



Source: coai, JP Morgan

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