

Reliance Jio, Bharti Airtel arbitrarily increased tariffs as BSNL uncompetitive in 4G, 5G: Employees union.

“As per media reports, through these tariff hikes, an additional operating profit of Rs 20,000 crore will be generated by these companies. There can be no two opinions that, these tar hikes will badly hit the common people,” Verghese said.



NEW DELHI: India’s top telecom operators Reliance Jio and Bharti Airtel have arbitrarily raised their tariffs as Bharat Sanchar Nigam Limited (BSNL) has become handicapped in competing effectively due to the unavailability of its 4G and 5G mobile services, according to an employees’ union of the government-owned telecom PSU.

“Earlier, due to the competition from BSNL, the private telecom companies were restrained from increasing their tariffs capriciously. However...BSNL has not been able to launch its 4G and 5G services to date, as a result of which it is handicapped from competing with the private operators and thereby restraining their arbitrary tariff hikes,” John Verghese, Acting General Secretary of the BSNL Employees Union (BSNLEU) said in a letter dated July 3, 2024, to union telecom minister Jyotiraditya Scindia.

ETTelecom has reviewed a copy of the letter.

The letter mentions that Reliance Jio has hiked its tariff from 12% to 25% and Airtel has hiked its tariff from 11% to 21% although Vi, too, has increased its mobile tariffs by 10-23%.

“As per media reports, through these tariff hikes, an additional operating profit of Rs 20,000 crore will be generated by these companies. There can be no two opinions that, these tariff hikes will badly hit the common people,” Verghese said.

The private telcos have said that the hike in tariffs is intended to boost their average revenue per user (ARPU), and ensure sustainable investments in 5G airwaves.

However, Verghese argued there is “no reason for the private companies to raise their tariffs so steeply”, considering the private companies are generating healthy profits. He stated that Jio has made a net profit of Rs20,607 crore in the financial year 2024 and Airtel has made a net profit of Rs 7,467 crore during the same period.

“Hence, such a steep tariff hike, which will hurt the common people, is unwarranted,” he said in the letter.

Credit rating agency CareEdge recently said that the latest round of tariff hikes could increase the telcos’ blended ARPU by 15% to Rs 220 in fiscal 2025, compared to Rs 191 in fiscal year 2024. Further, this can potentially expand the telcos’ profit before interest lease depreciation and tax (PBILDT) by 20% to 22% in the current fiscal year 2025.

BSNLEU reiterated due to the unavailability of BSNL’s 4G and 5G, its customers are deprived of high-speed data services and migrating to private companies Jio and Airtel in massive numbers.

As per the data released by the Telecom Regulatory Authority of India (TRAI), in 2023–24 alone, BSNL lost a whopping 1.8 crore customers. In a single month, i.e., March 2024, 23.54 lakh customers have deserted BSNL, whereas Jio has gained 21.43 lakh new customers and Airtel has gained 17.5 lakh new customers, Verghese said.

The union yet again stated that BSNL should be temporarily permitted to use Vi’s network for providing 4G services to its customers.

“The government of India, being the biggest shareholder in Vodafone Idea, could have facilitated this. However, unfortunately, this did not happen,” Verghese said.

He urged Scindia to take the necessary steps to ensure that the BSNL 4G launch happens without further delay, and the network be upgraded to 5G in a timely manner.

“Timely upgradation of this 4G service into 5G service, would enable BSNL to protect the interests of the common people of this country from the tariff hikes of profit-hungry private telecom service providers,” he said.
