

Telecommunications pact between Reliance and Bharti

NEW DELHI - Two of India's billionaire tycoons announced a pact that will see them share telecommunications infrastructure that may accelerate roll-out of communication services in the fiercely competitive sector while cutting costs of using these technologies.



India's two biggest telecommunications companies have agreed to co-operate on sharing infrastructure and equipment to speed up roll-out of 4G. Image: Style Photography De [Fotolia](#)

The Reliance conglomerate, which plans to launch an ultra-fast fourth-generation (4G) network and the nation's biggest mobile company by subscribers will be able to use each other's existing and future infrastructure under the deal.

Reliance Industries is headed by India's wealthiest man Mukesh Ambani while Bharti Airtel is led by billionaire Sunil Bharti Mittal.

"The co-operation is aimed at avoiding duplication of infrastructure (and) preserving the environment," the companies said in a statement. It means that the pricing of new services would be at "prevailing market rates" but neither gave any other financial details.

The pooled infrastructure will include optic fibre cables, submarine cable networks, towers and Internet broadband services.

Government appeals for co-operation

Last week, the government, which sees mobile services as a key to economic development in the still overwhelmingly poor nation of 1.2bn people, appealed to telecommunications companies to co-operate in infrastructure- and equipment-sharing to expand networks more rapidly.

Reliance Jio Infocomm, the telecommunications arm of energy-to-retail Reliance Industries and Bharti Airtel had earlier clinched another deal under which Bharti supplied capacity on its i2i submarine cable to Reliance Jio.

Reliance was awarded spectrum three years ago but has not yet started 4G commercial services. Bharti already operates 4G services in some cities.

Bitter feud

The latest deal is far bigger than the US\$2.1bn pact Ambani announced in June with his younger brother Anil Ambani to share telecommunications tower infrastructure, cementing a reconciliation between the once-warring siblings.

The two brothers had been in a bitter feud for control of Reliance Industries that erupted after their father died in 2002 without leaving a will.

Reliance Jio is the lone Indian company with a pan-India permit to operate 4G services and aims to become one of the country's biggest telecommunications operators.

Lower infrastructure costs could reduce service costs and bring more subscribers for 4G which has drawn scant interest because of its high price, analysts say.

Reliance Industries, owner of the world's largest oil refining complex, has been seeking to diversify into new ventures in the face of declining gas output.

Meanwhile Indian media reports said Ambani would launch his 4G broadband service before the end of India's financial year in March but there has been no recent word on when the roll-out will begin.

Source: AFP via I-Net Bridge

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