

Reliance Communications launches GSM telephony

The Reliance Anil Dhirubhai Ambani Group (R-ADAG) Tuesday launched its much-awaited GSM mobile telephone services spanning 11,000 towns and over 340,000 villages with a capital infusion of Rs.10,000 crore (Rs.100 billion/\$2 billion).

Chairman Anil Ambani, who launched the services from the Reliance Centre here, said the rollout happened six months ahead of schedule, with the company having secured the frequency spectrum for the services only in January.

'What has taken other companies 15 years to achieve, we have completed in less than 15 months,' Ambani said, adding that the GSM telephony will complement the group's CDMA offering to give customers a wider choice.

'This massive GSM rollout marks the completion of our over Rs.10,000 crore worth of investment programme,' he said. 'We will be doubling our coverage to 24,000 towns and 600,000 villages over the next few months.'

The CDMA network of Reliance Communications, the country's second largest mobile phone company in terms of subscriber base, spans over 20,000 towns and 450,000 villages with 60 million clients, as per the company's website.

'Now, CDMA and GSM will be one integrated operation, one integrated brand,' Ambani said.

The launch of GSM services came just two days after the 76th birth anniversary of the company's late founder Dhirubhai H. Ambani. It was on his 70th birth anniversary Dec 28, 2002 that Reliance had launched its mobile phone services.

Soon after the services were launched, the shares of Reliance Communications were the second-best performing among the 30 scrips that go into the sensitive index (Sensex) on the Bombay Stock Exchange (BSE), up 7.12 percent at Rs.228.

According to Ambani, the group is now gearing up for the launch of third generation services (3G) for which a capital expenditure of Rs.2,000-Rs.4,000 crore (Rs.20-40 billion) will be set aside.

The 3G mobile services allow not only much faster communications but also a wide range of applications such as high-speed Internet access, video calls, fast music and video downloads, interactive gaming and global positioning over the web.

'Our strategy has always been to serve all customers on a nationwide basis,' Ambani said, when asked if his group proposed to bid for pan-India 3G radio spectrum or four-five cities.

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