

Growth of broadband in Pakistan and current situation

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Pakistan's broadband market has been slothful despite the fact that broadband services have been made available since five years. Currently there are a total of approx 131,871 Broadband subscribers, which provide dismal picture when compared with other similar economies.

Cost of service (Tariff) has been the major reason behind this slow growth. However a major development for broadband market is the introduction of DSL services by the incumbent (PTCL) itself. PTCL has started offering its DSL services since June 2007 in various cities e.g Islamabad, Peshawar, Lahore and Karachi. PTCL offered low tariffs for home users with free installation service. This has affected tariffs offered by other DSL operators as they have also lowered DSL tariffs in order to remain competitive. According to PTCL sources, since they started of DSL service, 35,000 subscribers have subscribed to their Broadband. It is believed that such competition will lower the tariff and eventually will flourish the broadband market.

Coverage / Provision of broadband services is another factor as main emphasis of broadband operators have been to cover urban areas specially large cities, leaving a major part of population leaving in small cities, towns and villages forbidden of broadband services.

One can expect that PTCL having the largest data network will soon start offering DSL services in smaller cities and towns. WiMax Services will play a vital role in proliferation for broadband services to rural areas of the country in near future as the figure show that since introduction of first ever WiMax service

(December 2007) in Pakistan Wateen Telecom has captured 10000 subscribers in a short span of four months.

Apart from above Literacy Rate, Computer Penetration, Broadband Investment, QoS Level, Policy execution including the issues such as (Local Content Development, Countrywide Broadband Awareness Campaign and Provision of low Interest Loans for purchase of Computers) has also affect the development of broadband in the country, however It is expected that steps taken by PTA in collaboration with Industry players will ensure better and economical broadband services in Pakistan. Latest developments like reduction in tariff, steady rise in disposable income per capita, extensive infrastructure rollouts (especially fiber), introduction of triple-play services, rural tele-center project to educate rural population, Deployment of Fiber and WiMax Networks and growing bandwidth demands from businesses will help Broadband proliferation in urban as well as rural areas. It is estimated that there will be 0.5 Million Broadband subscribers in Pakistan by 2010.