ADDRESSING INTER-STATE ISSUES: BROADBAND IMPACT ON ECONOMIC GROWTH

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**Broadband Penetration in India is still very low...........India has less than 1 broadband connection per 100 inhabitants**

*Internet & Broadband subscribers (million)*
**ISSUES**

- Broadband penetration is below 1% in India
- Rural India had only 3.3 million internet user i.e. only 1% of rural India is covered
- As evident there is huge variation in per capita income across states in India
- Assumed access cost of Broadband is 300-400 per month in India
  
  .... (from CII report 2009)
- Our earlier research “India: the impact of Mobile Phones”, 2009 shows that Indian states with higher mobile penetration grow faster, with a growth rate of 1.2% points higher for every 10% increase in mobile penetration.
- From our recent analysis we find high correlation for broadband, internet and state GDP
Per Capita Income Across States, 2008
Only few states in past 10 years have internet penetration above 1
INTERNET PENETRATION AND ECONOMIC GROWTH..................INTER-STATE ANALYSIS

Internet penetration and Per capita income, 2008
**Broadband Bandwidth Deployment and Economic Output....................Inter-State Analysis**

*Broadband Penetration and Per Capita Income, 2008*

*Only Kerala has more than 1 penetration*
Our current research on “India: The Impact of Broadband” is addressing some of the issues.

Thank you!