

India's Ambani to launch free smartphone as he shakes up telecoms

July 21 2017



Mukesh Ambani told Reliance shareholders at their annual general meeting the free JioPhone would be available in September. Ambani sent tremors through the sector when he launched his Jio telecoms venture last year offering free voice calls for life

India's richest man Mukesh Ambani said Friday that his telecoms venture Jio would launch a free smartphone, escalating a price war that is shaking up the country's ultra-competitive mobile market.

The announcement, made at a boisterous Reliance Industries annual general meeting in Mumbai, sent shares in rival telecoms operator Bharti

Airtel plummeting almost six percent.

"This breakthrough and revolutionary device named JioPhone, along with Jio's disruptive tariff, will unleash the power of digital life in the hands of 1.3 billion citizens of the largest democracy in the world," said Ambani.

The tycoon told shareholders and staff, who regularly burst into chants of "Jio, Jio, Jio", that the phone, the latest entry into India's crowded market, would be available from September.

He said customers would only have to pay a deposit of 1,500 rupees (\$23.32) for the 4G-enabled device, which would be fully refundable after three years.

The announcement comes almost a year after Ambani launched the Reliance Jio 4G network with free voice calls for life and vastly cheaper data plans, forcing rivals to dramatically slash their tariffs.

Jio has signed up 125 million subscribers since its launch in September 2016, causing a rush to consolidation in the multi-billion-dollar sector as competitors scramble to match its deep pockets.

British mobile phone giant Vodafone is merging its Indian unit with Idea Cellular to help fend off Jio, which is backed by Reliance Industries—India's immensely wealthy energy-to-chemicals conglomerate headed by Ambani.

Bharti Airtel and Idea Cellular have endured losses since Jio's arrival and shares in the companies fell nearly three percent and six percent respectively following Ambani's announcement Friday. Reliance rose three percent.

The news will have also been carefully watched by South Korean tech giant Samsung and Chinese [mobile phone](#) maker Xiaomi who possess the lion's share of India's smartphone market.

Samsung leads the market with 28 percent while nearly 14 percent of phones sold in India are made by Xiaomi, according to a study by the International Data Corporation, an IT research firm.

© 2017 AFP

Citation: India's Ambani to launch free smartphone as he shakes up telecoms (2017, July 21)
retrieved 27 April 2024 from

<https://phys.org/news/2017-07-india-ambani-free-smartphone-telecoms.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.