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# Internet usage reaching critical mass in India and raises fresh challenges

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A report by the [Internet and Mobile Association of India](#) and [IMRB](#) finds that by end-2011, 10% of Indians would be Internet users, 97 million of them active users. Nor is Internet usage a big city habit: 37% of Internet users are in small towns.

The development has immense potential for disruptive creativity in all facets of life: in governance, education, healthcare, entertainment, media and communications and all businesses in general. Significantly, only about 9% of users access the Internet from mobile devices.

Now, more than 600 million Indians already use [mobile phones](#), which means that it is not very difficult to raise internet usage to about 50% of the population and make India the biggest national base of Internet users in the world (China has about 500 million Internet users).

Every [phone connection](#) can easily become an Internet connection, with some improvement in the handset and changes in the networks. A five-year goal can be to migrate all mobile networks to high-speed data networks that offer voice as but one functionality.

The report brings out the paucity of much useful content for Internet users outside the big towns, for whom the most frequent use is for entertainment. Governance functions, financial services and transactions, healthcare services and educational content are, sadly, missing.

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Filling this gap would be a huge business opportunity (translating into a goldmine or nightmare for venture funds) and greatly benefit users. Businesses must see both the threats and opportunities inherent in explosive growth of Internet usage.

The government and the telecom regulator have their work cut out for them. [Broadband](#) must be redefined to mean data transfer at the rate of at least 5 Megabits per second (the US plan is to give every household 100 Mbps connectivity). Broadband costs must come down sharply, by slashing or removing all government levies and instituting real competition among service providers.

Data download limits should be pegged, if at all, at multiple hundred Gigabits. The government can buy intellectual property that makes imaging devices expensive and make it free. A revolution calls for unconventional steps.

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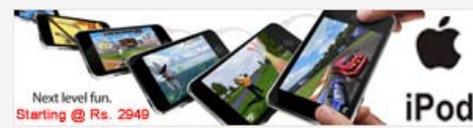
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