

'Telecom sector is brutally challenging, yet offers ample opportunities for growth, profit'

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The "brutally challenging" Indian telecom market has only seen the beginning of many disruptions, but offers ample scope to draw massive investments with the potential for significant returns, Telecom Secretary Aruna Sundararajan said on Thursday.

Sundararajan said that the \$100 billion sectoral investment envisaged under the national digital communications policy is not an over-estimate and may well turn out to be less-than-adequate in the wake of new age technologies and the advent of 5G.

Sundararajan said that while the Indian telecom market is "vibrant and exciting", it is also "brutally challenging".

'More to come'

"I think we have only seen the beginning of disruption and I am sure there will be many



Aruna Sundararajan,
Telecom Secretary

more disruptions to come; but, this is a market which is big enough, has enough growth potential to attract those kinds of investments and yet make investments profitable," she said.

Speaking at a panel discussion titled 'Digital Infrastructure for Transforming India' organised by the Broadband India Forum, she pointed out how China and the world at large are committing huge investments in the digital com-

munications space, given that nearly everything – from education to healthcare to entertainment – will be delivered on the digital highways.

Global spend

"The global spend on telecom is expected to touch \$4 trillion, and China is spending around \$188 billion every year on digital communications infrastructure...For 5G alone, China's budget is expected to be of the order of \$500 billion. Estimates suggest that the impact of 5G on global GDP can be potential doubling of GDP, and so countries are infusing investments in telecom infrastructure," she said. Sundararajan asserted that digital infrastructure has to be the crux of India's growth strategy as no other sector has the ability to match its positive spin-off on productivity and individual well-being.

"It is time decision-makers engaged in serious conversa-

tion on how to enable \$100 billion investments in digital communications infrastructure," she said. Sundararajan added that a workshop will be organised soon to sensitise the States on their roles in India's digital narrative.

"The workshop will be held to sensitise the States on what is expected of them, how to benchmark themselves and the key parameters thereof," she pointed out.

Way forward

Addressing the event, Niti Aayog CEO Amitabh Kant said digital transformation will hold the key for India to aspire for 9-10 per cent economic growth and sustaining it over three decades and beyond.

"...if we want India to grow at the rate of 9-10 per cent, the way forward is digital transformation, and providing digital backbone...We are growing at 7.5 per cent and the challenge is

to grow at 9-10 per cent year after year for three decades or more. The answer lies in digital infrastructure for sustained growth and transforming India," Kant said.

He said that key objective before India is growing to a \$1 trillion digital economy by 2022, overcoming challenges of connecting the unconnected, and increasing fibrisation of mobile towers.

While India has a massive base of mobile phone users, the internet and broadband penetration still remains low.

"If you look at the internet penetration rate, you will find that barely 48 per cent of Indians have access to it, while true broadband has reached only about 33 per cent. So a significant part of the country remains unconnected either through mobile phones or internet," he said, calling for a three-fold increase in digital infrastructure in the next five years.