

'Unsold spectrum resulted in Rs 5.4 L cr losses'

AGENCIES/ New Delhi

Radiowaves unsold in past auctions cost India an estimated Rs 5.4 lakh crores in economic losses, claimed industry body Broadband India Forum, urging the government to ensure adequacy and "reasonable" rates for upcoming 5G auction.

BIF said the reserve price of 5G spectrum is "too high", works out to be 4 times higher than other countries and

"needs urgent revision".

Spectrum price in India is, by far, the single most important factor in determining the fate of an auction, its success or failure, BIF said, adding prices should trigger maximum sale and hence optimal realisation of direct and indirect benefits, and not be driven by short-term financial gains.

The comments of the industry body comes ahead of a crucial meeting of Digital



Communications Commission later this week, which will finalise various modalities of spectrum auction and price of radiowaves. The auction is expected to take place in the current financial year. "Every unsuccessful mo-

bile spectrum auction has severe implications not only in terms of spectrum remaining unsold but also in terms of valuable economic benefit lost as a result of this unsold spectrum remaining idle," Broadband India Forum (BIF) said in a statement.

In the last auctions held in October 2016, over 1300 MHz of radio spectrum (or 59 per cent) remained unsold, leading to significant unrealised potential, it said.

Explaining the math behind Rs 5.4 lakh crore economic loss it has estimated, BIF said that only about 60 per cent of the spectrum put up for auction, since 2010, has been sold and went on to link this to the financial impact of unsold spectrum.

"Adopting a conservative approach, India had 762 million active mobile connections in 2016, served by over 3800 MHz of spectrum allocated to licensees," it said.