

Nokia Comments on TRAI Consultation Paper on Tariff Issues of Telecom Services (Consultation Paper No. 22/2019)

We would like to commend TRAI for the initiative of consultations on Tariff Issues of Telecom Sector.

Telecom Industry has seen major restructuring and challenges since the last few years. While the shift to cheaper data and voice tariffs initially helped expand the number of new consumers, on the other hand, the resultant price-war for market share has left the financial foundations of telecom companies extremely weak and vulnerable.

This precarious financial condition has been exacerbated by the adverse implications of the AGR interpretation, high Right-of-Way charges, among other issues. The government cannot remain hands-off in such a scenario and a helping hand is needed from the regulator TRAI in precisely such situations to balance and ease the sector.

Indian telecom sector needs further investments specially with 5G on the horizon where nations are aggressively competing to take leadership in next-generation technologies that will ride on top of the 5G infrastructure. The 5G Spectrum costs and other active and passive infrastructure costs will run into several lakh crore rupees. A recent CRISIL report said that the Indian telecom companies may need to invest upto Rs. 1 lakh Crores in the next 2-3 years just for the 'fiberisation' levels of about 70% required for 5G, up from current 25-30%. Besides, the 4G networks require continuous additional investments for expansion of reach and maintaining the quality of services.

The National Digital Communications Policy 2018 aims to garner investments worth USD 100 Bn (Rs 7 lakh Crore) in the telecom sector by 2022, boost the sector's contribution to India's GDP to 8% from the current 6% levels and create 4+ Million jobs in the process. Growth and Investments at this scale are not possible with a crippled telecom sector ailing with sizeable debt and survival issues. It is in India's interest to have a healthy telecom eco-system including support for the government investment of Rs. 70,000 Crore in the operator BSNL/ MTNL.

The weakness in the sector directly impacts the telecom manufacturers both Indian and multinational. It adversely impacts the manufacturing capacity in the country and various jobs being created by such vendors and overall dampens the economic activities in the sector.

India as a nation needs to invest in the next-generation technologies like 5G, AI, IoT and related services to remain not just competitive with other nations but take leadership position.

Telecom sector is the backbone of the exponential growth that Indian economy specially the IT sector has seen in the last decades. India is now one of the leading start-up nation, all these innovations have come on the foundation laid by a robust, growing telecom sector.

The industry would certainly not be able to flourish and invest further in case of a repeat of the earlier price-war situation. We heartily support this TRAI consultation and believe TRAI should come up with a mutually agreeable price-support model for all operators in the eco-system that allows for flexibility for innovative offerings yet supports the telecom sector presently in desperate need for stabilization.