

India Telecom 2007

December 12, 2007, New Delhi

Address by Dr Manmohan Singh, Hon'ble Prime Minister of India

I am just coming from Parliament and our Parliament is debating the ghastly events of last week of what happened in Mumbai. Well listening to the debate and listening to Shri Chandrasekhar, it is quite clear that communication has been the major propeller of India's economy. It has to be sustainable communication. At the same time, recent global events have also shown that self interest involving means of progress is not always the same as the needs of public interest. Therefore effective, objective, impartial regulation has to be an integral part of all these infrastructure sectors which have been thrown open to these communication both by domestic and international investors. The correct thing I wish to say is that technology is a powerful force in any processes of growth and development. We have no option but to operate on the frontiers of modern knowledge, imbibe latest technology and also at the same time ensure that the development capacity to tackle hardware issues together with a strong software base. As I have been briefed about the havoc in Mumbai, I also discovered that modern technology and also the way powerful instruments in the hands of anti social elements like terrorists, and how they could make use of this advanced technology like internet etc. So it is very important that there should be effective cooperation and coordination between the agencies whose responsibility it is to safeguard security efforts and the producers and all those who are in the industry. Chandrashekhar said and I endorse that we must find a creative interaction between our security agencies and the producers and all the others in the telecom industry. They must exert regulation has to be there at the same time process of imposing regulation must not stifle means of production, means of creativity. These are some of the thoughts that came to me when I was listening to what Mr. Chandrasekhar and Mr. Raja were saying just now.

Let me first begin by saying that I am very happy to inaugurate the India Telecom 2008 Conference. The telecom sector is one of our success stories and has contributed immensely to the growth of our economy. The growth of cellular mobile services is leading the telecom revolution in our country. From waiting for years to get a telephone connection, most Indians today have telephone on demand. That is indeed a revolutionary development.

In October 2008, Indian mobile telephone operators signed up a record number of over 10 million users. At this rate of growth, the total telecom subscriber base is expected to reach 700 million by the year 2012, with about 650 million mobile users and 50 million landlines.

It gives me great satisfaction to observe that many of the new subscribers are now coming from our rural areas. I have been told that more than 3 million rural subscribers are being added every month. That's progress. India has one of the cheapest cell phone rates in the world. That's also very encouraging. This helps our rural countrymen, our farmers and our fishermen, in using mobile telephony services and have access to them at affordable costs. But the rural teledensity stays low at 13% compared to the national average of 32% and the urban teledensity of nearly 74%. It is, therefore, appropriate that "connecting rural India" has been chosen as the theme of this conference. I sincerely hope that all the experience and expertise represented here would apply themselves to address this important issue of transforming rural India.

This year our Nation has taken rapid strides in its scientific and technological capabilities. The successful launch of the Chandrayaan-1 has made the entire nation proud. When Dr. Homi Bhabha and Vikram Sarabhai had set the goals of tapping nuclear energy and exploring space, many cynics had sought to undermine their ambition. History has proved the sceptics and cynics wrong. Our achievements today are a befitting reply to the cynicism that was expressed at our potential. I am sure we can achieve such spectacular progress in other sectors as well and telecom sector specially. I congratulate all those who have contributed to this very interesting performance.

Today, the mobile phone has changed the way we communicate, the way we do business, our personal lives, even our social habits. The mobile phone has become the preferred mode of communication for the masses. It has transformed many sectors like transport, micro-commerce, finance, healthcare and even processes of governance. Broadband has started making a real difference to farmers' lives, enabling them to discover prices in nearby mandis and markets. Soon people will start using their mobile phones for micro payments as well. In times to come, this could emerge as a strong tool for financial inclusion of masses in our banking sector. I understand that the telecom sector has started experimenting with mobile payments under the guidelines issued by the RBI and soon mobile banking will also be a reality in our country.

I believe that the key to the growth of the telecom sector has been competition. There has been continuity in competition and investment friendly policies. The government is working on many more initiatives to further improve the telecom sector. Mobile Number Portability is around the corner, which will enable subscribers to change their operators while retaining their number. This will not only give more choice to customers but also lead operators to further improve their services to retain their customers. The possibility of Mobile Virtual Network Operators (MVNOs) is also being considered.

The 3G and the Broadband Wireless Access (BWA) Policy has been announced by the government recently and by next year these services will be in commercial operation. In fact, customers in Delhi will be able to get the benefit of faster 3G services for voice, data and video, which are being launched by MTNL today. I believe that 3G and Broadband Wireless Access (BWA) will give a fillip to mobile broadband penetration. So far, India's success in extending broadband has not been very satisfactory. These services were launched in January 2005 and till now we have managed a very modest penetration. I expect that hereafter 3G will become the predominant platform on which we will be able to build and deliver upon India's broadband objectives.

For urban India, 3G and BWA will offer the convenience of mobility with the rich multimedia content of the internet. But it is in

rural India that I hope to see them making an invaluable contribution. Rural India is yet to see a spurt in PC penetration and Internet access remains a dream. However, with mobile penetration fairly high even in rural India, mobile broadband through 3G & BWA is expected to deliver a much needed internet access to rural India as well.

I would like to take this opportunity to congratulate the Ministry and the industry for completing the first phase of Telecom Centres of Excellence in record time. The combined effort of the Government, industry and academia in the field of technical research and education is an excellent development. But we cannot rest on our laurels we must think about expanding frontiers of excellence as well. I have been told that in this Conference there is also a dedicated session for the "Centres of Excellence". I hope the discussions in these discussions will help in taking the initiative forward.

In the sphere of manufacturing, the ICT industry has made significant progress in the past year. Many reputed equipment and handset vendors have set up manufacturing facilities in India. I have been told that the Nokia unit in Sriperumbudur has reached the mark of 10 million handsets a month and is still growing strong, robust and expanding. For Motorola, over 50% of its mobile phone software is developed at its Bangalore and Hyderabad offices. There is still great potential for making India a truly magnificent manufacturing hub. Huge investments have been made in the current year and the same could be increased further with the entry of more manufacturers into the country.

I would also like to take this opportunity to assure all of you that our government will continue to develop forward looking policies that will encourage further growth of the telecom sector, in both the service sector as well as in the field of manufacturing. With these words, I wish the organizers and participants of the conference all the very best. I am sure that all the stakeholders in the telecom sector will benefit from the deliberations in this conference. May your path be blessed.