Jio Fiber - Benefits and Implications

What is the issue?

- Reliance Industries has recently announced the details of Jio's upcoming high-speed broadband internet service, Jio Fiber. Click here to know more
- Here is a look at the significance and implications of the new plan.

What is the significance?

- When it comes to adopting digitisation and online platforms, Indian users are already among the top globally.
- Now, Reliance Jio’s (RJio's) Jio Fiber plan could be a game-changer for the industry and consumers alike.
- The features offered are trend-setting ones and a compelling proposition for the consumers.

What could the benefits of Jio Fiber be?

- The growth in consumption of video and online content has been growing exponentially over the last 2 years.
- However, when it comes to network quality, India is well behind global benchmarks.
- Until recently, mobile operators adopted a piecemeal approach in establishing a high-speed broadband infrastructure.
- The scenario changed in 2016, after RJio launched 4G services at price points that were drastically lower than the prevailing tariffs.
- But when one billion Indians get online and start consuming data, then the existing wireless networks will not be enough to support that demand.
- In this context, RJio’s move to start offering optical fibre-based broadband service becomes extremely critical for India’s digital dreams.
- Optical fibre networks have the capability to carry much more data than a wireless network.

What could the implications be and what is the way out?

- RJio’s move will clearly disrupt many sectors, especially the media and entertainment industry, just like it did in the telecom sector.
- Post RJio’s entry into telecom, there has been a massive consolidation, with most of the remaining players struggling to survive.

- It is crucial that the regulatory authorities step in and ensure that RJio operates on a level-playing field with respect to other companies.
- E.g. RJio proposes to offer TV channels bundled with its broadband connection
- In that case, Telecom Regulatory Authority of India (TRAI) should make sure that its rules apply to this too.
- Because, it should not matter whether the medium of accessing TV channels is via satellite or through the optical fibre.
- The regulator should also ensure that RJio honours rules related to Network Neutrality.
- It should not misuse its position to influence content that does not reside on its platform.
- The Competition Commission of India should also be watchful against the creation of a monopoly, as that could be detrimental to consumers in the long term.

Source: Business Line

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