

# **National Digital Communications Policy-2018**

### Why in news?

 $n\n$ 

The Union Cabinet has recently approved the National Digital Communications Policy-2018 (NDCP-2018).

 $n\n$ 

## What is the policy for?

 $n\n$ 

\n

• The new telecom policy has been formulated in place of the existing National Telecom Policy-2012.

۱n

• It comes with a view to cater to the modern needs of the digital communications sector of India.

۱n

• Its objective is to facilitate India's effective participation in the global digital economy.

\n

• The policy aims to ensure digital sovereignty, and the objectives are to be achieved by 2022.

\n

 $n\n$ 

## What are the key features?

 $n\n$ 

\n

• The government aims to provide <u>universal broadband connectivity</u> at 50 Mbps to every citizen.

\n

• It has kept a target of providing 1 Gbps connectivity to all Gram Panchayats by 2020 and 10 Gbps by 2022.

 $\bullet$  (Right now, average broadband speeds in the country are 5-6 Mbps).  $\mbox{\ensuremath{\mbox{\sc h}}}$ 

- The policy will work towards ensuring <u>connectivity to all uncovered areas.</u>
- Measures will be taken to attract <u>investments of \$100 billion</u> in the Digital Communications Sector.

\n

• The policy includes the objective of <u>training</u> one million manpower for building New Age Skill.

۱'n

• It also aims at expanding the <u>Internet of Things</u> ecosystem to 5 billion connected devices.

\n

• Establishing a comprehensive <u>data protection regime</u> for digital communications that safeguards the privacy, autonomy and choice of individuals is also a goal.

\n

• It will thus enforce <u>accountability</u> through appropriate institutional mechanisms, to assure citizens of safe and secure digital communications infrastructure and services.

\n

 As part of the new Policy, the Telecom Commission is to be re-designated the "<u>Digital Communications Commission</u>".
\n

\n\n

#### What are the concerns in the sector?

 $n\n$ 

\n

• **Investments** - Annual investments by mobile phone companies are in the region of around \$10 billion annually, which the government aims to increase significantly.

\n

- But it is to be noted that the telecom industry is, mostly, in deep trouble.
- India's top telecom company, Bharti Airtel, features in Credit Suisse's list of stressed companies.

\n

• **Levies** - The government is ambitious in plans with 5G, IoT, M2M and other technologies.

\n

• But the policy has still not cut the very high levels of government levies in this regard.

\n

• India's levies, including the 18% GST, range from 29-32% as compared to

just an 11% VAT rate in China.

• **Spectrum prices** - There are also no significant plans in cutting high spectrum prices.

\n

- While 100% of spectrum put on auction in 2015 remained unsold due to high spectrum prices, this was as high as 59% in 2016.
- No auctions could take place in 2017 or 2018 due to telcos being cashstrapped.

۱n

- $\bullet$  Resultantly, revenues accruing to the government from the sector have fallen by around 37% in just the last two years. \n
- **Finances** The precarious finances would mean an unhealthy position in terms of repayment of bank loans.
- More worrying is the ability of telcos to make good their spectrum payment obligations from earlier auctions.
- $\bullet$  There is not much likelihood of this improving in the immediate future.
- Facilities Little progress has been made in providing right-of-way for connecting telecom towers with optic fibre.
- Neither is there a progress in coming up with a sensible policy for the critical E and V bands.

\n

- (Spectrum in E and V band can ease work of telecom operator from laying optical fiber cable, and help them in providing last mile connectivity.
- $\bullet$  Data through E and V band can be transmitted with speed of around 1,000 MB per second.)  $\mbox{\sc Nn}$
- $\bullet$  Given these, getting the telecom back on track requires a lot more work on addressing the financial and policy issues.  $\mbox{\sc h}$

\n\n

 $n\n$ 

**Source: Indian Express, Financial Express** 

 $n\n$ 

## **Quick Fact**

 $n\n$ 

## **Internet of Things (IoT)**

 $n\$ 

\n

• It is the network of physical devices, vehicles, home appliances, and other items embedded with electronics, software, sensors, actuators, and connectivity.

۱n

- This enables these things to connect, collect and exchange data.
- It creates opportunities for more direct integration of the physical world into computer-based systems, resulting in efficiency improvements, economic benefits, and reduced human exertions.

\n

