National Digital Communications Policy-2018

Why in news?

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

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What is the policy for?

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- The new telecom policy has been formulated in place of the existing National Telecom Policy-2012.
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- It comes with a view to cater to the modern needs of the digital communications sector of India.
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- Its objective is to facilitate India's effective participation in the global digital economy.
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- The policy aims to ensure digital sovereignty, and the objectives are to be achieved by 2022.
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What are the key features?

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- The government aims to provide universal broadband connectivity at 50 Mbps to every citizen.
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- It has kept a target of providing 1 Gbps connectivity to all Gram Panchayats by 2020 and 10 Gbps by 2022.
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- (Right now, average broadband speeds in the country are 5-6 Mbps).
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- The policy will work towards ensuring connectivity to all uncovered areas.
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- Measures will be taken to attract investments of $100 billion in the Digital Communications Sector.
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- The policy includes the objective of training one million manpower for building New Age Skill.
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- It also aims at expanding the Internet of Things ecosystem to 5 billion connected devices.
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- Establishing a comprehensive data protection regime for digital communications that safeguards the privacy, autonomy and choice of individuals is also a goal.
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- It will thus enforce accountability through appropriate institutional mechanisms, to assure citizens of safe and secure digital communications infrastructure and services.
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- As part of the new Policy, the Telecom Commission is to be re-designated the "Digital Communications Commission".
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What are the concerns in the sector?

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- **Investments** - Annual investments by mobile phone companies are in the region of around $10 billion annually, which the government aims to increase significantly.
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- But it is to be noted that the telecom industry is, mostly, in deep trouble.
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- India's top telecom company, Bharti Airtel, features in Credit Suisse's list of stressed companies.
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- **Levies** - The government is ambitious in plans with 5G, IoT, M2M and other technologies.
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- But the policy has still not cut the very high levels of government levies in this regard.
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- India's levies, including the 18% GST, range from 29-32% as compared to

just an 11% VAT rate in China.
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- **Spectrum prices** - There are also no significant plans in cutting high spectrum prices.
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- While 100% of spectrum put on auction in 2015 remained unsold due to high spectrum prices, this was as high as 59% in 2016.
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- No auctions could take place in 2017 or 2018 due to telcos being cash-strapped.
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- Resultantly, revenues accruing to the government from the sector have fallen by around 37% in just the last two years.
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- **Finances** - The precarious finances would mean an unhealthy position in terms of repayment of bank loans.
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- More worrying is the ability of telcos to make good their spectrum payment obligations from earlier auctions.
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- There is not much likelihood of this improving in the immediate future.
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- **Facilities** - Little progress has been made in providing right-of-way for connecting telecom towers with optic fibre.
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- Neither is there a progress in coming up with a sensible policy for the critical E and V bands.
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- (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.
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- Data through E and V band can be transmitted with speed of around 1,000 MB per second.)
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- Given these, getting the telecom back on track requires a lot more work on addressing the financial and policy issues.
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Source: Indian Express, Financial Express

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Quick Fact

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Internet of Things (IoT)

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- It is the network of physical devices, vehicles, home appliances, and other items embedded with electronics, software, sensors, actuators, and connectivity.
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- This enables these things to connect, collect and exchange data.
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- 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.
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