



# Spectrum for Digital Communications Sector

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# Idle Spectrum Cost in terms of Connectivity – 21% of the Population

- More than 1300 MHz of radio spectrum have remained unsold in October 2016 auctions – the latest one.
- Spectrum not been put to use results in an unrealized potential.
- Even taking all the six e-auctions held since 2010 together, only about 60% has been sold.
- Adopting a conservative approach, India had 762 million active mobile connections in 2016 served by over 3800 MHz of spectrum allocated to licensees.
- This indicates that the idle spectrum of 1300 MHz could enable connectivity for roughly 278 million additional active connections.

**278 million active connections correspond to 21% of the total Indian population.**

## Idle Spectrum Cost in terms of % of GDP – 3.95%

- As per ICRIER economic impact study, a 10% increase in tele-density leads to an increase of 1.9% in GDP.
- A 21% loss in tele-density would mean a loss of 3.95% in GDP.
- The socio-economic relevance of the technology and of such a figure is significant, especially for developing nations such as India.
- This estimated increase in national GDP is over and above the increase that accrues to the national exchequer in exchange for the rights to use radio spectrum.

## Idle Spectrum Estimated Economic Loss - INR 5.4 lakh crores

- Estimated cost of unsold spectrum approximately **INR 5.4 lakh crores loss in GDP** (3.95% of FY17 GDP) on a conservative basis

Item	Amount
Tele-density gain as a percentage of total population	21%
Economic Impact of spectrum lost as a % of GDP (FY17)	3.95%
Economic value loss when applied to GDP	₹ 5.4 lakh Crores

- Over 160% of the financial benefit of Rs 3.30 lakh crores from all spectrum auctions so far

Year	Band	Final Bid Amount (INR crores)
May 2010	3G & BWA	76,664*
November 2012	800 MHz & 1800 MHz	9,642
March 2013	900 MHz & 1800 MHz	4,114
February 2014	900 MHz & 1800 MHz	61,162
February 2015	800 MHz, 900 MHz, 1800 MHz, 2100 MHz	113,932
October 2016	700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz	64,809
<b>Total</b>		<b>3.3 Lakh Crores</b>

\* BSNL and MTNL Bid Amount is not included

# Thank You

