

Telecom Equipment Industry Current Status And Outlook In Coming Years



KK Raman

Telecom equipment refers to technologies that facilitates peoples' communication. The products include wireless and fixed line infrastructure equipment, cell phones, modems, routers, and switches. This product range will grow with NB IoT projects which will come up in next few years. NB IoT would cover smart metering, smart lighting, smart parking, location tracker, security and surveillance, automotive applications, sensors monitoring, assets tracking, and platform for managing the IoT connectivity. NB IoT market is expected to be USD 1.7 trillion by 2020. This is expected to be driven mainly by enterprise segment. Telecom equipment industry depends on procurement by telecom industry comprising of telcos, cable companies, datacom providers, and TV and radio broadcasters. The telecom equipment industry is going through intense competition and lacks pricing power. Since telecom industry has not been in good health, the equipment industry is also facing challenges.

The government is aggressively working toward adopting new technologies and making India a world leader in digitalization. This is opening new opportunities not just for us but for the industry as a whole.

5G is going to be a game changer for the same. With the advent of this technology, people at large shall be doing things differently which we cannot imagine right now. As such growth in the telecom sector is certain. This should settle down the turmoil in the telecom sector which we are witnessing now and telecom equipment industry also will have a reasonable share to survive in the market. It is estimated that the telecom equipment market will grow at a CAGR of 10 percent to reach ₹188,700 Crores by 2020.

There are a number of telecom applications coming up

for digital policing and public safety. These again provide opportunities for new telecom products to be designed and manufactured in India. Telecom software area has a lot of potential for development and growth. The opportunities seem to be limitless!

Government Initiatives. The Government of India is providing support in a number of ways for local production of telecom equipment. Member Telecom Commission will be monitoring telecom manufacturing. Telecom equipment are to be categorized as fully finished imported products and indigenous products. The indigenous products are further subdivided into *Made in India* products, *Designed in India* products, and *Designed and Made in India* products.

Net zero import of telecom equipment is envisaged by government from 2022 onwards.

Number of funds are being set up for telecom –Telecom R&D Fund (TRDF) with ₹1000 crore Corpus, Telecom Entrepreneurship Promotion Fund (TEPF), and Telecom Manufacturing Promotion Fund(TMPF).

Also Telecom Equipment Development Board (TEBD) has been set up with its role for innovation, R&D, testing, and certification, and manufacturing.

Government has decided to set up telecom technology and system design labs in universities and technology Institutes. And very importantly, a portal for loading and declaration of Standard and Essential Patents (SEPs) has been recommended to be set up to improve IPR situation and reduce royalty/license fees for manufacturers through cross licensing of SEPs. Also recently, government has increased import duty on several telecom products from 10 percent to 20 percent to discourage imports and promote local production of the same. The world business scenario with trade war between the USA and China also offers opportunity for India to provide a friendly manufacturing base for foreign telecom companies in India.

In conclusion, telecom equipment industry is poised for growth in the coming years with the advent of 5G and a basketful of new applications coming with it, and the government shows its support in various ways by promoting indigenous design and production of telecom products for local use as well as for export.

Savitri Telecom is looking ahead to grab the upcoming opportunities in a big way with strength of manufacturing of products, service support for monitoring of health of the networks through its renowned OEM partners, and also in all related fields. ●

The author is Sr. VP-Corporate Affairs & Advisor to CMD, Savitri Telecom Services