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Starlink can generate positive spin-offs

Telco-satcom tie-ups will help provide high-speed internet to remote areas where fibre and mobile networks are unviable

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While India has made remarkable progress in its overall digital journey, on closer examination, one notes a deep digital divide or gap between urban and rural India. And this has not improved since the last 4-5 years. Considerable challenges have been faced in rolling out terrestrial networks of fibre and towers to the remote and difficult-to-access areas. However, the announcement a few days back, of two major Indian telcos tying up with Elon Musk's Starlink, has created a buzz.

While this now only involves Starlink and two telcos, other satcom players and telcos are bound to take similar action, and soon we can hope to have a seamless, fully interconnected and intermeshed network of satellite players and telcos in India.

Earlier, Indian telcos viewed satellite players as rivals and intruders and were antagonistic. However, after having struggled for decades to bridge the digital divide, they have apparently realised that no single technology can address this complex problem. Forging partnerships with satcom to complement their existing terrestrial networks, the telcos have adopted a collaborative approach to offer high-speed internet to areas where fibre and mobile networks are unviable. This is a golden example of 'coopetition'-that is, collaborating with a competitor to grow the market healthily.

The collaboration between telcos and satcoms can work on multiple fronts, including: (1) backhaul support: telcos can use satcom links to provide backhaul for mobile towers in remote areas where fibre deployment is costly and impractical; (ii) direct-to-home connectivity: satcom can directly serve the rural households that are able to afford it and Gram Panchayat locations; and (iii) agriculture, schools, government services, healthcare centres and businesses: the partnership can enable the much needed net-connectivity for agriculture, telemedicine/healthcare, schools, businesses and digital governance initiatives in remote regions.

By integrating satellite broadband into the broader internet ecosystem, the telcos and satcom players can provide uninterrupted nation-wide coverage.

REGULATORY SUPPORT

Much has happened through several government initiatives over the last 2-3 years to transform Indian satcom. The IN-SPACe programmes, spectrum clarity from Telecommunications Act 2023, satcom reforms from DoT, etc., have turbo-charged satcom sentiments. While these have facilitated the latest developments, a couple of important actions are still awaited.

First, details of administrative pricing are most important and, needless to say, these should be kept at the lowest possible nominal levels since the objective is to connect the unconnected and enhance inclusive economic development of the nation.

Second, there may be actions needed to include satellite broadband in all satcom licences. And, third, government support through subsidies or the Digital Bharat Nidhi (DBN) programme is necessary to cover the cost for any dish or installation. After all, ₹50,000-60,000 crore was incurred through USOF programmes to connect the unconnected using terrestrial networks. Of the digitally unconnected/

underserved mass of approximately 700 million, the addressable market with some government subsidies would be at least 400 million people. Assuming an ARPU (Average Revenue Per User) of only 300 per month, the size of the market could be around 1.44 lakh crore. Consumers would, of course, be the primary beneficiaries from the net-connectivity achieved. The government would benefit from the inflow of corporate income taxes and GST from this market. Obviously, both satcom and telecom would share the new market. A clear win-win for all stakeholders.

India's latest initiative on creating a telco-satcom continuum could serve as a model for other developing nations facing similar connectivity challenges. By facilitating the latest initiative, India is demonstrating how innovation, collaboration and competition can come together to drive inclusive digital growth. The future of connectivity lies not in specialised segments but in synergy. Going forward, the interconnected mesh network should also include complementary PM WANI Public WiFi networks.

The writer is President, Broadband India Forum. Views are personal