

India's Government sets the base price for the 3G auction

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By Cantab Wireless

The saga of the Indian 3G auction has nudged a little bit forward, since on Thursday 27th of August the Indian Government announced the base price for 3G licences. The starting price for bids will be about 38 billion rupees (USD 780 million). For this amount of money a lucky operator may get 5 MHz of paired spectrum. There are four licences for auction in most regions, plus one licence which is already given to state-owned operators; either to BSNL or to MTNL, depending on the region.

For the BWA (read WiMAX) auction the base price will be less than half of the 3G base price; that is, 17 billion rupees (USD 350 million). BWA licences also come with a wider spectrum band (20 MHz), although this is unpaired spectrum. There will be three BWA licences available per region. Lastly, there will also be a single CDMA-2000 EDVO license to be auctioned with a base price of 8.75 billion rupees. However, this license will come with only 2*1.25 MHz of spectrum.

The announcement of the base price is promising since this has been one of the main reasons for the delay in the auction process. The Department of Telecommunications has been promoting a quick auction process, whereas the Finance Ministry has been after a higher base price (and possibly also delaying the process in the hope that bids would be higher in the post-recession world).