

India's 3G auction expected to happen soon... but do not hold your breath

Cambridge, 30th of June, 2009
By Cantab Wireless

India's 3G auction has been delayed repeatedly and the latest blocking issue has been a disagreement on the minimum licence price. In early 2009 the Finance Ministry asked for a doubling of the original minimum price and the decision has been delayed since then, no doubt partly because of the general election in India.

The issue with the minimum price is still unsolved but now the Department of Telecommunications has indicated that once the government has made its decision, the auction can take place within three to four months. The auctioneer has been given a 72-day schedule to conduct the auction following the price-decision. However, it is good to remember that there has already been a long list of 'definite' deadlines in the history of India's 3G auction, none of which has held.

Moreover, it may well be that foreign operators will not participate in the auction since each licence will come with 5 MHz of bandwidth only. In practice this means only one frequency carrier and it is very difficult to deploy an operational mobile phone network with such limited resources. Therefore this auction seems to favour the existing Indian mobile phone operators who can additionally exploit their 2G spectrum resources.

Note that India's 3G and BWA auctions are part of the same process and the BWA auction is to be held immediately after the 3G auction.