

'A comprehensive telecom policy is needed soon'



Virgo group managing director K Monga says the country has to harness advanced telecom technology if it is not to be left out in the cold. Speaking to O P Sabherwal, the collaborator and partner of Fujitsu in optic fibre and digital systems projects for Indian telephones suggests that DoT should play a regulatory rather than a operational role.

■ What is the telecom scene in India?

The marvels of science and technology continue to expand the horizons of the telecom sector. In India, however, telecommunications overwhelmingly mean just telephones. Here there is a vast — almost oceanic — void to be filled.

With a population of 890 million, there are in hand 6 million lines giving a density of one telephone for every 150 whereas the world average is 1 per 5. Moreover, the waiting list is of three million. Development has been slow and sluggish mainly due to two factors — government controls and lack of resources. In the past five years, however, there has been faster movement when approximately 40 per cent more lines were added, mostly of electronic types. Thus, the present capacity has 20 per cent electronic lines.

Yet the country has to go very far. DoT estimate is that the demand by the year 2000 will be of 40 million lines. This estimate is also supported by a World Bank study. How is this gigantic task to be achieved? An integrated telecom policy is needed but the government has still to come out with such a policy statement.

■ What are the developments in the realm of digital systems and the inducting of relevant technologies?

The telecommunication ministry has approved the installation of three digital telephone systems after validating their equipment. These are Ericsson, Fujitsu and Siemens and allocated lines on which their respective systems are to be installed. All these three companies have taken steps to set up their factories in India to produce the latest electronics digital switching systems (EDSS). Fujitsu and Siemens are going a step further and are putting up transmission equipment manufacturing facilities also. This would enable installing microwave equipment in the range of 2.6 and 7GHz thus providing the total backbone of the latest technology for an efficient communication system. Recently, Alcatel has agreed to give their latest OCB 283 technology to ITI.

A further development is that Optel, belonging to the Madhya Pradesh government, has signed a joint venture with Fujitsu to produce state-of-the-art transmission equipment based on fibre optics. This project has already received the approval of government and will produce high-speed communication

hierarchy (SDH), which is the latest anywhere in the world.

MTNL has made a start with a trial of voice-mail boxes; the induction of this new technology will also provide fax mailboxes which are now very common in advanced countries. High-speed data service will thus be available for business houses. Leased lines for data circuits, one expects, can be provided from 64 Kbps through 2 Mbps.

■ Despite these welcome developments, the question arises whether we are becoming totally dependent on multinationals? What happens to indigenous technological development and what impact does this have on the economy as a whole?

There is no escape from the fact that technology is developing at a very fast

advanced technology, we will be left behind once again. As things stand at present, India is developing technological skill in collaboration with telecom giants such as Fujitsu, Seimens, Ericsson and Alcatel as also creating manufacturing capacities by setting up factories for digital switching equipment and transmission equipment of the most advanced type. Thus, indigenous capability is simultaneously being created.

The new technology involving fibre optics will not only reduce the ultimate cost to the subscriber but will also allow him to use all facilities that are available anywhere in the world. Data transmission, electronic mail, broadband networking etc. will become routine in the years to come if these advanced technologies are properly utilised.

great benefit to the economy as a whole. Moreover, every step in creating capacities based on advanced technologies simultaneously imparts benefits to downstream units and greater employment. A World Bank study informs that every phone line added in the infrastructure of a country helps to increase the GDP substantially.

There is also another bonanza which advanced technology brings, namely efficiency, cutting down waste and losses in telephone operation. While the estimate of 40 million lines by the end of this century is correct, the presumptions are on the present style of usage where more telephones are installed than needed in order to safeguard against failures and low effectivity. Once the quality of service is upgraded, many additional

and business houses will become redundant, enabling a great saving. All these vast and important advances cannot be made without collaborating with the sophisticated telecom giants, call them multinationals or by any other name. Here, enlightened self-interest has to prevail on both sides. It is, however, for the policy makers to go in for the best and most advanced and appropriate technologies. Moreover, where there is abundance of such technologies available, competitive advantages can be sought by the policy-makers which I feel they have, by and large, been doing in the case of digital switching systems.

■ As you have stated, the tasks ahead are gigantic. Where will the resources come from?

There are huge untapped resources in the country. These are, of course, with the private sector and the public at large. DoT should continue to be a regulatory authority only so as to ensure that the latest technology is brought in. Liberalisation has brought in many international companies on the scene and DoT was instrumental in selecting the technologies for the switching equipment as well as transmission.

There will, thus, be diversification: DoT holding the reins of regulatory and policy direction and private institutions doing the industrial and operational work. DoT, therefore, will be able to conserve its resources for key sectors and functions. There is a lot for DoT to learn from the latest developments in technology and to frame their rules to regulate the emerging scenario; this will keep all their technical officers busy.

Meanwhile, DoT can raise huge resources by selling out its assets to private companies or joint ventures but ensuring at the same time that the labour employed would be along perceived lines so that government funds can be utilised in other infrastructure development. But approach to privatisation should be to allow the companies to operate on a state-wise basis and not citywise.

For all this to be undertaken smoothly in a phased manner, it is necessary that the government comes forth with a comprehensive telecom policy. This has been pending for two years. Currently, most of the foreign companies are talking of a parallel sort of operation alongwith DoT so that they can use the facilities of DoT at nominal cost without taking over the employees of DoT. This would