



**Decoding National Digital Communications Policy
(NDCP) 2018**

November 2018

Introduction

The Union Cabinet on 26 September 2018 approved the National Digital Communications Policy-2018 (NDCP) which replaces the National Telecom Policy 2012.

The policy envisions India's transition to a digitally empowered economy and society, through the establishment of ubiquitous, resilient and affordable digital communication infrastructure and services. It seeks to unlock the transformative power of digital communication networks and attempts to outline a set of goals, initiatives, strategies and intended policy outcomes.

The policy impacts a number of stakeholders viz. the Centre, the states, local governments and agencies, telecom service providers, internet service providers, infrastructure providers, handset and equipment manufacturers, the academic community, innovators and start-ups, who will all have to come together to form a coalition to deliver the national policy and its mission.

The strategic objectives which the policy aims to accomplish by 2022 are:

- Ensuring access to broadband for all;
- Creating four million additional jobs in the digital communication sector;
- Enhancing the contribution of the digital communication sector to 8% of India's GDP;
- Propelling India to the top 50 nations in the ICT¹ Development Index of ITU²;
- Enhancing India's contribution to global value chains; and
- Ensuring digital sovereignty.

Key highlights

- Universal broadband connectivity at 50 Mbps for every citizen;
- 1 Gbps connectivity to all Gram Panchayats by 2020 and 10 Gbps by 2022;
- Enable 100 Mbps broadband-on-demand for all key development institutions;
- Ensure connectivity to all uncovered areas;
- Attract investments of US\$ 100 billion in the digital communications sector;
- Train manpower for building new age skills;
- Create innovation led start-ups in digital communications sector;
- Create globally recognised IPRs in India;
- Expand the IoT³ ecosystem to 5 billion connected devices;
- Establish a comprehensive data protection regime for digital communications that safeguards the privacy, autonomy and choice of individuals and to facilitate India's effective participation in the global digital economy;
- Enforce accountability through appropriate institutional mechanisms to assure citizens of safe and secure digital communication infrastructure and services.

¹ Information and communication technologies

² International Telecommunication Union

³ Internet of Things

The policy also advocates for establishment of a National Digital Grid by creating a National Fibre Authority; establishing common service ducts and utility corridors in all new city and highway road projects; creating a collaborative institutional mechanism among Centre, states and local bodies; standardisation of costs and timelines; removal of barriers to approvals; and facilitating development of open access next generation networks.

The policy recognises the importance of continued improvement in the regulatory framework for attracting investments and ensuring fair competition. Additionally, the policy aims to remove regulatory barriers and reduce the regulatory burden that hamper investment, innovation and consumer interest.

Policy overview

In order to achieve its objectives by 2022, the policy has outlined three missions:

- **Connect India** [creating robust digital communication infrastructure];
- **Propel India** [enabling next generation technologies and services through investments, innovation and IPR generation];
- **Secure India** [ensuring sovereignty, safety and security of digital communications].

Connect India

Objective of this mission is to create robust digital communication infrastructure. Through this mission, the policy aims to promote broadband and connectivity for all while ensuring service quality and environmental sustainability.

For this, the policy focuses on implementing collaborative models to improve infrastructure sharing among public, local and private entities for increasing the access to fibre optic cables in municipalities, rural areas and national highways. The endeavour is to encourage investment in broadband infrastructure through fiscal incentives, including accelerated depreciation and tax incentives.

The policy further aims to create a National Fibre Authority, implement collaborative mechanism among the Centre, states and local bodies and facilitate development of open access next generation networks.

There are also incentives and exemptions proposed for the construction of mobile tower infrastructure. The policy seeks to facilitate efficient spectrum utilisation and its availability for the new broadband era. The policy also focuses on review of levies such as license fees and spectrum usage charges.

Furthermore, the policy proposes to revise licensing and regulatory conditions that limit the use of satellite communications, simplify compliance requirements for VSAT operators and expand scope of permissible services for the effective utilisation of high throughput satellite systems. It also lays emphasis on streamlining administrative processes for assignment, allocations, clearances and permissions related to satellite communication systems; promoting local manufacturing and development of satellite communications related infrastructure; and promoting participation of private players.

Additionally, the policy aims to incentivise the use of renewable energy technologies in the communication sector and promote research and development (R&D) in this area.

Propel India

The objective of this mission is to harness the power of emerging digital technologies such as 5G, Artificial Intelligence, IoT, Cloud and Big Data by promoting investments, innovation and IPR generation.

The policy accords “telecom” the status of critical and essential infrastructure to enable low cost financing for development of communication infrastructure. It intends to reform the licencing and regulatory regime and simplify compliance requirements to catalyse investments and innovation, and promote Ease of Doing Business in India.

A holistic and harmonised approach is proposed for harnessing emerging technologies and their use in the communication sector through the following strategies:

- Earmarking adequate licensed and unlicensed spectrum;
- Developing a policy framework for 'Over The Top' services;
- Enabling high-speed internet, IoT and M2M⁴ by rollout of 5G technologies;
- Allocating 13-digit numbers for all M2M mobile connections;
- Evolving regulatory frameworks and incentives for promoting the establishment of international data centres, content delivery networks and independent interconnect exchanges in India.

There is a focus on promoting R&D in digital communication technologies by simplifying approvals and processes for R&D procurements/imports and the process of obtaining experimental licences.

The policy also gives importance to the promotion of Indian IPRs; seeks to review the legal regime; and provide financial incentives for Standard Essential Patents in the field of digital communication technologies.

It aims at reducing the entry barriers for start-ups especially for new and innovative segments and services.

Additionally, the policy focuses on promoting local manufacturing of equipment in digital communication technologies by:

- Rationalising taxes, levies and differential duties;
- Attracting and incentivising global OEMs and generic component players to set-up manufacturing base in India;
- Preferring domestic products and services with domestically owned IPR in the procurement by government agencies and incentivising private operators to buy domestic telecom products.

⁴ Machine to Machine

Secure India

The objective of this mission is to secure the interests of citizens and safeguard the digital sovereignty of India with a focus on ensuring individual autonomy and choice, data ownership, privacy and security, while recognising data as a crucial economic resource.

The key strategies for ensuring sovereignty, safety and security of digital communications are to:

- Establish a strong, flexible and robust data protection regime;
- Introduce appropriate disclosure and transparency requirements to ensure compliance with net neutrality principles;
- Address security issues of digital communications and develop security standards for equipment and devices;
- Formulate a policy on encryption and data retention;
- Develop a comprehensive plan for network preparedness, disaster response relief, restoration and reconstruction.

Summary

A robust, competitive landscape, which ensures availability of new communication technologies, services and applications, is imperative for the growth of GDP, productivity and creation of new jobs in the economy. The initiative to connect India and provide broadband connectivity to all citizens will significantly strengthen India's social economic progress. The policy will hugely boost the Digital India objectives and encourage innovation in India.

Expanding the connectivity to all uncovered areas would mean expansion of the market segments for variety of products and services. This would encourage further innovation.

The policy focuses on creating a roadmap for emerging technologies such as 5G, Artificial Intelligence, Robotics, Internet of Things, Cloud Computing and M2M by simplifying licensing and regulatory frameworks and ensuring appropriate security frameworks. Experiments with new technologies are unable to gain momentum because of the regulatory hurdles for operating in India. The policy seeks to remove regulatory challenges and create attractive investment opportunities in new technology segments and stimulate the deployment of new technologies in India.

The policy supports the growth of telecom sector in India which has constantly been in financial crisis. The implementation of the policy will unleash multiple opportunities for telecom service providers, internet service providers, infrastructure providers, handset and equipment manufacturers, satellite communication providers, academic community, the innovators and start-ups.

The implementation of strategies outlined in the policy shall promote investment in various industry sectors including telecom, R&D, manufacturing, data centres. Accelerating the deployment of robotics, IoT and other similar technologies will lead to efficiency gains and better decision making through data analytics.

While the policy is a welcome move, overall success however shall depend on its execution and implementation.



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