

## HMI Assignment 5

Q) Discuss about the telcom war in between operators in India.

→ Reliance Jio vs Airtel vs Vodafone Idea: The telecom war between 3 of the largest telecom companies in India to garner as many subscribers as possible, is continuing apace. It is clear that this is an unequal struggle and that Vodafone Idea is truly on the back foot, bleeding subscribers in a constant manner, while Reliance Jio is getting bigger even as Bharti Airtel is putting up a fierce fight.

In its ~~latest~~ report, Telecom Regulatory Authority of India (TRAI) has revealed that India's largest telecom operator Reliance Jio continues to lead the market in mobile subscriber additions as it gained 4.7 million users in April 2021. The next best performance was by Bharti Airtel, which just about stayed in the green zone, managing to add 0.51 million mobile subscribers. On the other hand, Vodafone Idea was firmly in the red as it lost as many as 1.8 million customers.

However, All sympathies do not lie with the telcos. Prior to the Jio's entrance, the telcos enjoyed a period where they charged customers exorbitantly. This was the main reason why Jio already had their stage set in 2016. Their offer of charge-free services to customers enabled them to immediately gobble up a section of the market share.

The telecom industry has forced its players to adapt



to ~~raising~~ <sup>raising</sup> funds from foreign investors in exchange for a stake in the company.

To reduce the burden on the telecom industry the existing players have requested the telecom secretary to provide the ~~5G~~ 5G spectrum free of cost to existing players in an attempt to rescue the industry. The government can also ensure that cartels are not formed and players survive by benefitting the customers.

This can be done by providing 5G spectrum in exchange for the telcos agreeing to adhere to both floor pricing and price ceiling. By doing this the telecom industry will be provided some relief through ~~5G~~ 5G spectrum allocation as requested by telcos. The floor prices and price ceiling will ensure healthy competition and limit any adverse impacts on consumers.