

# India says will start 3G auction in January

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An Indian vendor uses her mobile phone to take customers orders at a wholesale market on the outskirts of Hyderabad in April 2009. India said Saturday a long-delayed auction of radio bandwidth for third generation (3G) telecommunications services will start in January and will be open to foreign firms.

India said Saturday a long-delayed auction of radio bandwidth for third generation (3G) telecommunications services will start in January and will be open to foreign companies.

The auction will start January 14, 2010 with bids to be submitted by December 21, the Department of Telecommunications said in an announcement posted on its website, adding that the time schedule could be revised.

The auction of 3G [radio spectrum](#) for mobile services will put India's

cellular market -- the fastest growing in the world -- on track for a new level of wireless telephony, experts say.

The government has said it aims to raise 250 billion rupees (5.38 billion dollars) from the sale of 3G bandwidth that would allow [high-speed Internet](#), video downloads and other sophisticated media services on cellular telephones.

The government hopes to use the money raised from the auction to help plug a yawning fiscal deficit.

"The government of India is keen that potential new entrants to the Indian telecommunications sector, as well as existing operators, should be encouraged to take part in the auctions," the ministry statement said.

"Interested foreign entities are allowed to participate in the auctions directly and apply for licences subsequently."

Non-Indian players will have to find Indian partners as India caps foreign ownership in telecommunication companies at 74 percent.

India has said it aims to sell four 3G licences and three broadband wireless access licences in 20 of the 22 telecom zones. It does not have available spectrum to auction in the other two zones.

The government had originally raised prospects of a 3G auction late last year.

A ministerial panel in the meantime has nearly doubled the reserve price for pan-India spectrum to 35 billion rupees from 20.2 billion rupees.

Some mobile operators have criticised the price as too high in light of the global economic slowdown which has made it tougher for global

companies to raise funds to roll out [3G services](#).

India is hoping to draw wide interest in the auction of spectrum for its mobile market which is adding more than 10 million users a month, thanks to some of the world's cheapest calling rates.

The announcement of the sale comes as the ministry faces questions over the sale of telecom licences to domestic players last year.

Government investigators raided the ministry Thursday and Friday as part of a probe into alleged "serious irregularities" involving the sale of the licences.

Some of the companies which won licences later drew investment from major foreign investors.

The Central Bureau of Investigation alleged in a statement "a criminal conspiracy between certain officials" of the ministry and "private persons/companies and others in order to award licences to these companies."

The agency said it registered criminal cases against unnamed officials working in the department and company executives for conspiring to keep licence prices down.

Telecom Minister A. Raja has denied any "irregularities" in the awarding of the licences and has rejected opposition calls for his resignation.

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