

Indian cabinet approves mobile radiowaves auction

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India's cabinet has approved an auction of mobile phone radiowaves, hoping to scoop \$85bn

The government of Indian Prime Minister Narendra Modi Wednesday approved a mega auction of mobile phone radiowaves, hoping to scoop about \$85 billion from the sale of licenses in the world's second-largest market.

The new mobile radiowave spectrums on auction are seen as crucial for

companies competing in the lucrative but cut-throat Indian market of a billion [mobile subscribers](#).

"This may be the largest ever auction in the history of the country," said Finance Minister Arun Jaitley at a press conference.

More than 2,300 mhz of spectrum would be available for auction across seven bandwidths and based on their reserve price, the government is looking to mop up \$85 billion against the \$17.6 billion received last year.

But a decision on spectrum usage charges, which has divided stakeholders, was deferred with the matter being referred to the telecom watchdog.

Telecom bodies have expressed concerns over a possible move to collect licence fee and spectrum usage charges on revenues earned from trading airwaves, saying it would amount to double taxation.

The battle for spectrum among India's top eight mobile phone carriers, including market leaders Vodafone, Bharti Airtel and Idea, has been fierce with each vying to roll out high-speed broadband services.



Arun Jaitley says the sale of mobile phone licenses may be India's largest ever auction

The [auction](#) will hand the right-wing government much-needed revenue as it attempts to reform the economy.

India is the world's second-largest [mobile phone](#) market by users after China.

The government also said Wednesday it had put in place a special financial package for the textile and apparel sector, a move aimed at helping to reboot an economy beset by legal barriers and regulatory excesses.

The government hopes the step will lead to a cumulative increase of \$30 billion in exports and an investment of \$11 billion over the next three years, the government said in a statement.

On Monday, the [government](#) announced sweeping reforms to expand foreign investment across nine sectors, including defence and civil aviation, to accelerate job creation and manufacturing.

Modi stormed to power in 2014, promising an overhaul of the faltering economy. Growth is now chugging along at 7.9 percent, the fastest of any major economy.

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