

# 3G rollout may ring in bonanza for IT firms

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NEW DELHI

**W**HILE the impact of third generation (3G) mobile telecom on users will be huge, what might be immediately less visible is the impact on businesses of IT companies. With the announcement of 3G policy by the government this month, IT players are expecting a bonanza. Small and medium enterprises expect a slew of application and software development contracts from operators, hardware vendors and mobile value-added service providers. IT companies could see their telecom vertical revenues, about \$4 billion at present, increase by at least 10% with the 3G rollout.

India has one of the largest mobile phone population with around 300 million phones in the country. About five million subscribers in the country already possess phones with 3G capability and even chip design companies are expected to benefit with 3G handset sales.

Says Texas Instruments (TI) India Wireless Business Development director Jithu Niruthambath, "As a semiconductor company, our customers are network suppliers (like Ericsson, Nokia Siemens, Huawei) and handset suppliers (like Nokia, SEMC, Motorola). 3G will result in new network equipment deployment and handset sales. With a strong presence in both areas we foresee a significant impact of 3G on our revenues." TI works on Digital Signal Processor (DSP) solutions, application processors, power management solutions which are embedded in handsets.

IT companies, which develop software for mobile value-added service, expect at least a 20% incremental rise in revenues. "3G will enable high speed, real time multi player gaming on the mobile phone. We expect a 20% increase in the next 12 months through 3G. But the big growth will come in 2009. Overall, revenues from the telecom vertical for Indian IT industry may increase by at least 10% due to

3G rollout," said Nitish Mittersain, CEO of Nazara Technologies, which develops mobile games and content for mobile phones. Nazara Technologies customers include T-Mobile, Bharti Airtel and Tata Tele.

Telecom software companies which have deployed their solutions for global operators plan to deploy the same in India as well. "From a 3G perspective, we have worked with operators like TNZ (Telecom New Zealand), Hutch Indonesia, Vibo Taiwan, O2. We have also worked with players in the US and Middle East in development of heavy data consumption services which are typical to 3G networks. We plan to replicate the same in India too," says a spokesperson of CanvasM, a joint venture between TechMahindra and Motorola.

But some technology companies say that India should directly jump to LTE (Long Term Evolution), a technology more advanced than 3G. "India should leapfrog beyond plain 3G to High Speed Packet Access (HSPA), a collection of mobile telephony protocols or LTE. This will help us get to a high bandwidth path straight-away. It will be a little early to predict the exact numbers due to 3G but a lot will depend on the rate of adaptation to this service by consumers," says Dr G Venkatesh, executive director & corporate CTO,

Sasken Communication Technologies, which works on 3G/4G technologies in all the three verticals—semiconductor, handsets and networks.

The government plans to rake in Rs 30,000 crore from 3G spectrum auction. MNCs also don't want to be left far behind to cash in on 3G. "We have partnerships with operators like BSNL, Bharti, Vodafone and are talking to some operators regarding development of a platform to roll out 3G services. We see a lot of revenues coming from areas like VOIP, corporate virtual PBX, social networking IPTV and quadplay (convergence of internet, mobile, TV and computer)," adds Oracle Communications GM Bhaskar Gorti.



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