

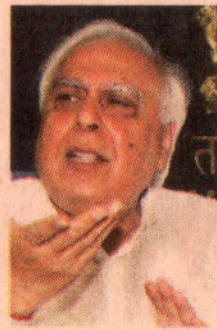
It's time for industry to consolidate: Sibal

New Delhi, Sep 6: Telecom minister Kapil Sibal on Tuesday warned that growth of the telecom industry would be hurt if companies did not align their profit-making motives with the national interest and such a scenario could lead to over-regulation of the sector. He also stressed on the need for consolidation in the telecom sector.

"If national interest is on one platform and you are on a profit-making platform, nothing is going to work. If the growth does not benefit the country, then there will be regulations," Sibal said while speaking at an international workshop on regulatory frameworks, organised by tele-

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telecom minister



com sector regulator Trai.

He emphasised that regulation was required to prevent the abuse of existing facilities, but over-regulation would hurt growth. "If it is an over-regulated environment, then you can not get

growth. If it's under-regulated, then you get abused. So deciding on an optimal level is a challenge," Sibal said.

At the same time, Sibal also asked the telecom companies to collaborate with each other and favoured sharing of spectrum

between various players. "It's time for us to consolidate industry. We can't afford 12-13 players in a circle. I think spectrum can be shared and I don't think there is a need for over-regulation for this," he said.

Sibal had earlier also asked the telecom companies to work together for future growth of the sector, rather than engage in corporate rivalry. "There should be corporate collaboration, not corporate rivalry," he said at an event in March.

Sibal had said in July that corporate rivalry was hurting the sector. "Because the industry is at war with itself and because they are trying to destroy each other, the consequences are that we are destroying the hen that

lays the golden eggs," he said.

On Tuesday, Sibal said a larger share of the available spectrum in the country should be given to telecom players for better delivery of services.

However, he didn't favour spectrum trading at the initial level. Sibal also appealed to telecom industry players to share their profits with the domestic equipment manufacturing sector. "For you to be successful, the industry has to be successful. Industry can't be successful if 90% of the components of manufactured products are imported," he said.

Sibal said promoting indigenous manufacturing industry is in the long-term interest of foreign entrepreneurs as well. *PTI*