



Question(s): 4/3

New Delhi, 9-12 August 2022

CONTRIBUTION

Source: ITU-APT Foundation of India (IAFI)

Title: Proposal for a new technical Report or Recommendation on “Assessment of Economic impact of unlicensed Local Area Networks on consumers in Asia and Oceania”

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Abstract:

ITU-APT Foundation of India is proposing SG3RG-AO to start a new technical report or a Recommendation to assess the economic impact of unlicensed local area networks on consumers in Asian and Oceanic countries. The study is intended to complement the existing literature on unlicensed spectrum its socio-economic benefits. World Bank has estimated that a 10 percent increase in broadband penetration increases a country’s Gross Domestic Product (GDP) by 1 percent. Un-licensed Wi-Fi and other such technologies have empowered people and communities through economic opportunities in under developed and developing areas where internet connectivity and speed is poor and unaffordable. Studies conducted in India have confirmed that Wi-Fi penetration has a direct correlation with consumer surplus leading to economic growth and even creates new employment and income opportunities.

A recent global study commissioned by the Wi-Fi Alliance predicts that the global economic value of Wi-Fi will rise to a staggering US \$4.9 Trillion by 2025. This economic value includes contributions from the use of Wi-Fi by consumers, businesses, service providers, and more. With the increasing internet adoption and penetration and Asia’s high population density, the unlicensed Wi-Fi can further appreciate the economic value with associated economies of scale, increased productivity and efficiency. Moreover, doing away with the need for license to leverage spectrum bands eases entry and reduces operational costs, thus potentially allowing smaller service providers to offer consumers with cheaper and innovative products and services.

ITU-T Question 4/3 covers the work of the Regional Tariff Groups. Although they are part of Study Group 3's work programme, these regional groups are free to organize their own work and undertake studies appropriate to their region. However, in doing so, some coordination may be beneficial in order to exchange experience between regions. In studying this Question, special explicit consideration should be given to the needs of developing countries. In this context, the following topics should be included, in addition of course to the topics listed under Questions 1/3 through 12/3:

- 1) regional cost study and improvement of cost models;

- 2) effect of new technologies in the specific region (Internet, IP-based network, IMT-2000, etc.);
- 3) effect of new policies and new operating procedures in the specific region (carrier alliances, re-file, hubbing, least cost routing, etc.).

Other topics may be studied as appropriate, based on contributions.

Under this question, ITU-APT Foundation of India is proposing SG3RG-AO to start a new technical Report or Recommendation on “Assessment of Economic impact of unlicensed Local Area Networks on consumers in Asia and Oceania”. This issue is directly related to items 2) and 3) above.

The proposed new report should possibly include a comprehensive comparison matrix on approach to de-licensing of new local area networks in different Asian countries and its impact on relevant stakeholders, and lessons learnt. The study is intended to complement the existing literature on unlicensed spectrum by illustrating economic impact analysis, which is currently limited in the current research and discourse on the subject.

World Bank has [estimated](#) that a 10 percent increase in broadband penetration increases a country’s Gross Domestic Product (GDP) by 1 percent. Wi-Fi has empowered people and communities through economic opportunities in under developed and developing areas where internet connectivity and speed is poor and unaffordable. The economic value of Wi-Fi in the unlicensed bands in India stands at USD 164.97bn (GDP at current prices) and is estimated to reach USD 240bn by 2025. Studies conducted in [India](#) have confirmed that Wi-Fi penetration has a direct correlation with consumer surplus leading to economic growth and even creates [employment opportunities](#) and income opportunities.

A new global [study](#) commissioned by the Wi-Fi Alliance predicts that the global economic value of Wi-Fi will rise to a staggering US \$4.9 Trillion by 2025. This economic value includes contributions from the use of Wi-Fi by consumers, businesses, service providers, and more.

With the increasing internet adoption and penetration and India’s population density, the unlicensed Wi-Fi can further appreciate the economic value with associated economies of scale, increased productivity and efficiency as indicated in India’s [National Digital Communications Policy](#). Moreover, doing away with the need for license to leverage spectrum bands eases entry and reduces operational costs (since no license fee is paid), thus potentially allowing smaller service providers to offer consumers with cheaper and innovative products and services towards higher speed internet.

It has also been argued that de-licensing new spectrum bands may adversely affect government’s revenue. However, Internationally, over 35 developed countries including Australia, Hong Kong, Japan, United States, UK, Canada and Korea have recently delicensed new Wi-Fi spectrum in recent years, because of the inherent economic benefits of unlicensed spectrum to their economies. The rationale for delicensing has been to enhance benefits to citizens while reaping the benefits of economic growth in their economies.

There are a number of national studies in various countries on economic, social and related benefits of unlicensed spectrum, including the need for high speed internet and connectivity for emerging CTs and essential services. However, a detailed ITU technical report on the subject is an important link to encourage.

Proposal

In light of the above, IAFI proposes that SG3RG-AO start a new technical Report or Recommendation on “Assessment of Economic impact of unlicensed Local Area Networks on consumers in Asia and Oceania”. The study is intended to complement the existing literature on unlicensed spectrum by illustrating economic impact analysis, which is currently limited in the current research and discourse on the subject.

IAFI will like to work with ITU-T SG3 and other relevant ITU-T study groups as well as ITU-D and ITU-R to develop and complete this new Report during the current study cycle.
