

Experts Speak

Challenging Time Ahead for Telecom Cable Industry

R. Sridharan

Sr. Vice President

Birla Ericsson Optical Ltd. / Vindhya Telelinks Ltd. / Birla Furukawa Fibre Optics Ltd. / M.P. Birla Group

On telecom cable market Indian Market continuously behaves in an unique way in terms of price levels. Take the case of copper telecom cables or optical fibre cables, the price levels are lowest in the world, thereby rendering the operations of Indian cable manufacturing companies un-remunerative way. However, the volumes are picking up which is expected to off-set the price pressure. The major off-take will be from defence / BSNL's big tender for country-wide exclusive optical fibre cable network (for vacating the spectrum) and a recent big tender for Copper Telecom Cables from BSNL. More OF Cable requirement is also in the pipe-line from BSNL on Turn-key business model. On the contrary, in the global market, the price levels are reasonable and one can expect a better realization.

On market and technology trends

Market size in India is poised to pick-up owing to recent announcement of 3G license auction. New entrants in the 2G sector will also drive the demand for more cables. Fibre-to-the-home will be the key technology (GPON and EPON) for high speed triple-play networks

On growth drivers

A drive on more broadband penetration in India is going to increase the demand for telecom cables in general. New 3G license holders will drive the demand and also the new 2G players.

On export prospects

New broadband services initiatives by various global telecom operators will require more cables in access networks. M.P. Birla Group is poised to penetrate into these markets in a big way due to the strong product development base especially for specialty optical fibre cables.

On challenges faced by players

Low technology players spoiling the market with their sub-standard quality cables. Pressure on price margins will continue to remain and volume-based strategy will have to be adopted

On future outlook

Bound to grow in a healthy way at the rate of around 10-12 percent CAGR

On green initiatives

Various energy management initiatives, thereby, saving energy costs and protecting the environment, strictly adhering to the environmental management systems.

**Anything else to add**

We expect Market consolidation to take place so as to weed-out non-serious players from the field.