

## The Digital Economy is expected to reach USD1 trillion by 2022 and USD1.8 trillion by 2025, says IMC – KPMG in India Report

- *Industry 4.0: The telecom sector is at the forefront of Digital revolution, bringing India closer to the trillion dollar digital dream*
- *Total subscriber base is expected to reach 1.28 billion in FY22 with significant increase in data consumption which is expected to reach 7 GB per subscriber per month*

**New Delhi, October 25, 2018:** In a sign of the country's ascendancy and as a testimony to the telecom sector's blistering pace of growth, India became the world's second-largest telecom market in 2018 with over a billion subscribers. This has helped in fostering inclusion, driving empowerment and enabling transformation. With the given trends, the Digital Economy is expected to cross USD 1 Trillion by FY22, according to COAI's IMC – KPMG in India report on ICT & TMT sector titled "**New Digital Horizons – Connect, Create and innovate**". The report was launched at the second edition of **India Mobile Congress**, the biggest marquee Mobile, Internet and Technology event for South-East Asia, in the presence of Shri Manoj Sinha, Hon'ble Minister of State (Independent Charge) for Communications & Minister of State for Railways, Government of India.

The report highlighting the detailed trends in ICT sector predicted that mobile data usage in India, which is already high, is further expected to surge 5 Times by the 2023. This will further witness digital diversity in the online audience taking it from the current 225 million in FY18 to 550 million by FY23.

The near ubiquitous reach of connectivity, makes the Telecom sector the key enabler to deliver development to the very last mile through 'Digital India' and a 'Mobile First' approach. This report highlights how the New Digital Horizon is un-folding for India and the pivotal role that Telecom sector plays in providing India an opportunity to power ahead of the rest of the world as a digital economy. The report focusses on how the trinity of regulators, academia and industry can collaborate to CONNECT India, CREATE an ecosystem for ICT players to thrive to contribute to the growth of digital India and INNOVATE to bring in faster growth in technology adoption and network solutions - that will allow for a hitherto unforeseen socio-economic development for the country.

Speaking at the launch, **Rajan S Mathews, Director General, COAI** said "The report bears cognizance of the fact that a New Digital Horizon is making its mark and the telecom sector is playing an indispensable role in catapulting India's economy to forge ahead of the rest of the world. The prized trinity - regulators, academia and industry are collaborating to CONNECT India, CREATE an ecosystem for ICT players to thrive and to contribute to the growth of digital India and INNOVATE - to bring in a faster growth in technology adoption and network solutions. We envision an empowered society where every individual participates in the socio-economic growth of the country."

Speaking on the findings of the report, **Purushothaman KG, Partner – TMT Advisory, KPMG in India, said**, "Our studies globally, across 15 countries including India, ranks India in the top three on tech leadership and shows most promise for disruptive technological breakthroughs that will have a global impact. Our studies also show that IOT followed by AI, robotics and blockchain will make India a leading game changer in ushering the digital revolution. Despite some of the challenges faced by the ecosystem, India is the fastest growing and second largest telecom market in the world. India will see a wonderful

convergence between connectivity, user driven content and disruption in technology that will lead a way to a digital India. India therefore offers immense potential and a strong destination for investors.”

As technologies have started traversing across industries, business models are going to be disrupted. **KPMG survey also highlighted that media and entertainment, followed by automotive, retail, FS and education are likely to be disrupted the most.** To remain at the epicenter of this revolution, telecom operators will have to innovate beyond connectivity. It needs to become the platform to allow the interplay of these technologies to create digital solutions across varied industries

Not only is the Indian telecom sector furthering the Government’s ambitious Digital India programme so that it reaches all and sundry, but it is now playing an instrumental role in bringing in innovative technologies such as 5G, M2M, AI, AR and VR, which will shape India in the coming times by permeating and transforming every sector linked to economic development. The mobile and the internet have played a decisive role in democratizing technology and democratizing access to services and use cases, based on these very technologies.

Although 5G is likely to be the key enabler of the fourth industrial revolution and an integrated ecosystem across B2B, B2C, and B2G, till it is launched, the telcos will have to improve on its existing networks to enhance its performance. To succeed, they will need to learn new ways of working in the new ecosystem so that they can accelerate their digital strategies and opportunities, make the right level of innovation investments, and stay ahead of customer needs.

The report can be downloaded from: <https://home.kpmg.com/in/en/home/insights/2018/10/digital-telecommunication-revolution-innovation.html>

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