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3G will be the Lifeline

“The modem market is expected to take-off with the launch of 3G services.”

On import-tariff structure favoring imports rather than manufacturing in India

That is not true. While we do not have manufacturing of analog modems as their volumes are low. But in leased-line modems we do have major manufacturers in India.

On the decline of dial-up modem market

Dial-up modems market continues to lose its long prevalent edge mainly because of the penetration of broadband services. The broadband service has high speed and attractive tariff structures as compared to dial-up and logically the market has gravitated to broadband.

On the implications of the government’s target of 20 million broadband connections in 2010

The result would be a drastic increase in the market for ADSL modems and our traditional analog modems will lose their market almost completely. ADSL modem provides extremely fast transmission of video and voice over ordinary copper telephone wires and they will flourish.

On recent innovations in product design and marketing strategies of vendors

We believe that environment-friendly products and processes through *green* modems, with integrated technologies like ADSL, wireless, etc., will be the way forward.

On the declining margins for vendors

We expect for the margins for vendors to decline to a great extent.

On the impact of launch of 3G services

The modem market is expected to take off with the launch of 3G services as they would promote services like IPTV, movie on demand and downloads.

On growth in Indian modem market for 2010-11

Globally, the modem market is witnessing amplification through the adoption of Ethernet and Wi-Fi modems with VoIP connectivity, as consumers increasingly avail themselves of VOIP services. Similar trends can be witnessed in India as the adoption of Ethernet and Wi-Fi technologies is poised to take off. As the demand for mobility is reaching new heights, implementation of technology such as 3G is expected to become a new lifeline for the overall modem market. ■