

Boost for Digital India scheme

Expenditure on programme doubled to ₹3,073 crore from ₹1,425.63 crore in 2017-18; industry welcomes move

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Finance Minister Arun Jaitley, on Thursday, proposed to double the expenditure on the government's flagship Digital India programme to ₹3,073 crore for the next fiscal against ₹1,425.63 crore in 2017-18, a move that has largely been welcomed by the industry.

"Global economy is transforming into a digital economy thanks to development of cutting-edge technologies in digital space - machine learning, artificial intelligence, Internet of things, 3D printing and the like," Mr. Jaitley said.

Terming it as a technology-oriented budget, IAMAI

said, "Budget 2018 gives recognition to the emerging sectors like Edutech, Agri-tech and Healthtech in India".

Under Digital India, a maximum of ₹864.22 crore will be spent on promotion of electronics manufacturing, followed by ₹425 crore on delivering e-governance services, ₹400 crore on the government's digital literacy programme and ₹300 crore on development on manpower.

"The Government also proposes to set up 5 lakh wi-fi hotspots which will provide broadband access to 5 crore rural citizens," the finance minister said.

He said that the NITI

Aayog would initiate a national programme to direct efforts in the area of artificial intelligence, including research and development of its applications.

Rishi Mohan Bhatnagar, Chairperson of The Institution of Engineering and Technology - IoT panel for India, said, "I was expecting a reduction in tax on hardware from 18% to 5% and a move towards rationalising spectrum licence fees for promoting IoT adoption in the country. High capital investment requirement could slow down the IoT adoption momentum in our country and decelerate its evolution as an enabler for various Digital India programmes."

Additionally, the Department of Science & Technology will launch a Mission on Cyber Physical Systems to support establishment of centres of excellence that will invest in research, training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis, quantum communication and internet of things.

"Combining cyber and physical systems has great potential to transform not only innovation ecosystem but also our economies and the way we live," the Minister said.

The Budget proposed an allocation of around ₹14,500

crore to strengthen telecom infrastructure projects, including BharatNet, during the upcoming fiscal.

Of this, ₹4,500 has been allocated for building a dedicated optical fibre-based communications network for defence forces in lieu of airwaves vacated for civilian use.

"To harness the benefit of emerging new technologies, particularly the 'Fifth Generation' (5G) technologies and its adoption, the Department of Telecom will support establishment of an indigenous 5G Test Bed at IIT, Chennai," Mr. Jaitley said. An amount of nearly

₹135 crore has been provisioned for the same.

The government expects revenue of ₹48,661.42 crore from the telecom sector, which is reeling under financial stress. Telecom operators pay licence fees and spectrum usage charges to the government.

The telecom industry is "disappointed" that none of its key asks found mention in the Budget. "We had sought a reduction in levies and taxes, and an urgent intervention is critical for resuscitating the sector, which is currently experiencing its worst financial health and hyper competition," Rajan Mathews, Director General at COAI, said.

