

Vodafone India buys spectrum licences for £1.9bn

LONDON, UK: Vodafone's Indian division has bought spectrum licences for £1.9bn tapping deeper into emerging markets amid tough trade in Europe.



Vodafone has spent £1.9bn on buying spectrum in India to expand its business. Image: [FoneArena](#)

Analysts described the move as "astute" for the London-listed company, which is flush with cash from the recent sale of its US joint-venture stake to partner Verizon for US\$130bn.

"Vodafone India has been awarded spectrum licences in 11 telecommunication circles in the Indian government's 900 MHz and 1800 MHz spectrum auction," it announced in a brief statement.

In an Indian government auction last week, the group bought a total of 23MHz in the 900MHz band in Mumbai, Delhi and Kolkata and 49MHz in the 1800MHz band in Mumbai, Delhi, Kolkata, Karnataka, Kerala, Gujarat, UP East, Rajasthan, Haryana, Andhra Pradesh and Punjab.

Vodafone India has over 160m customers, with 45.7m mobile Internet users.

Expanding emerging markets

"This is further evidence of Vodafone expanding its horizons, and with a pile of cash from its sale of Verizon Wireless in the maturing US market to the potentially huge and expanding Indian market," said analyst Mike McCudden at broker Interactive Investor.

"Strategically this is an astute and exciting move by Vodafone," he told AFP.

Vodafone has meanwhile proposed to buy out its minority partners in Vodafone India for about US\$1.6bn and is currently

awaiting approval from Indian authorities.

Markus Huber, analyst at brokerage Peregrine and Black, added that India - the world's second most populous nation after China - would remain a major growth market.

"India is a very interesting market when it comes to smartphones and mobile data," he said.

"Despite the economy not doing well at the moment, in the years ahead India should remain a major growth market. Considering the fierce competition in Europe it makes sense to expand and invest in other markets like in India even if the new licences turn out to be more expensive than originally expected.

"This needs to be seen as a medium- to long-term investment and won't necessarily contribute to earnings in the near future (but will) help Vodafone to cement its position as one of the major mobile service providers in India," Huber said.

Source: AFP via I-Net Bridge

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