

# EXPENSIVE HANDSETS, HIGH TARIFFS MAY DELAY ADOPTION OF 5G SERVICES

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Up to 10 times faster Internet speeds, download of 8K movies in seconds and console quality gaming experience on smartphones — these are just some of many benefits that 5G networks will bring to users. However, lack of affordable devices and high tariffs may drag down the pace of adoption of these services.

Even though 5G services were unveiled by Prime Minister Narendra Modi just last week, the first 5G smartphone was unveiled in the country in 2020. Since then, 5G smartphone penetration has reached only about 50 million shipments of the total smartphone base of 550 million units.

While these 5G-enabled users will not need to switch devices to experience 5G services once the network goes live, analysts said they expected only premium phone users to switch to 5G initially.

## 'Affordable devices'

India's 5G years "will be marked with the introduction of mass volumes in Rs. 10,000-20,000," according to a report by Techarc. However, for now, buyers will have to spend more as the average selling prices have already gone up by 15-25% after the introduction of 5G devices.

For the smartphone industry that has seen its user base plateau over the past three years 5G may come as a 'saviour', but users may need to wait 2-3 years for convincing use cases.

Prachir Singh, senior research analyst at Counterpoint Research, said Indian consumers want a 5G device but whether they will shift to 5G plans will depend on tariffs.

"In China also, a lot of people have 5G devices but only a fraction of those users are availing of 5G services," he noted.

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