

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

STARRED QUESTION NO:507
ANSWERED ON:23.04.2001
INVESTMENT IN TELECOM SECTOR
GANGASANDRA SIDDAPPA BASAVARAJ;IQBAL AHMED SARADGI

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government's investment in the telecom sector has gone up during the year 2001-2002;
- (b) if so, the details thereof;
- (c) the share of Foreign Direct Investment (FDI) therein;
- (d) whether the private sector has expressed its interest to meet the target of \$ 69 billion by 2010 and to achieve the target of 15 percent teledensity; and
- (e) if so, the extent to which the target is likely to be achieved?

Answer

MINISTER OF COMMUNICATIONS (SHRI RAM VILAS PASWAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF STARRED QUESTION NO 507 FOR 23RD APRIL, 2001 REGARDING INVESTMENT IN TELECOM SECTOR.

(a) Yes, Sir.

(b) In BE 2000-01, the investment of the Government in Telecom sector which includes the Department of Telecom Services and Public Sector Undertakings attached to the Department, was Rs. 19441.67 crores whereas in BE 2001-02 the investment proposal is Rs. 20298.84 crores which is 4.4% more than the previous year. The unit-wise investment is as follows:-

(Rs. Crores)

	BE 2000-01	BE 2001-02
1. Department of Telecom/Telecom Services	16000.00	0.00@
2. Wireless Monitoring Services	10.00	10.00
3. Wireless Planning and Co-ordination	5.00	95.00
4. Telecom Engineering Centre	0.00	4.00
5. Telecom Regulatory Authority of India	2.00	4.00
6. Centre for Development of Telematics		(included in 1 above) 52.00
Total Department of Telecommunications	16017.00	165.00
7. Bharat Sanchar Nigam Limited	0.00@	16574.00
8. Mahanagar Telephone Nigam Limited	2155.00	1600.00

9. Videsh Sanchar Nigam Limited	1163.34	1814.66
10. Indian Telephone Industries Limited	90.00	125.00
11. HTL Limited	16.33	20.18

Total Telecom Public Sector Undertakings	3424.67	20133.84
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Grand Total	19441.67	20298.84
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@ Corporatisation of Department of Telecom Services/Department of Telecom Operations to form Bharat Sanchar Nigam Limited was with effect from 1/10/2000.

(c) The total Foreign Direct Investment (FDI) inflow in Private telecom sector from August 1991 to January 2001 is estimated at about Rs. 4,882.7 crores, which is in addition to the above.

(d) New Telecom Policy enunciated in May 1999 envisages a tele-density of 7 per hundred population by the year 2005 and 15 per hundred population by the year 2010. It is estimated that for meeting these targets an investment of approximately US \$ 37 billion by the year 2005 and US \$ 69 billion in the next 5 years i.e. by 2010 would be required. The government has solicited private sector investment and hence taken a number of steps including opening up of cellular and basic telephony, National Long distance (NLD) and other value added services to private sector participation. Private Sector has shown keen interest for participation in the development of telecom sector.

At present there are over 22 licencees for mobile cellular service with a customer base of 3.4 million as on 28/2/2001.

There are also 6 operators of basic services operational with customer base of over 2 lakhs,

(e) With the current trends of growth, it is expected that the above targets of tele-density will be achieved.