

**GOVERNMENT OF INDIA  
COMMUNICATIONS  
LOK SABHA**

UNSTARRED QUESTION NO:3275  
ANSWERED ON:13.08.2001  
FOREIGN DIRECT INVESTMENT  
VILAS BABURAO MUTTEMWAR

**Will the Minister of COMMUNICATIONS be pleased to state:**

- (a) whether the Government are expecting huge Foreign Direct investment (FDI) in the telecom sector due to attractive terms offered under its liberalised economic reforms policy;
- (b) if so, the likely FDI in this sector during the next two years; and
- (c) the manner in which this investment is to be helpful in providing better and quick service?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) Yes, Sir.

(b) As the FDI inflow in the telecom sector would depend upon many factors like new investment opportunities, growth of the various services, returns from these services etc., it is not possible to assess the likely FDI in the next two years. However, there has been an increase in the FDI inflow during the year 2001. In the first four months of year 2001, the FDI inflow is Rs. 534.6 crores, which is higher than the total FDI received in the year 1999 and 2000.

(c) In order to supplement the Government's effort in providing better and quick telecom services in the country, the Department of Telecommunications has issued licenses for the Basic, Cellular, VSAT, Internet etc. services to the private Indian telecom companies for various telecom circles. These private Indian telecom companies have set up their network at various places and have been providing telecom services. These Indian companies can have foreign direct investment (FDI) as per the FDI guidelines in telecom sector.