

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:4855
ANSWERED ON:24.04.2002
US INVESTMENT IN TELECOM SECTOR
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the US investment in telecom sector in India is likely to be double in the next two years;
- (b) if so, whether the products of at least 1,100 US manufactures and supplies of communication and information technology will be introduced during the current financial year in the county;
- (c) whether the US companies are eyeing wireless and broadband markets in India;
- (d) is so, the details in this regard;
- (e) whether India is also emerging as the second choice after China by US; and
- (f) if so, the total investment US is likely to be made during the current financial year in India?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SIKDAR)

(a)to(f) Indian Telecom sector is one of the fastest growing infrastructure sector in the country recording over 22% annual growth in the last 5 years. Indian telecom network is second largest network among emerging economies (after China).

US Companies have made a significant investment in telecom sector, both directly and also through Mauritius based subsidiaries. Out of total foreign direct investment (FDI) inflow of Rs. 8,591.33 crores from August 1991 to Feb 2002, in telecomsector, the direct investment from US Companies has been about Rs. 487.43 crores. FDI inflow from Mauritius Companies has been about Rs. 6,730.46 crores, wherein contribution of US based Companies has been quite significant. Such investment covers most of the sub-sectors of telecom including wireless and broadband.

The Government has not made any forecast of the investment that US companies will make in telecom sector in India during the current financial year. However, with the liberalization and opening up of the telecom sector particularly international long distance, national long distance, basic telephone, cellular mobile, and Internet telephony etc., the investment from US companies is likely to be substantial.