

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

UNSTARRED QUESTION NO:4198

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TELECOM MANUFACTURING UNITS

Bavalia Shri Kuvajibhai Mohanbhai;Bheiravdanji Shri Gadhvi Mukeshkumar;Dhotre Shri Sanjay Shamrao;Ganpatrao Shri Jadhav Prataprao;Sharma Shri Madan Lal;Wankhede Shri Subhash Bapurao

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether India is one of the fastest growing telecommunication markets in the world;
- (b) if so, the total number of landline and mobile subscribers of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) in the country State-wise;
- (c) the steps taken/being taken by the Government to revamp the functioning of the telecom sector;
- (d) whether there is growing imbalance in the enrolment of subscribers of BSNL between various States;
- (e) if so, the reasons therefor;
- (f) the steps taken/being taken by the Government to remove this imbalance;
- (g) whether the Government proposes to encourage indigenous telecom manufacturing units in the country; and
- (h) if so, the details thereof?

Answer

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

(a) Yes, Sir.

(b) As on 30.6.2009, out of total 83.16 million connections, there are 28.80 million landline connections and 54.36 million GSM wireless mobile connection working in BSNL network. In case of MTNL, out of total 8.15 million connections, there are 3.55 million landline connection and 4.60 million wireless mobile connection. Circle-wise details are given in the Annexure-I.

(c) The following steps are taken by BSNL and MTNL to revamp the functioning of the Telecom Sector:

- i) Reduction in tariff to make services, competitively affordable.
- ii) Circle chiefs have been empowered to launch Circle based competitive tariffs for basic and Cellular Services.
- iii) Deployment of newer technologies like FMC (Fixed Mobile Convergence) and NGN (Next Generation Network) etc. This is likely to help in arresting not only the churning of subscribers, but also help in increasing Fixed Line subscribers.
- iv) Deployment of Wireless technologies to enhance service Coverage to far flung rural areas.

(d) Sir, the BSNL subscriber base has increased progressively, however there is variance in growth rate across the various Circles. The Circle wise growth details are given in Annexure-II. The BSNL subscriber base has increased 12.65% during the year 2008-09.

(e) The growth, in general, is dependent upon the geographical socio-economic factors prevailing in the Circle. BSNL is making all efforts to enhance its presence in rural and far flung areas. This includes deployment of wireless BTSs to increase WLL coverage in the country.

(f) BSNL is taking following steps in this direction:

- (i) Deployment of newer technologies to provide services at competitive affordable rates.
- (ii) Deployment of Wireless technologies to enhance service Coverage to far flung rural areas.
- (iii) Progressive up gradation of technologies in BSNL network.

(g) Yes Sir.

(h) The Government has taken following steps to encourage indigenous telecom manufacturing units in the country:

- # Custom duty on ITA-I product has been reduced to zero w.e.f. 01.03.2005.
- # No industrial licence requirement for manufacturing of telecom equipment. Simply, Entrepreneur has to file Industrial Entrepreneur Memorandum (IEM) with Secretariat for Industrial Assistance (SIA).
- # 100% Foreign Direct Investment (FDI) allowed through automatic route.
- # Fully repatriable dividend income and capital invested
- # Payment of technical know-how fee of upto US\$ 2 million and royalty upto 5% on domestic sales and 8% on export sales, net of taxes, through automatic route.
- # Promotion of telecom product specific SEZs.
- # Modification of Electronic Hardware Technology Park (EHTP)/Special Economic Zones (SEZs) scheme to allow 100% sales in the Domestic Tariff Area (DTA) for the purpose of meeting export obligations.
- # The Government has set up Telecom Equipment and Services Export Promotion Council (TEPC) for promotion of manufacturing and export of telecom items.
- # The Government has notified setting up of Information Technology Investment Regions (ITIRs), which includes Telecom Hardware Manufacturing Units also.