

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

STARRED QUESTION NO:34  
ANSWERED ON:14.03.2012  
SHARE IN TELECOM MANUFACTURING  
Bhagat Shri Sudarshan

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

- (a) whether the Indian companies have only three per cent share in the telecom equipment market in the country;
- (b) if so, the details in this regard; and
- (c) the steps being taken by the Government to increase the said share of the domestic companies?

**Answer**

THE MINISTER OF HUMAN RESOURCES DEVELOPMENT AND COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI KAPIL SIBAL)

(a) to (c) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 34 FOR 14TH MARCH, 2012 REGARDING "SHARE IN TELECOM MANUFACTURING"

(a) & (b) According to TRAI recommendation on "Telecom Equipment Manufacturing Policy" dated 12th April 2011, the contribution of all domestic products has been 12-13% in the year 2009-10 while Indian products could meet just 3% of the Indian demand.

(c) With a view to increase share of domestically manufactured Electronic products which includes telecom equipment also, the Government, vide Notification No. 8(78)/2010-IPHW dated 10th February 2012, has laid down the policy for providing preference to domestically manufactured electronic products in procurement of those electronic products which have security implications for the country and in Government procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods for commercial sale. Based on the above notification, each Ministry/Department has to issue notification for providing preference to domestically manufactured electronic product or products, either for reasons of security or for Government procurement. The notification would specify the percentage of procurement to be made from domestically manufactured electronic product or products but it shall not be less than 30% of the total procurement value of that electronic product or products. Further each Ministry/Department would also specify the domestic value addition requirement which the electronic product should satisfy for the product to qualify as domestically manufactured electronic product. The telecom equipment are security sensitive and hence Department of Telecommunication would also issue notification in line with above notification.

Ministry of Communications and Information Technology has already put in public domain draft National Policy on Electronics 2011 [http://mit.gov.in/sites/upload\\_files/dit/files/Draft-NationalPolicyonElectronics2011\\_4102011\(2\).pdf](http://mit.gov.in/sites/upload_files/dit/files/Draft-NationalPolicyonElectronics2011_4102011(2).pdf) and draft National Telecom Policy 2011 <http://www.dot.gov.in/NTP-2011/final-10.10.2011.pdf>. Both these policies are aimed at creating ecosystem for Electronic System Design and Manufacturing with increased value addition in the country. The draft National Telecom Policy 2012 has proposed to increase share of domestically manufactured telecom equipment and among others has following specific provision

"Promote the ecosystem for design, Research and Development, IPR creation, testing, standardization and manufacturing i.e. complete value chain for domestic production of telecommunication equipment to meet Indian telecom sector demand to the extent of 60% and 80% with a minimum value addition of 45% and 65% by the year 2017 and 2020 respectively."