

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:862
ANSWERED ON:27.11.2012
FDI IN BROADCASTING SECTOR
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Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether the Government has increased Foreign Direct Investment (FDI) in the broadcasting sector;
- (b) if so, the details thereof ;
- (c) whether such a move would render cable operators jobless and benefit foreign operators and negate generation of revenue to the Government; and
- (d) if so, the details thereof along with the steps taken by the Government to protect the local cable operators?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI MANISH TEWARI)

(a) & (b) The existing limits of FDI in the Broadcasting Sector have been revised and the same have been reflected in the Department of Industrial Policy & Promotion's Press Note No. 7 (2012 Series) dated 20.09.2012. (Annexure-I)

(c) & (d) The Ministry is implementing digitalization with addressability in the Cable TV Sector in a phased time bound manner with sunset date for complete switch over of analogue services to Digital Addressable System (DAS) by December, 2014.

The revised FDI limits in the Cable TV Sector would provide a fillip to this initiative which would benefit all stakeholders including the Government. The Government would stand to gain significantly as transparency in the subscriber base through digitalization would lead to multi fold increase in the tax collection. For broadcasters it would lead to enhanced revenue generation by way of greater transparency in the subscriber base. The Cable Operators will be able to provide advanced high quality services to their consumers and be competitive vis-à-vis the DTH operators. Viewers will be able to get superior picture quality, availability of choice to select channels, value added services etc. Digitisation is poised to revolutionize the broadcasting industry as it would make the broadcasting landscape dynamic, transparent and accountable.

Implementation of DAS is a capital intensive programme and requires heavy investment not only to upgrade the cable headend but also the cable network and supply of digital Set-top-Boxes (STBs). The TRAI in its recommendations on "Foreign Investment Limits for Broadcasting Sector" dated 30.06.2010, has stated that the foreign investment can be a source to supplement the capital requirements of the Cable industry. Accordingly, the Government has revised the FDI limit in respect of Multi System Operators (MSOs) operating at National or State or District level and undertaking upgradation of networks towards digitalization and addressability as under:

- (i) Automatic up to 49%
- (ii) Government route beyond 49 % and up to 74%.

Foreign Direct Investment limit in respect of Local Cable Operators (LCOs) has remained unchanged at the level of 49%. Thus the business model of the LCOs has not been adversely affected by the revised FDI limits in broadcasting sector.