

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

UNSTARRED QUESTION NO:4275

ANSWERED ON:19.12.2012

MANUFACTURING OF TELECOM EQUIPMENTS

Hegde Shri Anant Kumar;Shanavas Shri M. I.;Singh Shri Rajiv Ranjan (Lalan)

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

- (a) whether the expansion of manufacturing industries in the Telecommunication sector of the country has increased constantly in the previous years;
- (b) if so, the annual turnover in this sector during the last three years and the current year, year-wise;
- (c) whether the share of the utilization of imported equipments in the Telecommunication industry is still more vis-a-vis the domestically manufactured equipments;
- (d) if so, the percentage utilization separately of imported and indigenously manufactured equipments, in this regard; and
- (e) the action taken by the Government to check the imbalance?

Answer

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

(a) to (d) No sizable expansion has taken up in the past 3 years. Presently, wireless equipments with sufficient value addition are not being manufactured in the country. Telecom Regulatory Authority of India (TRAI) as part of their Recommendations on Telecom Equipment Manufacturing Policy dated 12th April, 2012 has stated as under: "The contribution of all domestic products has been 12-13% in the year 2009-10."

(e) To promote telecom equipment manufacturing within the country and to check the imbalance, following steps have been taken :

i) The National Telecom Policy-2012 (NTP-2012) inter-alia, has following objectives on promoting Telecom Equipment Manufacturing:

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.

Provide preference to domestically manufactured telecommunication products, in procurement of those telecommunication products which have security implications for the country and in Government procurement for its own use, consistent with our World Trade Organization (WTO) commitments.

ii) With a view to increasing 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. Department of Telecommunications has notified telecom products to be procured by all the Ministries or Departments (except the Ministry of Defence) of Government and the agencies under their administrative control and for all Government funded telecom projects (e.g. NFS and projects funded by USOF like NOFN etc.) vide notification No. 18-07/2012-IP dated 5th October 2012 as amended vide Notification dated 27th November 2012. The notification proposes 50% to 100% preferential market access for domestically manufactured telecom equipment with minimum value addition of 25% to 65%.