

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

UNSTARRED QUESTION NO:2760

ANSWERED ON:13.03.2013

R D IN TELECOM MANUFACTURING

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

- (a) whether the Telecom Regulatory Authority of India (TRAI) had issued a consultation paper seeking views of various stakeholders for promoting manufacturing and research and development (R&D) of telecom equipment;
- (b) if so, the details thereof and the response of the various stakeholders thereon;
- (c) whether growth in the number of telecom subscribers has risen considerably and is expected to reach 100 crore by 2014;
- (d) if so, the details thereof and whether the Government has created a synergetic telecom ecosystem and built globally competitive product companies to meet the demand as well as for encouraging exports; and
- (e) if so, the steps taken by the Union Government in this regard?

Answer

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

(a) Yes, Madam.

(b) Telecom Regulatory Authority of India (TRAI) had issued a consultation paper on 'Encouraging Telecom Equipment Manufacturing in India' on 28th December 2010. The consultation paper and views of the different stakeholders thereon (comments from 23 stakeholders and counter comments from 3 stakeholders) are available at TRAI's website at http://www.trai.gov.in/Content/ConsultationDescription.aspx?CONSULT_ID=131&qid=0.

i) The number of telecom subscribers (Wireless + Wire line) has risen considerably and the detail of total subscribers in last five years is as follows:

As on	No. of Telecom Subscribers (in million)
31.12.2008	384.79
31.12.2009	562.16
31.12.2010	787.28
31.12.2011	926.53
31.12.2012	895.51

ii) With regard to creating a synergetic telecom ecosystem and leading to globally competitive product companies to meet the demand as well as for encouraging exports, National Telecom Policy 2012, inter-alia, has following objectives on promoting Telecom Equipment Manufacturing:

Create a corpus to promote indigenous R&D, IPR creation, entrepreneurship, manufacturing, commercialisation and deployment of state-of-the-art telecom products and services during the 12th five year plan period.

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.

iii) The Government has set up Telecom Equipment and Services Export Promotion Council to promote export of telecom equipment and services.

iv) 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 due to security considerations and in Government procurement. In line with above notification, Department of Telecommunications has notified preferential market access for domestically manufactured telecom products for procurement by Government departments and Government projects on 5th October 2012. In order to extend preferential market access to domestically manufactured telecom products on security considerations, Department of Telecommunications is having stakeholders' consultations.