

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

UNSTARRED QUESTION NO:6857
ANSWERED ON:08.05.2013
IMPORT OF TELECOM EQUIPMENTS
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the names of the countries from where the designs of telecom equipments, components and telecom structures are being imported at present;
- (b) whether Indian entrepreneurs have not been able to develop the manufacturing capacity of these items so far;
- (c) if so, the reasons therefor; and
- (d) the action taken by the Government in this regard?

Answer

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

(a) The payment of royalty, lump sum fee for transfer of technology and payments for use of trademark/brand name are on the automatic route subject to Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time. However, major import of active wireless & wire-line equipments including mobile handsets, their parts and components is from countries like China, Korea, USA, Singapore, Taiwan, Sweden, Germany, Japan and Israel. Thus, these countries may have designs of Telecom equipments, components and telecom structures as well.

(b) Indian entrepreneurs are able to develop and have manufacturing capacity for a number of wireless and wire-line equipments.

(c) Factors like inclusion of electronic items including telecom equipments under Information Technology Agreement of World Trade Organization by which these products are at zero duty, non availability of world class infrastructure, components/piece-parts supply chain and logistics, limited R&D focus and inadequate funding are responsible for inadequate development of telecom equipment manufacturing.

(d) With a view to develop eco-system for R&D, Manufacturing and Standardization of Telecommunication Equipment including components within the country, the Government has approved National Telecom Policy-2012 (NTP-2012) which has, inter-alia, following objectives:

- i. Promote innovation, indigenous R&D and manufacturing to serve domestic and global markets, by increasing skills and competencies.
- ii. Create a corpus to promote indigenous R&D, Intellectual Property Rights (IPR) creation, entrepreneurship, manufacturing, commercialisation and deployment of state-of-the-art telecom products and services during the 12th five year plan period.
- iii. 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.
- iv. 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.

For the implementation of outlined objectives of NTP-2012, among others, Department of Telecommunications has taken following actions:

- a. Constituted Telecom Equipment Manufacturing Council for implementation of NTP 2012 strategies related to R&D and manufacturing,
- b. Working on creation of Telecom Entrepreneurship Development, Telecom R&D and Telecom Equipment Manufacturing Promotion Fund during 12th Five Year Plan.
- c. Notified preferential market access for domestically manufactured telecom products to be procured by the Government and

Government funded projects.