

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

UNSTARRED QUESTION NO:1600

ANSWERED ON:14.08.2013

GROWTH OF TELECOM SECTOR

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

- (a) the present status of the Foreign Direct Investment (FDI) in telecom sector along with the names of foreign companies, company and country-wise;
- (b) whether the telecom industry has urged the Government to provide clear road map and regulatory and policy to improve the health of the telecom sector;
- (c) if so, the details thereof along with the reaction of the Government thereto;
- (d) whether the Government has assessed the impact of raising FDI limit to 100 percent in Indian telecom companies particularly in telecom PSUs; and
- (e) if so, the details thereof?

Answer

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

- (a) The telecom sector has attracted FDI inflows of Rs. 58,782 crores from April 2000 till May 2013. The remittance-wise FDI equity inflows of more than Rs. 100 crore during April 2000 to May 2013 indicating Indian company, country, name of foreign collaborator and area of activities are annexed.
- (b) & (c) With a view to provide a clear road map and regulatory and policy framework for the telecom sector, the Government has already reviewed the telecom policies following a consultative process. Based on consultations with all the stakeholders the National Telecom Policy 2012 (NTP 2012) was announced in June 2012. By formulating a clear policy regime, NTP-2012 endeavors to create an investor friendly environment for attracting additional investments in the sector and provides a clear roadmap to address policy and regulatory issues to improve the health of the telecom sector.
- (d) & (e) The enhancement of FDI cap is expected to facilitate capital inflows as well as ability of existing service providers to access lower cost financing. The improvement in capital inflows will be beneficial to private operators as well as telecom PSUs in raising funds.