

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

UNSTARRED QUESTION NO:4226
ANSWERED ON:19.02.2014
TELECOM POLICY AND WTO AGREEMENT
Viswanathan Shri P.

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

- (a) the criteria in telecom policy regarding licence application fees, capitalisation requirement and Foreign Direct Investment (FDI);
- (b) whether the Government has any commitment under the WTO agreement on telecom policy and manufacturing of electronic and telecom goods;
- (c) if so, the details thereof and the impact of WTO agreement on domestic manufacturing and procurement of goods; and
- (d) the measures taken by the Government to ensure that the interests of domestic manufacturers in the country is not harmed?

Answer

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

- (a) There is no criteria in National Telecom Policy 2012 (NTP 2012) regarding licence application fees and capitalization requirement; however, with regard to FDI, NTP 2012 has 'Mission' statement: "to attract investment, both domestic and foreign."
- (b) & (c) The Government has no specific commitment under the World Trade Organisation (WTO) agreement on telecom policy and manufacturing of electronic and telecom goods. However, India is a signatory to the Information Technology Agreement (ITA), an agreement of the WTO since 1997, that committed participating countries to eliminate their custom duties on specific information technology products, which also included some telecom products. In line with provisions of this agreement, India has completely phased out customs duties on these 217 products in 2005.
- (d) With a view to promote domestic manufacturing of electronic products which include telecom products also, Department of Electronics and Information Technology has notified policy for providing preference to domestically manufactured electronic products in Government procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods or commercial sale.