

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

UNSTARRED QUESTION NO:3540
ANSWERED ON:04.08.2014
DOMESTIC MANUFACTURING TELECOM EQUIPMENT
Adsul Shri Anandrao ;Yadav Shri Dharmendra

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

- (a) whether the Telecom Regulatory Authority of India (TRAI) in its recommendations on Telecom Equipment Manufacturing (TEM) Policy (April, 2011) had suggested several measures for promotion of domestic manufacturing of telecom equipment;
- (b) if so, the details thereof and the action taken by the Government on the recommendations/suggestions;
- (c) the total quantum of telecom equipment imported in the country during each of the last three years and the current year;
- (d) whether the Government proposes to set up a Telecom Equipment Manufacturing Organisation to coordinate between manufacturers and service providers for effective implementation of the TEM policy and if so, the details thereof and the time by which the said organisation will be set up; and
- (e) the further initiatives taken by the Government to encourage domestic manufactures to produce telecom equipment at more competitive prices?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY & LAW AND JUSTICE (SHRI RAVI SHANKAR PRASAD)

(a) Yes, Madam.

(b) & (e) The summary of TRAI's recommendations on 'Telecom Equipment Manufacturing Policy' is given in the Annexure. Department of Telecom has constituted a Standing Council viz. Telecom Equipment Manufacturing Council (TEMC) consisting of experts from Telecom Service providers, Telecom equipment manufacturing industry, Government, Academia and R&D institutions to examine the recommendations of TRAI. The first report of TEMC has been submitted in September 2013.

The Government has imposed basic custom duty at 10% on specified telecommunication products that are outside the purview of the information technology agreement. The Government has also imposed education cess on imported electronic products to provide parity between domestically produced goods and imported goods.

The policy for providing preference to domestic manufacturers for 23 notified telecom products in Government procurement is under implementation.

Electronics Manufacturing Clusters (EMC) Scheme provides financial assistance for creating world-class infrastructure for electronics manufacturing units and Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the manufacturing of electronics products (including telecom).

Government has approved setting up of two semiconductor wafer fabrication (FAB) manufacturing facilities in India which would create the necessary ecosystem for design and manufacturing of telecom equipments.

Foreign direct investment up-to 100% is allowed in manufacturing of telecom products under the automatic route.

Further, Telecommunications Standards Development Society, India (TSDSI)- and industry led autonomous "not for profit" Standards Development Organization (SDO) for Telecom products and services has been set up for the development of standards for Telecom especially suited to Indian environment and incorporation of the same in the International standards. This SDO for Telecom will help Indian companies to develop standards for telecom products and services to meet Indian specific environment, which is expected to promote indigenous R&D and manufacturing.

(c) India's import of Telecom equipments for the last three years and current year (April to May 2014) are as under:

Year Val (Rs.
crores)

2011-12 59447.40
2012-13 61539.01
2013-14 74116.21
April-2014 13346.43
to May 2014

(d) No, Madam.