

Information note to the Press (Press Release No. 75 /2017)

For Immediate Release

Telecom Regulatory Authority of India

TRAI releases consultation paper on “Promoting Local Telecom Equipment Manufacturing”

New Delhi, 18 September 2017- Telecom Regulatory Authority of India (TRAI) has today released a consultation paper on “Promoting Local Telecom Equipment Manufacturing”

2. India has witnessed a tremendous growth in the telecom sector in the past two decades wherein the telecom subscriber base has grown steadily over the years and had 1,210 million subscribers on 31 July 2017. The Telecom industry can be broadly divided into the infrastructure and services domains. The infrastructure domain consists of the Telecom networks, equipments, mobile handsets etc where as the services comprise of the voice, data and other VAS (Value Added Services) that ride over the telecom infrastructure. Today, the services sector commands nearly 60 % of India’s gross domestic product (GDP) whereas the share of manufacturing, which is a major contributor to the Infrastructure domain, has been stagnating at around 16% on an average since 1990.
3. While a liberal trade policy enabling import of telecom equipment with low or no duty has kept both service providers and consumers happy, the lack of capacity building for domestic production poses a serious challenge to India’s continued success in the telecom sector. Apart from economic reasons, the security concerns arising out of excessive reliance on foreign manufactured products also suggest that India should aim at achieving self-sufficiency in telecom equipment manufacturing.



4. TRAI had floated a consultation paper titled "Encouraging Telecom Manufacturing in India" on 28 December, 2010 and the recommendations on "Telecom Equipment Manufacturing Policy" were published on 12 April, 2011. In last five years, there has been an exponential growth in the technology in the telecom sector. A need has therefore been felt to revisit the issues of "Promoting Local Manufacturing in Telecom Sector". In light of the above, the Authority has suo-motu decided to issue a consultation paper on "Promoting Local Telecom Equipment Manufacturing". The present consultation paper has therefore been aimed to realistically assess India's true potential in equipment manufacturing with the aim to arrive at recommendations that would enable Indian telecom industry to transition from an import-dependent industry to a global hub for manufacturing. The consultation paper is being issued with the following objectives:-

- (a) To identify the policy measures required to boost Innovation and productivity of local Telecom manufacturing in India.
- (b) Examine the existing patent laws in context of promoting local manufacturers.
- (c) Examine the issues of Standardization, Certification and Testing of Telecom Equipments and suggest a framework for improvement to support local telecom equipment manufacturing.
- (d) Examine issues related to IPR affecting the local telecom equipment manufacturing industry.
- (e) Examine the current fiscal incentives to promote the local telecom manufacturing and recommend measures for implementation in the future.
- (f) Identify measures to be taken to attract foreign investment for setting up establishments in India.

5. Full text of the consultation is available on the website of trai i.e.

www.trai.gov.in



