

**GOVERNMENT OF INDIA  
COMMUNICATIONS  
LOK SABHA**

UNSTARRED QUESTION NO:146

ANSWERED ON:24.07.2000

INVESTMENT IN TELECOM SECTOR

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**Will the Minister of COMMUNICATIONS be pleased to state:**

(a) whether an amount of 38 billion US dollars is estimated to be required to meet the increasing demand of communication system by the end of next five years;

(b) if so, the facts thereof;

(c) whether some institutions had offered to make investment in Telecom sector during the recent visit of Minister in U.S.A.; and

(d) if so, names thereof, country-wise and the amount of investment offered by them?

**Answer**

MINISTER OF STATE FOR COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a)&(b) : At present, there are about 27 million telephones working in the country representing a tele-density of 2.7%. New Telecom Policy '99 envisages a tele-density of 7 by the year 2005. This implies that approximately 75 million telephone connections would be required to be provided by the year 2005. At current prices, this translates into an additional investment of approximately US \$38 billion by the year 2005.

(c)&(d) : On the invitation of Federation of Indian Chambers of Commerce and Industry (FICCI), Minister of Communications (MOC) attended the 25th Annual Meeting of Indo-US Joint Business Council in San Francisco, USA, on 12-13 June, 2000. Taking advantage of his visit to US, MOC also addressed a few other meetings in USA and in London in transit, which were attended by a large number of investors and NRIs; and apprised them of the various new initiatives taken by the Government in promoting investment in the Telecom Sector. There is a great deal of interest in foreign investors' circles in Indian Telecom Sector. It is hoped that when new investment opportunities are announced and offers invited, like in long distance and new circles etc, there would be a good response.