

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1810

ANSWERED ON:15.03.2005

FDI IN TELECOM SECTOR

Adhalrao Patil Shri Shivaji;Das Gupta Shri Gurudas;Owaisi Shri Asaduddin;Singh Shri Prabhunath

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government has raised FDI ceiling in Telecom sector upto 74 per cent;
- (b) if so, the details thereof;
- (c) whether this ceiling is likely to include all kinds of foreign investment like FII, NRI/OCB, FCCB and others;
- (d) whether national security has been kept in view while allowing foreign direct investment in this sector; and
- (e) if so, the details thereof and to what extent this ceiling is likely to give competition to Government owned telecom companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to e): The Government has raised the composite foreign holding ceiling in Telecom sector to 74% including but not limited to investments by FIIs, NRIs, FCCBs, ADRs, GDRs, convertible preference shares, proportionate foreign investment in Indian promoters/investment companies including their holding companies, etc. While enhancing the foreign holding ceiling, appropriate conditions have been put in place to safeguard the national interests. Government has already opened all sub-sectors of telecom sector for private sector participation and Government owned companies are already exposed to competitive environment.