



सत्यमेव जयते  
Department of Industrial Policy and Promotion  
Ministry of Commerce and Industry  
Government of India

## TELECOM SECTOR OVERVIEW

- **2<sup>nd</sup> largest** telecom network, with over **646 million unique mobile subscribers** (2016)
- Telecom sector contributes **6.5% (USD 140 billion)** to India's GDP
- **4 million indirect and direct jobs**, aiming to cross **5 million by 2020**
- Largest smartphone market, with over **300 million smartphone** users in India (2016)
- Smartphone penetration expected to grow to **520 million by 2020**
- **Rural tele-density** in India has increased by 30% over last 5 years (as of 2016)
- FDI in telecom has **quadrupled in FY2016-17**, recording inflow of **USD 5.6 billion**
- **Telecom infrastructure** in India is projected to grow from 775,000 BTS sites in 2015 to **1,487,000 BTS sites in 2020**

## DEMAND DRIVERS

- **Digital India** provides **USD 1.3 billion** business opportunity by 2020
- Rising demand for innovative and affordable services; by 2021, India will have **900 million people** in emerging middle and middle class segment
- Rising demand for internet services in the under penetrated rural markets - targeted **100% rural tele density by 2020**
- Increasing number of government initiatives: **JAM Treaty** (Jan Dhan Yojana, Aadhar and Mobiles) focus on cashless economy

## POLICY SUPPORT & INCENTIVES

- **100% FDI** is allowed in telecoms sector, of this 49% through automatic route
- Basic customs duty (BCD) and special additional duty has been withdrawn
- **Spectrum sharing** was allowed on 21<sup>st</sup> between two telecom service providers
- **Harmonization of spectrum** in 800 MHz and 1800 MHz bands was carried out from April to September 2016, resulting in recovery of 197 MHz of additional spectrum for auction
- Spectrum auction conducted in October 2016 sold **965 MHz of spectrum**
- **Telecom Centres of Excellence (TCoE)** established at 8 premier technical institutes
- **Right of Way Rules** were modified in November 2016. Applications for laying fibre underground cable as well as for setting up telecom towers have to be accepted or rejected within a period of 60 days failing which application will be deemed to have been approved
- **Telecom Sector Skill Council (TSSC)** has empaneled **650 training partners** across the country and trained **3.5 lakh** persons

## RECENT INVESTMENTS

- **Oct '17:** Merger of **Vodafone India Ltd** and **Idea Cellular Ltd** is set to be completed in March 2018

- **Sept '17: Bharti Airtel** acquires **Tikona Networks** 4G Business
- **Nov '17: Reliance Communications** allots 10% shares to **Sistema Shyam Teleservices**