

Incentive to cellular industry

1030. SHRI SANJAY RAUT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of incentives given by the Ministry to the cellular industry during the last five years, especially on the earning of foreign exchange;
- (b) what are the earnings of the cellular industry in form of export and the expenditure in form of import during the last five years;
- (c) whether the Ministry has recently withdrawn any incentives given to the cellular industry on the earning of foreign exchange; and
- (d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (d) The Foreign Trade Policy (FTP) 2004-09 contained a Scheme viz. "Served From India Scheme" (SFIS) to accelerate growth in export of services. Under the SFIS, from 1.4.2003 onwards, the telecom sector was provided benefit in form of Duty Credit Scrip equivalent to 10% of free foreign exchange earned on export of services during the preceding financial year.

Under the Focus Product Scheme in the FTP, cellular phones (with 3G standard & GPS), and videophones are provided benefit in form of Duty Credit Scrip @ 2% of the FOB value of exports.

The merchandise export and import of telecom equipment for the last five years is given in the Statement (See below). For the telecom sector, the Reserve Bank of India is not maintaining separate sector-specific data on foreign exchange earnings from export of services or expenditure on imports of services.

The Government and RBI closely monitor the economic development in the country, and internationally, on a continuous basis, and need based measures are taken from time to time, keeping in view the financial and overall economic implications. Accordingly, in the FTP 2009-14, the benefit to the telecom service providers under SFIS has been withdrawn.

Statement

India's merchandise Export of Telecom Equipments for the last five years

(Values in Rupees crores)

ITCHS	Description	2005-06	2006-07	2007-08	2008-09	2009-10
1	2	3	4	5	6	7
8517	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528	209	430	621	11968	8152
8525	Transmission apparatus for radio broadcasting or television, whether or not incorporation reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video camera recorders	273	500	685	657	305
8544	Insulated (including enamelled or anodised) wire, cable including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors	725	1471	1733	2376	1596

	1	2	3	4	5	6	7
9001	Optical fibres and optical fibre bundles; optical fibre cables other than those of heading 8544; sheets and plates of polarising material; lenses (including contact lenses), prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked	274	334	307	515	754	
8517	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528	5908	8804	17348	40990	39551	
8525	Transmission apparatus for radio broadcasting or television, whether or not incorporation reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video camera recorders	16881	18605	16361	3931	1710	

8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors	1551	2210	3693	3943	3267
9001	Optical fibres and optical fibre bundles; optical fibre cables other than those of heading 8544; sheets and plates of polarising material; lenses (including contact lenses), prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked	164	339	588	525	498

Note: The figures for 2009-10 are provisional and subject to change.