

TELECOM EQUIPMENT MANUFACTURERS ASSOCIATION OF INDIA (Electronics, Mobile, Telecom, ESDM, Manufacturing & Innovations Association)

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Telecom Equipment Manufacturing Association (TEMA) and CMAI Association of India heartily compliment and congratulates NDA Govt. under the leadership of Dr. Narendra Modi led by Hon'ble Shri Arun Jaitley, Finance Minister and Hon'ble Shri Ravi Shankar Prasad MOC & IT.

TEMA & CMAI welcomes the initiative of NDA Government to impose basic customs duty at 10 percent on specified telecommunication products that are outside the purview of the Information Technology Agreement. This has settled a long pending issue.

The Government of India signed ITA 1 on 25th March 1997 and committed import of duty free on 217 items. However, several items which were not covered under ITA 1, were also imported Duty Free. So now this has been corrected by levy of import duty on non ITA-1 items. This budget gives a positive signal that while India will meet all its WTO commitments, it will also support Domestic Manufacturing.

This will go in long way to promote indigenous manufacturing of Telecom Equipments and creation of jobs. We expect 5 lacs direct and indirect Jobs to be created within next three years and industry production is expected to be 25,000 Crores.

Other welcoming features of the budget

This budget is an indication & commitment of Modi Government to promote local manufacturing. For the 1st time the duty has been imposed on non ITA 1 items. This agenda was pending since 2006.

The other positive of the budget is for the 1st time the Government has talked of Start Ups, entrepreneurs, domestic products, R&D with a budget provision of 10000 crores for venture capital.

The budget further lays focus on broadband, which is going to be next phase for India's growth.

Expected Demand

The equipment manufacturing industry forms an integral part of the value chain of the telecom industry. Broadly, telecom equipment products include wireless and landline infrastructure equipment, and networking devices, including routers and switches. **According to industry estimates, the demand for telecom equipment in India was INR769.4 billion in FY13.** Going forward, rural expansion and broadband growth are expected to drive demand and investments in this industry. **Capital expenditure for expansion of telecom network is estimated at approximately INR5219.4 billion up to 2020 for Indian telecom sector.** Additionally, uptake of next generation and high bandwidth data services, managed services, along with deployments of new technologies, rollout of National Optical Fibre Network (NOFN) will boost demand for telecom equipment industry. **The requirement of 3G and 4G equipment is expected to be worth INR101.3 billion and INR126.6 billion respectively, in 2015-16.**

For further information

Prof NK Goyal

Chairman Emeritus TEMA

President CMAI Association of India

+91 98111 29879, tema@tematelecom.in, president_cmai@cmai.asia