

PRIORITY SECTORS

- Advanced Technology Products and Systems
- Agriculture and Food Products
- Environmental Products and Services
- Mining, Metals and Minerals
- Power/Oil and Gas Products
- Transportation Systems

ADVANCED TECHNOLOGY PRODUCTS AND SYSTEMS

Opportunities

TELECOMMUNICATIONS

The Indian market for telecommunications is second only to China in terms of worldwide business potential for Canada's exporters. The Department of Telecommunications (DoT) estimates that the telephone density in the country, which is currently at about 1.49 telephones per hundred, will reach around three telephones per hundred in 2000 and nine telephones per hundred in 2007. The DoT expects the private basic telecom operators to provide at least 20 million direct-exchange lines (DELS) in the country over the next 10 years.

India will need to invest US\$14.43 billion over the next three years to achieve its teledensity target of 2.34 by April 2000. To achieve this target, India will need to add 9.62 million lines — more than two thirds of its existing basic telecom network of 14.2 million lines. Of the 9.62 million fresh telephone lines, the DoT would provide 7.5 million to 8 million lines. The remaining lines are expected to be set up by the private basic telecom operators.

During the next 10 years, the DoT plans to introduce several intelligent network (IN) services in a phased manner. The services include free phone service, in which a subscriber can make toll-free calls to a company and the payment for these calls will be made by the company receiving the call. IN services will also include the facilities of account

card calling, in which a subscriber can call using a personal account number and the payment will not be charged to the telephone from which the call is made. Universal access number facility will also be provided.

According to the DoT's long-term plan for telecom services, there will be an additional demand of 67.4 million phones for the period 1997-2007. The DoT expects to provide 47 million lines, and to offer telephone-on-demand service. The rest of this additional demand will be met by the private basic telecom operators.

Under the New Telecom Policy, a very strong private sector is expected to expand substantially, though at present, the public sector accounts for the bulk of the purchasing requirements for telecommunications and other associated equipment. In major policy changes over the past two to three years, the government opened up the cellular telephone services, basic telephone services and paging services to private-sector operators. Other new reforms included automatic approval for up to 51-percent foreign-equity participation in new ventures; and private-sector involvement in value-added services, the provision of network management services for the national and metropolitan networks, and electronic data interchange (EDI) and voice-mail services.

Similarly, the Telecom Regulatory Authority of India (TRAI) was constituted by the Indian government on February 19, 1997 and later appointed Justice S.S. Sodhi as Chairman, B.K. Zutshi as Vice Chairman, and N.S. Ramachandran as Member. It started functioning on March 25, 1997. TRAI is an autonomous body whose function is to protect the interests of consumers and to resolve any dispute between the DoT and private-sector operators.