

the local market's ability to respond. Foreign investors will likely place a higher premium on systems manufactured with North American or European standards and technology.

**Human Resource Development** - With the fast growing demand for improved telecom service, there will be a parallel demand for customer education and training. Canadian telecom consulting firms or service companies which offer training will find many opportunities to establish themselves in India.

### *Regulatory Environment*

The Department of Telecommunications (DoT) was established in 1986 and the Telecom Commission was set up in May 1989 to provide policy direction. Telecommunications services are now governed by the new National Telecom Policy, announced in May 1994, which replaced the century old Telegraph Act. The Government of India has recently announced that it will use the Canadian model in establishing and operating these new regulatory bodies.

The operation of public telecommunications services is the responsibility of the DoT. There are 18 operational circles covering the country. Mahanagar Telephone Nigam Ltd. (MNTL) provides telecommunications services for Delhi and Bombay. Other metropolitan centres will eventually be covered under MNTL. Attempts to partially privatize Videsh Sanchar Nigam Limited (VSNL), the overseas telegraph carrier, have been unsuccessful to date. The telegraph network in India, owned and operated by DoT, is still underdeveloped.

The Department of Space implements all space communications and remote sensing programs to establish national networks using space technology for television, telecommunications, meteorology, and remote sensing for the survey, monitoring and management of India's natural resources and environment. A number of INSAT satellites have been launched and three more are planned.

The Department of Electronics (DoE) has been entrusted with the development of electronics, control instrumentation, computer hardware and software, robotics and artificial intelligence. All imports in these sectors are regulated by the DoE.

### *Competition*

The new trade policy has created business opportunities for large multinationals to establish reliable and efficient communication networks, and compete in the provision of switching equipment and value-added services. Several multinational corporations are in the race to manufacture telecom switching equipment. Others will provide telecom services such as paging, cellular mobile telephones, voice and electronic mail systems and electronic data interchange. Many foreign companies are already establishing strategic alliances that will make it more difficult for Canadian companies to enter this market unless they act quickly.