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INDIA - MARKET SECTOR PROFILES

TELECOMMUNICATIONS

Background

The Government of India has accorded top priority to the expansion of its telecommunication sector, as India emerges to potentially become one of Asia's next economic success stories. The earlier development of this sector, based on imported technologies, had been slow and generally did not keep pace with the rest of the world, because:

- *Old generation technologies had been offered by international suppliers.*
- *There were inadequate investments in infrastructure and product diversification.*
- *There was a very bureaucratic implementation of new networks and India lacked the expertise to implement them effectively.*

The telecommunication and electronics industry is concentrated mainly in the southern part of India, although some of the terminal and transmission equipment manufacturing units were set up later in other parts of the country. Indian Telephone Industries (ITI) was set up in 1948 and has been a major supplier of telecommunications equipment to the Department of Telecommunications (DoT) since then.

To promote the growth of the telecommunication sector, the Indian PTT was reorganized and a separate Department of Telecommunications (DoT) was set up in 1986. Further, to provide policy direction to the total telecommunication needs of India, the Telecom Commission was set up in May 1989 with one Chairman, four full-time Members and four part-time Members.

In 1981, the government decided to introduce digital switching and transmission. In the early 1980's, India entered the optical fibre field. The Centre for Development of Telematics (C-DoT) was established in 1984 to develop indigenous equipment for large digital main automatic telephone exchanges (MAX) up to 20,000 lines, and 512 line rural digital automatic telephone exchanges (RAX). Mobile telephones and paging services were started in 1987 and cellular telephones were introduced later in metropolitan cities on an experimental basis.

India also entered the field of satellite communications a decade ago. The Department of Space implements and monitors all space communications and remote sensing programs. The main thrust of this program has been 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.

The telegraph network in India is still primitive. A decade ago the Store and Forward Telegraph (SFT) system was introduced. The telegraph network is owned and operated by DoT.

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