



VIL Comments to the TRAI Consultation Paper on “Promoting Networking and Telecom Equipment Manufacturing in India”

At the outset, we are thankful to TRAI for giving us this opportunity to provide our comments to the TRAI Consultation Paper on “Promoting Networking and Telecom Equipment Manufacturing in India” dated 11.02.2022.

In this regard, we would like to submit our comments as follows, for Authority’s kind consideration:

Q11. Is the PMA/PMI scheme in its current form comprehensive for promoting NATEM? Are there any suggestions for modifications? How can the challenges associated with implementation of PMA/PMI be addressed? Please elaborate.

and

Q12. Whether the incentives to Telecom Service Providers to deploy indigenous manufactured products in their network will be helpful in promoting NATEM in India? Please justify with reasons. What incentivization model is suggested?

VIL Comments to Q. No. 11 and 12

- 1.** We unequivocally support networking and telecom equipment manufacturing in India. With Government’s visions of *Atma Nirbhar Bharat*, assisted by PMA/PMI policies, the domestic manufacturing is destined to grow in India.
- 2.** There should be bottoms-up approach of encouraging and developing world class R&D centers, skilled talent leading to domestic patents, designing, certifications and manufacturing.
- 3.** With digital growth across the globe, countries are witnessing enhanced telecom roleplay in Governance, public utilities delivery, defence, financial sector, healthcare, etc. and thus, security and scalability of the telecom networks plays a vital role like never before. Also, India has its own peculiar security needs, which put lot more focus and responsibility on the telecom sector to ensure no compromise on the secured networks.
- 4.** World over telecom sector is going through technological advancements at a rapid pace, with continuous innovations, mostly driven by global vendors. Such technological advancements aids growth and innovations in almost all other sectors, spurring economic activities and thus, giving multiplier effect to the economic growth. Therefore, Indian telecom industry should continue to benefit from the said technological advancements



and innovations happening across the globe, by giving flexibility to the telecom operators for purchasing products/equipment from global suppliers (at times, having manufacturing in India) or from domestic suppliers (largely, made in India). This will ensure that the consumers enjoy world class and superior service experience, over Indian telecom networks.

5. Further, from a long-term perspective, it is important that the policies should encourage products being manufactured should be of robust quality, secured, scalable, interoperable and commercially viable so that they are able to compete in global as well as Indian markets with products manufactured outside India. Such encouragement should be through fiscal and non-fiscal incentives but, not through short-term restrictive policies of mandating purchase of products manufactured in India.
6. The long terms benefits of products manufactured/made in India will arise only when such products are able to demonstrate and compete with any other products being manufactured within India or outside, without compromising on the quality, cost-competitiveness, security and resilience of networks.
7. Moving away from commercially competitive products to mandatory purchases, would bring in inefficiencies, affect security and resilience of the telecom networks and also increase costs for telecom operators.
8. **Therefore, we recommend that:**
 - a. **There should neither be any policy/provision mandating TSPs to purchase product or equipment manufactured/made in India nor there should be any penalty for non-procurement of any defined value/quantity.**
 - b. **Telecom operators should be encouraged through graded incentives of reduction in license fees, for procurement of domestically manufactured products.**
 - c. **These incentives to telecom operators for procuring domestically manufactured products, should apply equally for Indian suppliers as well as for foreign suppliers.**

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