

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
STARRED QUESTION NO. 178
TO BE ANSWERED ON 7th MARCH, 2018**

EMPLOYMENT OPPORTUNITIES IN TELECOM SECTOR

†*178. SHRI CHANDRAKANT KHAIRE:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether a large number of people have become jobless in the telecom sector during the last three years;
- (b) if so, the details thereof, year and State/UT-wise;
- (c) whether the employment opportunities in the said sector are likely to increase in view of the emergence of new technologies and if so, the details thereof;
- (d) the total investment made in telecom sector during the said period; and
- (e) the number of telecom companies shut down or merged with other companies during the said period?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

- (a) to (e) A statement is laid on the table of the House.

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STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN RESPECT OF PART (a) to (e) OF LOK SABHA STARRED QUESTION NO. *178 FOR 7TH MARCH, 2018 ON “EMPLOYMENT OPPORTUNITIES IN TELECOM SECTOR”.

(a) & (b) The Telecom sector is one of the highly competitive high-tech sector and is currently going through a phase of consolidation with mergers and acquisitions happening among various companies. Mergers and acquisitions can have an impact on certain specific telecom service providers. New entrants also tend to shake up the market; however, they also create direct and indirect employment opportunities. Overall, it may be mentioned that there is a vast potential for growth in this sector, especially with the increasing convergence in voice and data and related technologies and the consequent demand for telecom services.

Keeping in view the need for better connectivity and for increasing the potential for further growth, the Government is implementing programmes to improve connectivity through its flagship project ‘BharatNet’ which aims at linking each of the 2.5 lakh Gram Panchayats of India through a vast optical fibre network that in turn would boost various economic activities in the rural sector. This endeavour will open up avenues for better access for service providers such as telecom operators, cable TV operators, e-commerce companies, etc. to launch new services and in turn aid creation of local employment opportunities. Other flagship schemes of the Government like Digital India, Make-in-India and Smart Cities also are expected to create employment opportunities in telecom sector.

(c) As per ‘Skill Plan’ of Department of Telecommunication, prepared based on inputs from Environmental Scan Report-2016 of Ministry of Skill Development and Entrepreneurship (MSDE), assessment of Indian Cellular Association (ICA), Telecom Sector Skill Council (TSSC), an additional skilled manpower requirement to the tune of 47,75,500 from the present strength of 40,04,500 is estimated in telecom sector till the end of financial year 2021-22, meaning thereby an increase of 119.25% over the present strength in a period of five financial years.

(d) Telecom sector comprises telecom services sector and telecom manufacturing sector. Foreign Direct Investment (FDI) up to 100% is permitted in telecom equipment manufacturing via automatic route. Under the automatic route, investment in telecom equipment manufacturing can be made in the country without prior approval of the Government. Moreover, FDI is largely a matter of private business decisions.

As per the audited/unaudited financial information submitted by licensed telecom service providers submitted to TRAI, the capital investment in the last three years is as under. However, these figures do not reflect the capital investment for the entire telecom sector.

Capital investment (Gross Block* in Capital Work in Progress) (Rs in Cr)		
S.No	Year	Capital Investment in Rs Cr
1	2014-15	726400
2	2015-16	913814
3	2016-17	1044027

*The total value of acquiring all fixed assets (even though a different points of time) is called “Gross Block” or “Gross Fixed Asset”. The worth of the fixed assets after providing for depreciation is called “Net Block”.

The FDI equity inflow in the telecom sector for the last 3 years and current year (as obtained from DIPP website) is as under:

Year	FDI Equity inflow (in Rs. Crores)
2014-15	17,372
2015-16	8,637
2016-17	37,435
Apr 2017-Dec 2017	39,264

INVESTMENTS MADE BY GOVERNMENT IN ITI LTD

The Cabinet Committee on Economic Affairs (CCEA) had approved capital grant of Rs 2264 Cr to be given in the form of equity for project implementation (CAPEX) to ITI Ltd. for upgrading its manufacturing infrastructure and new projects for its revival. Out of this, an amount of Rs 472 Cr has so far been released to ITI during the last three years. In addition to the above, MoF has made the following budget allocation for F.Y 2018-19 , in the form of equity:

- i. Rs 137 Cr in R.E of 2017-18
- ii. Rs 100 Cr in B.E of 2018-19

The status of funds released to ITI against this approval in the last years and current year is as under:

S.No	Year	Equity Infusion in Rs Cr
1	2014-15	192
2	2015-16	--
3	2016-17	80
4	2017-18	200

USOF SUBSIDIES DISBURSED IN LAST THREE YEARS

Under the various schemes of USOF, the following subsidies have been released during the last 3 years, primarily for creating infrastructure in rural and remote areas.

Year	Subsidy disbursed (Rs in Crores)
2014-15	2086.98
2015-16	3100.00
2016-17	7227.03

(e) During the last three years, four telecom companies have closed down telecom operations, three companies were acquired/merged and seven companies are in the process of merger. Details are available in **Annexure- I**.

Annexure-I

1. During the last three years, the following companies closed down their telecom operations:
 - (i) M/s Videocon closed down services in the services areas of Gujarat, UP (West), Madhya Pradesh, UP (East), Bihar and Haryana in 2016.
 - (ii) M/s Quadrant Teleservices has closed down GSM services in Punjab service area in 2017.
 - (iii) M/s Reliance Communications Ltd has closed down voice services in 2017.
 - (iv) M/s Aircel Limited has closed down telecom services in service areas of Gujarat, Haryana, Madhya Pradesh, Himachal Pradesh, Uttar Pradesh (West) and Maharashtra in January, 2018. The taking on record of surrender of licenses is under process in the Department of Telecommunications.
2. During the last three years, the following telecom companies were merged/ acquired.
 - (i) M/s Sistema Shyam Tele Limited (M/s SSSL) was acquired by M/s Reliance Communications Limited (M/s RCOM) in 2017
 - (ii) Infotel Telecom limited (ITL) merged with Reliance Jio Infocomm Limited (RJIL) in 2017.
 - (iii) M/s Augere Wireless Broadband Services India Pvt. Ltd merged with M/s Bharti Airtel Limited in 2017.
3. The following telecom companies are in the process of merger:
 - (i) Merger of M/s Tikona Digital Networks Private Ltd. with M/s Bharti Airtel Ltd.
 - (ii) Merger of M/s Telenor (India) Communication Private Limited with M/s Bharti Airtel Limited
 - (iii) Merger of M/s Vodafone India Limited & M/s Vodafone Mobile Services Limited with M/s Idea cellular Limited
 - (iv) Demerger of telecom business of M/s Reliance Telecom Limited in 5 service areas namely Bihar, Himachal Pradesh, Madhya Pradesh, Orissa and West Bengal and merger of the same into M/s Reliance communications Limited
 - (v) Merger of M/s Airtel Broadband Services Private Limited with M/s Bharti Airtel Limited
 - (vi) Merger of Vodafone Group entities into Vodafone Mobile Services Limited
 - (vii) Merger of M/s Aircel cellular Limited and M/s Aircel Limited consequent to merger of Chennai service area with Tamilnadu service area