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TITLE: Foreign Direct Investment, Investment and Revenue in the Telecom Sector in India

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Foreign Direct Investment, Investment and Revenue in the Telecom Sector in India

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In India, telephone service was introduced in Kolkata in 1881-82, barely six years after the invention of telephone. By 1900, telephone had started serving Indian Railways. The first automatic telephone exchange was commissioned at Shimla in 1913-14 with a capacity of 700 lines. However, in spite of early introduction, the number of telephones was just 36.28 million till 2001 in the country. This translated into about 4 telephones for every 100 persons. The telecom sector, however, has shown remarkable enterprise and dynamism in the last one decade (2002 – 2012). The telecom network has expanded from 44.96 million phones in March, 2002 to 906.18 million connections (both fixed & wireless) as on August, 2013. The Indian telecom network today is the second largest in the world, next only to China. The growth of mobile telephone has recorded a compound annual growth rate (CAGR) of 64 per cent per annum during 2002-12. The unprecedented increase in telephone network and sharp decline in tariffs in the Indian telecom sector have contributed significantly to the country's economic growth. It would not be exaggeration if remarkable growth, in the telephones, is termed as "telecom revolution in India".

2. Telephone Network: Telecom sector has witnessed a continuous rising trend in the total number of telephone subscribers. The number of telephone connections had reached the peak level of 965.52 million in June, 2012. Thereafter there had been a continuous decline every month and the same has reached to 892.01 million in February 2013 (**Table 1**). The decline in telecom user base between June 2012 and February 2013 is primarily due to the removal of inactive mobile telephone connections by the service providers. Thereafter, once again, there has been increasing trend in the number of telephones in the country. The total number of telephones stands at 906.18 million as on 31st August 2013.

2.1 Fixed Telephone lines (Wire line): The wire line telephone increased from 32.70 million in 2001 to 41.42 million in March 2005 but then started declining and reached to 29.46 million in August 2013.

2.2 Mobile Cellular Telephone (Wireless): Wireless Telephone segment has been the key contributor to remarkable growth in the telephone network in India. The number of wireless connections rose from 3.58 million in March 2001 to 165.09 million in March 2007 and reached to 876.73 million as on 31st August 2013. With 876.73 million wireless connections, Indian telecom has become the second largest wireless network in the world after China.

Table 1: Telephone Network in India

Year ending 31 st March	Telephones (million)			Share in % age		% age Growth (over previous year)		
	Wireline	Wireless	Total	Wireline	Wireless	Wireline	Wireless	Overall
2001	32.70	3.58	36.28	90.1	9.9	-	-	-
2003	41.32	13.29	54.62	75.7	24.3	7.92	99.11	21.46
2005	41.42	56.95	98.37	42.1	57.9	1.23	59.88	28.53
2007	40.77	165.09	205.87	19.8	80.2	1.36	62.07	44.88
2009	37.96	391.76	429.73	8.8	91.2	-3.68	50.05	43.01
2011	34.73	811.60	846.33	4.1	95.9	-6.03	38.90	36.22
January 2012	31.43	934.10	965.52	3.2	96.8	-	-	-
2013	30.21	867.81	898.02	3.4	96.6	-6.09	-5.59	-5.61
August'13	29.46	876.73	906.18	3.25	96.75	-	-	-

Source : Economic Research Unit, Department of Telecom, Government of India

3. Rural and Urban Telephones: While the telephones in urban areas have grown significantly, the similar growth has not been witnessed on the rural front. However, with the introduction of mobile services in rural areas and also due to policy interventions, the rural subscribers are increasing in the recent times. The rural telephone connections have gone up from just 6.69 million, having teledensity of less than 1%, in 2001 to 47.10 million in March 2007. The rural subscribers have reached at 357.32 million as on August 31, 2013 (**Table 2**), implying thereby teledensity of 41.85%. The share of rural telephone in the total telephones has constantly been increased from 18.43% in 2001 to 39.43% as on August 31, 2013. Continuous increase in the share of rural telephones is another noteworthy development in the Telecom Sector in India.

Table 2 : Rural and Urban Telephone Network in India

Year ending 31 st March	Telephones (million)			Share in % age		% age Growth	
	Rural	Urban	Total	Rural	Urban	Rural	Urban
2001	6.69	29.59	36.28	18.43	81.57	-	-
2003	11.41	43.21	54.62	20.89	79.11	24.7	20.6
2005	13.57	84.80	98.37	13.79	86.21	10.6	32.0
2007	47.10	158.77	205.87	22.88	77.12	154.1	28.5
2009	123.51	306.21	429.73	28.74	71.26	61.5	36.7
2011	282.29	564.04	846.33	33.35	66.65	40.6	34.1
2013	349.21	548.80	898.02	38.89	61.11	5.6	-11.6
August' 13	357.32	548.86	906.18	39.43	60.57	-	-

Source : *Ibid.*, Table 1.

4 Teledensity: Teledensity or coverage of population under telephone is an important indicator of telecom penetration in the country. It is defined as number of telephones per 100 population. An analysis of teledensity in India (**Table 3**) has shown following characteristics:

- The overall teledensity was 3.58% in March 2001, which increased to 73.60% in August 2013. Thus, there has been continuous improvement in the overall teledensity of the country.
- The rural teledensity, which was below 1% in March 2001, has gone up to 41.85% at the end of August 2013.
- The urban teledensity, on the other hand, has increased from 10.37% to 145.45% during the aforesaid period.
- The wireless teledensity has increased from 0.35% to 71.21% during the same period.
- The private teledensity has increased from 0.38% to 63.45% during the same period.

Table 3: Teledensity (Rural, Urban, Wireless, Wireline, Public and Private) in India (%)

Year ending 31 st March	Rural	Urban	Overall	Wire line	Wireless	Public	Private
2001	0.93	10.37	3.58	3.23	0.35	3.20	0.38
2003	1.49	14.32	5.11	3.87	1.24	4.04	1.07
2005	1.73	26.88	8.95	3.77	5.18	4.74	4.21
2007	5.89	48.10	18.22	3.61	14.61	6.32	11.90
2009	15.11	88.84	36.98	3.27	33.71	7.71	29.27
2011	33.83	156.94	70.89	2.91	67.98	10.55	60.34
2013	41.05	146.64	73.32	2.47	70.85	10.62	62.69
August' 13	41.85	145.45	73.60	2.39	71.21	10.15	63.45

Source : *Ibid.*, Table 1.

5 Broadband Subscribers: Internet services were launched by government owned company ‘Videsh Sanchar Nigam Limited (VSNL)’ in India in 1995. The Government, however, had opened up internet services to the private operators in 1998. After announcement of Broadband Policy in October 2004, the broadband subscribers have grown spectacularly. The broadband subscription has gone up from just 0.18 million in 2005 to 15.19 million as on 31st August, 2013 (**Table 4**).

Table 4: Growth of Broadband in India

Year (end March)	2005	2006	2008	2009	2010	2011	2012	2013	June 2013
Broadband (in million)	0.18	1.32	3.80	6.22	8.77	11.87	13.79	15.05	15.19

Source: Telecom Regulatory Authority of India

6 Telephone Network in Selected Countries: With the mobile cellular telephones network of 1100 million, China has the largest network in the world in 2012. India has obtained the second position with telephone network of 864.72 million. During 2000-12, China has registered a CAGR of 23.75% in mobile cellular telephones, whereas India achieved 57.98 %. Pakistan, however, has reported the highest growth of 64.48 % during the same period. The details of mobile cellular telephones network and CAGR in selected countries are given in **Annexure I**.

7 Relationship between Growth of Mobile and GDP: Empirical Studies have shown that there is a strong and positive co-relation between increase in penetration of internet including telecom services and growth of GDP. The study conducted by World Bank in 2009 using data of 120 developed and developing countries indicates that a 10 percentage point increase in broadband penetration leads to a 1.30 percentage point increase in GDP per capita. In India, the telecom sector has contributed significantly to the overall economy of the country. The share of telecom as a percentage of GDP has increased from 0.96 in 2001 to about 3.78 % at present (Telecom Sector in India: A Decadal Profile, TRAI, Page 3). Moreover, a recent study undertaken by Department of Information Technology, Government of India, has shown that 10% increase in internet subscribers delivers, on an average, 1.08% increase in GDP. Further,

the growth was much higher at 2.36%, on an average, in states which had higher penetration of internet.

Table 5: Growth Rate (over previous year): Mobile and GDP

Year	Mobile (million)	Growth (%)	GDP (Rs. crore)	Growth (%)
1997	0.34	-	1876319	-
1999	1.20	36.0	2087828	6.7
2001	3.58	89.8	2342774	4.3
2005	56.95	59.9	2971464	7.0
2009	391.76	50.1	4158676	6.7
2011	811.60	38.9	4937006	9.3
2013	867.81	-5.6	5503476	5.0
Parameter	Compound Annual Growth Rate (CAGR) in %			
	Period	2002-12	2002-07	2007-12
Mobile		63.65	89.98	40.97
Gross Domestic Product at Constant Prices (2004-05)		7.81	7.59	8.03
Source: Economic Survey, Govt. of India				

The unprecedented increase in mobiles during 2002 to 2012, which saw a CAGR of 64% per annum and sharp decline in tariffs in the Indian telecom sector have contributed significantly to the country's economic growth. GDP increased by CAGR of 7.59% during 2002-07 (**Table 5**). This increased to 8.03% during the Eleventh Plan (2007-12). CAGR during the Tenth and Eleventh Plan was much higher compared to the CAGR of 6.6% and 5.7% during the Eighth (1992-97) and Ninth Plan (1997-2002) respectively.

8 Policy and Institutional Framework: Industrial Policy Resolution of 1956 had given exclusive rights to Government over telecommunication industry. Until the mid 1980s, the telecommunication industry was functioning as a Department of Government in India. In 1986, Mahanagar Telephone Nigam Limited (MTNL) was set up to provide telephone services in

metropolitan cities of Delhi and Mumbai. In the same year, VSNL was also established to provide International Long Distance (ILD) services. Telecom Commission was set up in 1989 to deal with various aspects of telecommunications and to implement the Government's policy with regard to telecom. Following the adoption of New Economic Policy in 1991, liberalized economic policy has also been pursued in the telecom sector. Due to adoption of liberalised policy, the Indian telecom sector has transformed from a government monopoly to one with dominating private service providers. Announcement of National Telecom Policy (NTP) of 1994 was a clear intention of Government of India to liberalize the telecom sector. This policy framework opened up the telecom sector for private operators in basic services as well as value added services like Cellular Mobile Telephone Services (MTS), radio paging and so on.

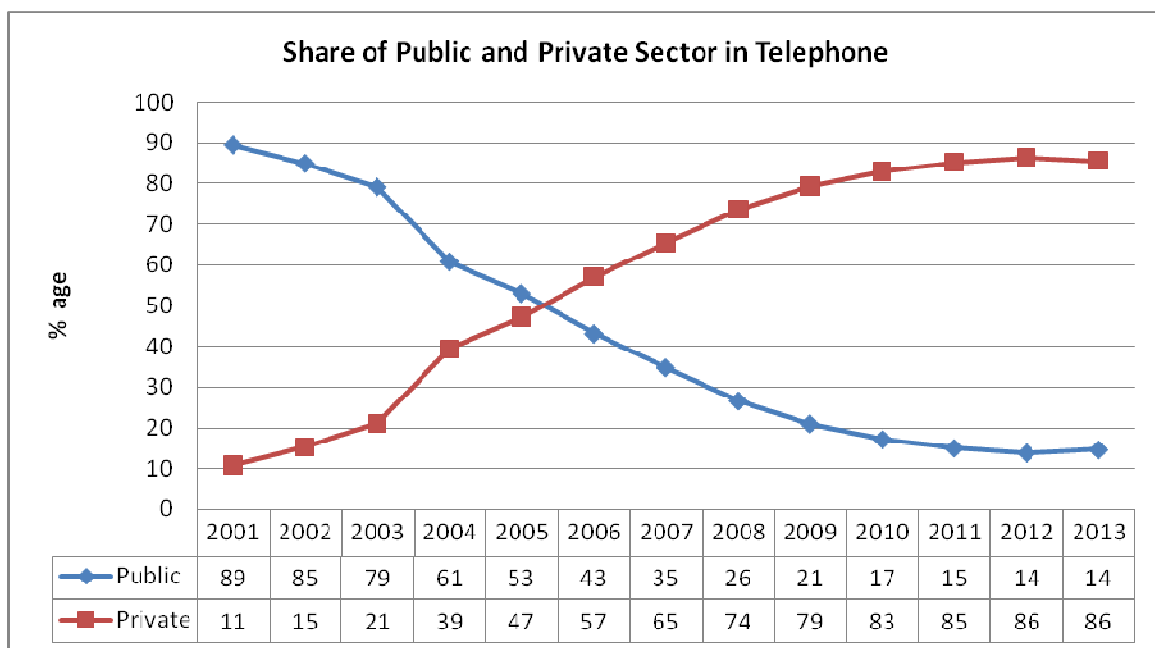
The adoption of liberalized telecom policy, necessitated the setting up of regulatory body for conducive growth of the telecommunication sector and protection of consumers interest. In 1997, the Telecom Regulatory Authority of India (TRAI) was set up to provide regulatory framework for the telecom sector. TRAI has mandatory and recommendatory powers in the sphere of tariffs, inter connection and standards for quality of service. NTP of 1999, however, laid down a clear road map for future reforms and contemplated opening up of all segment of telecom sector for private sector participation. Following the announcement of 1999 policy, private service providers were permitted to pay license fee based on revenue sharing with effect from August, 1999 in place of fixed amount of license fee annually based on the agreed amount. Subsequently, National Long Distance Telephony (NLD) service was opened to the private sector on August 13, 2000 and International Long Distance Telephone (ILD) on April 1, 2002.

The Year 2012 was an epoch making year as far as the development of Telecom and ICT is concerned. In that year, three policy announcements known as “**Triad of Policies**” were made by the Government of India. These three policies are i) National Telecom Policy, ii) National Policy on Electronics and iii) National Policy on Information Technology. These policies are designed to help in taking Telecom and ICT sector to the next level.

The primary objective of **NTP-2012** is maximizing public goods by making available, affordable, reliable and secure telecommunication and broadband services across the entire country. It also recognizes the predominant role of the private sector in this field and the

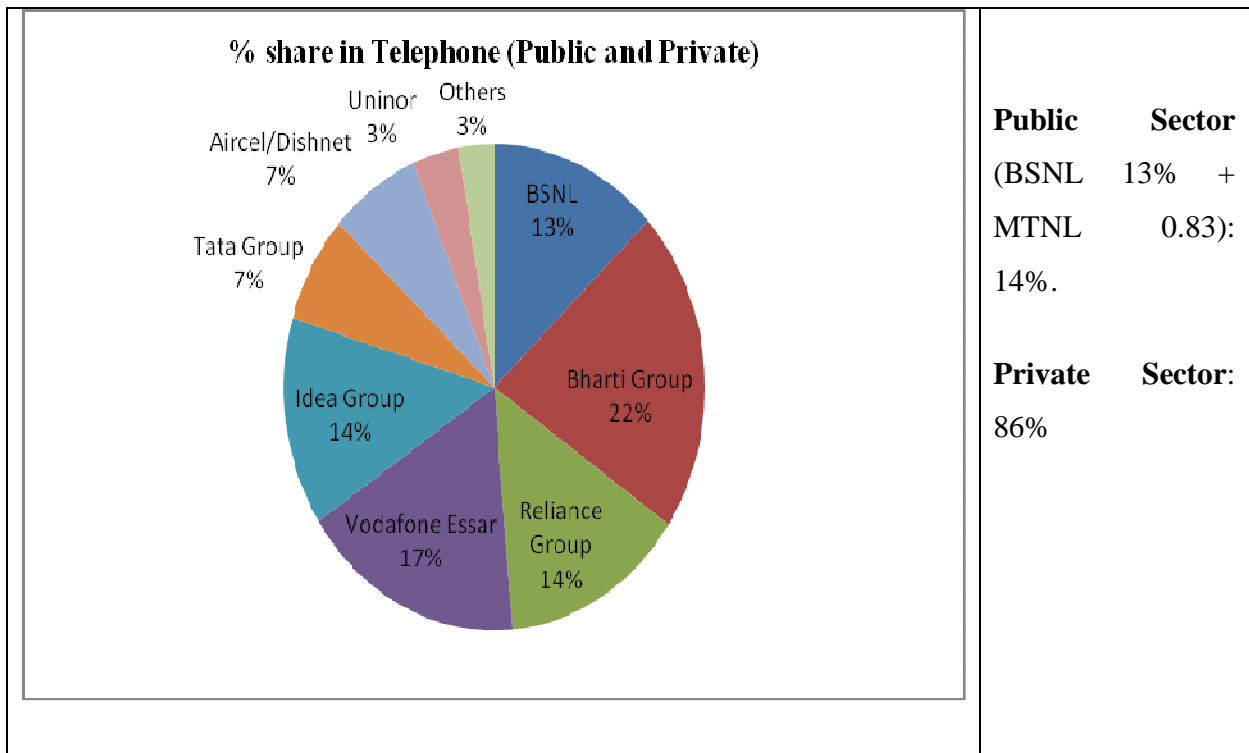
consequent policy imperative of ensuring continued viability of service providers in a competitive environment. These principles would guide decisions needed to strike a balance between the interests of users/ consumers, service providers and government revenue. NTP – 2012 aims to increase rural teledensity from 39 to 70 by the year 2017 and 100 by the year 2020. The policy also aims to provide affordable and reliable broadband-on-demand by the year 2015 and to achieve 175 million broadband connections by the year 2017 and 600 million by the year 2020 at minimum 2 Mbps download speed and making available higher speeds of at least 100 Mbps on demand.

NTP 2012 has recognized the need to promote R&D in the manufacturing of domestic telecom equipments and enhancing competitiveness of domestic manufacturing. The Policy has also recognized the need to permit spectrum pooling, sharing and trading to enable optimal utilisation of spectrum through appropriate regulatory framework. TRAI has made recommendations for permitting spectrum trading in September 2013 (Press Release No. 66/2013). These recommendations are under consideration of the Government. The policy has recognized the need for rapid expansion of cloud computing by addressing the concerns of cloud users and other stakeholders. Government has also initiated a project ‘Meghraj’ for creating a government of India cloud at the national level. This will act as a common repository of cloud based infrastructure resources and applications on demand.



9 Growth of Private Sector : As discussed in para 8, the Government of India took initiatives in the form of policies and programmes to encourage participation of private players in big way. These initiatives were directed at removal of state monopolies, reduction in entry barriers to new firms, creation of a level playing field between incumbents and new entrants, and promotion of competition among service providers. Consequently, the private sector is, now, playing a major role in the telecom sector. The share of private sector in total telephone connections is 86% in August 2013 as against a meager 11% in 2001 (Graph). This Graph also indicates that before 2005, the share of public sector in the telephones was more. However, after 2005, the share of private sector is more. The telephone connections in public sector as well as in private sector during 2001- 2013 are given in the **Annexure II**.

Pie Diagram shows that private operators have a share of 86 % in the total phones in the month of August 2013. Operator-wise analysis reveals that Bharti Group has the highest share of 22% in the total telephones, followed by Vodafone Essar (17%), Reliance Group (14%), Idea Group (13%) and BSNL (13.0%). Operator-wise details of number of telephones (total, wire line and wireless) are at **Annexure-III**.



10 Imports and Exports of Telecom Equipments in India

Indian telecom industry manufactures a complete range of telecom equipments using state of art technology. The demand for telecom equipment has increased rapidly with the advent of next-generation technologies and operators rolling out 3G and broadband wireless access services. India has potential to emerge as a global hub for telecom manufacturing. Taking into the growth of telecom sector in the recent years, there are excellent opportunities for domestic and foreign investors in manufacturing sector. Telecom manufacturing was de-licensed in 1991 to attract private sector. NTP-2012 has also recognized the strategic role of telecom manufacturing in the development of the sector. However, requirement of telecom items are generally met from imports in India. The WTO data bank provide telecom equipments related trade statistics under four groups such as i) office and telecom equipment, ii) electronic data processing and office equipment, iii) telecommunications equipment, and iv) integrated circuits and electronic components. The exports of Indian telecom manufacturing was US \$ 1176 million in 2002, which has grew to US \$ 10802 million in 2012 (**Table 6**). The import of telecom was US \$ 7490 million in 2002, which has gone up to US \$ 50240 million in 2012. In fact, the imports of telecom equipments are higher than exports.

Table 6: Exports and Imports of Telecom Equipments (million US \$)

Year	2002	2012	Share in World (%)		CAGR (2002-12)
			2002	2012	
Exports	1176	10802	0.07	0.32	24.83
Imports	7490	50240	0.42	1.34	20.96
Source: World Trade Organisation					

11. Exports and Imports of Telecom Equipments in Selected Countries

The India's share in the world exports of telecom items has been reported at less than 1% (0.32%), whereas imports at 1.34% in 2012. The share of China in the world exports has reported at 32.25% in 2012 (whereas 8.91 % in 2002), while imports at 18.55% (7.41 % in 2002). However, India has recorded the maximum exports growth of 24.83% during 2002-12 and the

2nd largest imports growth of 20.96%, next only to Indonesia (32.48%). The details of exports and imports of Telecom items in the selected countries are given in **Annexure IV**.

12 Investment Policy

Due to adoption of restrictive economic policy in pre-reform period, initially domestic companies were encouraged to tie up with foreign ones in order to bring more capital and improved technology. However, with disastrous financial results, foreign firms wanted to exit by late 1990s (TRAI, 2012). Subsequently, foreign direct investment has liberalized considerably. Generally, investment can be discussed under three broad categories: i) public or government investment, ii) total investment (both public and private), and iii) foreign investment. The details are given below:

Table 7: Total Plan Outlay and Outlay for Communications in Five Year Plans (Rs crore)

Plan Period 1	Communication Outlay	Total Plan Outlay	Communication Outlay as a % of Total Plan Outlay
First Plan (1951–56)	47	2,069	2.27
Second Plan (1956–61)	66	4,800	1.38
Third Plan (1961–66)	164	7,500	2.19
Fourth Plan (1969–1974)	415	15,901	2.16
Fifth Plan (1974–78)	781	38,853	2.01
Sixth Plan (1980–85)	2,722	97,500	2.79
Seventh Plan (1985–1990)	8,123	1,80,000	4.51
Eighth Plan (1992–97)	25,110	4,34,100	5.78
Ninth Plan (1997–2002)	47,280	8,59,200	5.50
Tenth Plan (2002–2007)	82,645	16,18,460	5.11
Eleventh Plan (2007–2012)	58,516	36,76,936	1.59
Twelfth Plan (2012-17)	80,984	76,69,807	1.06
Source: Planning Commission, Govt. of India. Available online at www.planningcommission.nic.in			

12.1 Public Investment in Communication Sector

In India, planning process was initiated in 1951. In the First Plan (1951-56), outlay on communication sector was Rs. 47 crores. There was substantial jump in the public investment during Sixth Plan (1980–85), and outlay had reported at Rs. 2,722 crores and also in the Seventh Plan (Rs. 8, 123 crores). In the current Five Year Plan (2012-17), a sum of Rs.80,984 crores has been allotted for the development of communication sector (**Table 7**).

12.2 Capital Investment (both public and Private) in Telecom Sector: In the financial year ending March 2007, investment (both public and private) was Rs. 2,40,000 crores, which has gone up to Rs. 5,17,818 crores in 2012 (**Table 8**).

Table 8: Capital investment in the Telecom Sector (2007 – 12)
(Rs. in crore)

Sl. No.	Financial Year (March ending)	Investment (Gross Block)	Growth over previous year (%)
1	2007	2,40,000	-
2	2008	2,75,000	14.58
3	2009	3,37,700	22.80
4.	2010	4,16,429	23.31
5.	2011	4,79,278	15.09
6.	2012	5,17,818	8.04

Source: Telecom Regulatory Authority of India

12.3 Foreign Direct Investment (FDI) in Telecom sector

At present, India provides a liberal, attractive, and investor friendly climate to foreign investors. Allowing greater participation of foreign investment has helped in growth of the sector and telecom was the third major sector attracting FDI inflows after services and computer software sector. Until 22nd August 2013, FDI upto 74% (49% under automatic route) was permitted in most cases. The policy is liberalized further on 22.08.2013 {(Press Note No. 6 (2013 Series), DIPP, Ministry of Commerce and industry)} and FDI upto 100 % is permitted in almost all telecom services including basic, cellular, unified access services, national/international long distance, VSAT, Global Mobile Personal Communications Services (GMPCS), all types of ISP, infrastructure providers (providing dark fibre, telecom towers, duct, space), and voice mail and

100% FDI in manufacturing of telecom equipments. FDI upto 49% is allowed through automatic route and beyond 49% is allowed through Foreign Investment Promotion Board (FIPB). The FDI equity inflows in telecom sector was US\$ 478 million in 2006-07, which has gone up to Rs. 2558 million in 2008-09, thereafter recorded decline (**Table 9**).

Table 9: Foreign Direct Investment Inflows in India (US\$ in million)

Year	Total	Telecom Sector	Share of Telecom in Total (%)
2006-07	15,726	478	3.04
2007-08	24,579	1,261	5.13
2008-09	27,309	2,558	9.37
2009-10	25,888	2,554	9.87
2010-11	19,427	1,665	8.57
2011-12	36,504	1,997	5.47
2012-13	22,423	304	1.36
2013-14 (April-July)	7,054	12	0.17

Source: DIPP, Ministry of Commerce and Industry

13. Revenue of Telecom Sector: The gross revenue of the telecom sector was Rs. 87,312 crores in 2005-06, which has gone up to Rs. 1,79,914 crores 2011-12. The maximum year to year growth of 22.99 % has been reported in 2006-07 (**Table 11**).

Table 11: Telecom Sector Gross Revenue (2005-06 to 2010-12)

Year	Rs crore	Growth over previous year (%)
2005-06	87,312	-
2006-07	1,07,382	22.99
2007-08	1,29,460	20.56
2008-09	1,52,360	17.69
2009-10	1,50,660	-1.12
2010-11	1,66,752	10.68
2011-12	1,79,914	7.89

Source: Telecom Regulatory Authority of India

Annexure I

Mobile Cellular Telephone Network and CAGR of in Selected Countries

Country	CAGR of Mobile Telephones			No. of Mobile Telephones (million)		
	(2000-12)	(2000-06)	(2006-12)	2000	2006	2012
India	57.98	89.58	31.66	3.58	166.05	864.72
Cambodia	51.51	53.71	49.35	0.13	1.72	19.11
China	23.75	32.49	15.60	85.26	461.06	1100.00
Egypt	42.68	53.80	32.36	1.36	18.00	96.80
Germany	6.93	10.06	3.88	48.20	85.65	107.66
Indonesia	43.59	60.96	28.10	3.67	63.80	281.96
Japan	6.26	6.93	5.59	66.78	99.83	138.36
Malaysia	19.01	24.92	13.37	5.12	19.46	41.32
Pakistan	64.48	119.74	23.11	0.31	34.51	120.15
Philippines	25.96	37.10	15.73	6.45	42.87	103.00
Sri Lanka	37.89	52.51	24.67	0.43	5.41	20.32
United Kingdom	5.45	8.29	2.68	43.45	70.08	82.11
United States	9.06	13.14	5.13	109.48	229.60	310.00

Basic Source of Data: International Telecommunication Union

Annexure II

Public and Private Telephone Network in India

Year ending 31st March	Telephones (million)			Share in % age		% age Growth	
	Public	Private	Total	Public	Private	Public	Private
2001	32.44	3.84	36.28	89.41	10.59	-	-
2003	43.17	11.45	54.62	79.04	20.96	13.1	68.2
2005	52.09	46.28	98.37	52.95	47.05	12.1	54.0
2007	71.39	134.48	205.87	34.68	65.32	16.9	66.0
2009	89.55	340.18	429.73	20.84	79.16	12.6	54.0
2011	126.00	720.33	846.33	14.89	85.11	19.0	39.8
2013	130.11	767.91	898.02	14.49	85.51	-0.1	-6.5
August 2013	125.02	781.16	906.18	13.80	86.20	-	-

Source: Economic Research Unit, Department of Telecom, Government of India

Annexure III

S. No.	Operators	Wireline (million)			Wireless (million)			Total Phones (million)			
		August 2012	August 2013	% share	August 2012	August 2013	% share	August 2012	August 2013	% share	% Growth
1	BSNL	21.49	19.57	66.45	99.24	97.93	11.17	120.73	117.51	12.97	-2.67
2	MTNL	3.45	3.54	12.03	5.31	3.97	0.45	8.76	7.52	0.83	-14.22
A	PSUs	24.94	23.12	78.48	104.55	101.91	11.62	129.49	125.02	13.8	-3.45
3	Bharti Group	3.27	3.32	11.26	186.90	192.22	21.93	190.18	195.54	21.58	2.82
4	Reliance Group	1.26	1.24	4.22	134.64	126.76	14.46	135.90	128.00	14.12	-5.81
5	Vodafone Essar	0.02	0.04	0.15	153.35	154.34	17.6	153.37	154.38	17.04	0.66
6	Idea Group	0	0.00	0	115.97	126.02	14.37	115.97	126.02	13.91	8.66
7	Tata Group	1.46	1.48	5.03	78.63	63.69	7.26	80.10	65.17	7.19	-18.63
8	Loop Mobile	0	0.00	0	3.08	2.83	0.32	3.08	2.83	0.31	-8
9	Aircel/Dishnet	0	0.00	0	65.95	62.60	7.14	65.95	62.60	6.91	-5.08
10	Uninor	0	0.00	0	42.11	32.25	3.68	42.11	32.25	3.56	-23.41
11	Videocon	0	0.00	0	4.78	2.93	0.33	4.78	2.93	0.32	-38.66
12	Quadarant (HFCL)	0.19	0.20	0.68	1.55	1.61	0.18	1.74	1.81	0.2	3.73
13	Sistema Shyam	0.05	0.05	0.18	16.84	9.57	1.09	16.89	9.62	1.06	-43.04
B	Private	6.26	6.34	21.52	803.81	774.82	88.38	810.08	781.16	86.2	-3.57
A + B	Total	31.20	29.46	100	908.36	876.73	100	939.57	906.18	100	-3.55

Annexure IV
Exports and Imports of Telecom Items in Selected Countries

(Millions US \$)

Reporter	Exports		Imports		% share in world Exports		% share in world Imports		CAGR (2002-12)	
	2002	2012	2002	2012	2002	2012	2002	2012	Exports	Import
World	1696124	3347300	1792628	3739170	100	100	100	100	7.03	7.63
China	151044	1079584	132822	693522	8.91	32.25	7.41	18.55	21.73	17.97
Germany	94039	131524	115973	182612	5.54	3.93	6.47	4.88	3.41	4.64
Hong Kong, China	119055	410460	129907	433717	7.02	12.26	7.25	11.60	13.18	12.81
India	1176	10802	7490	50240	0.07	0.32	0.42	1.34	24.83	20.96
Indonesia	12618	15608	1592	26508	0.74	0.47	0.09	0.71	2.15	32.48
Israel	8966	13944	6554	13008	0.53	0.42	0.37	0.35	4.52	7.10
Japan	162466	164971	98594	180466	9.58	4.93	5.50	4.83	0.15	6.23
Korea, Republic of	105258	179643	56044	96646	6.21	5.37	3.13	2.58	5.49	5.60
Malaysia	95654	125049	64044	87930	5.64	3.74	3.57	2.35	2.72	3.22
Philippines	46726	37554	41568	32014	2.75	1.12	2.32	0.86	-2.16	-2.58
South Africa	797	1826	5816	16455	0.05	0.05	0.32	0.44	8.64	10.96
Taipei, Chinese	95357	184402	63562	92776	5.62	5.51	3.55	2.48	6.82	3.85
United Kingdom	92228	41948	88782	115365	5.44	1.25	4.95	3.09	-7.58	2.65
United States	218276	280332	346350	610818	12.87	8.37	19.32	16.34	2.53	5.84
Total	1203660	2677647	1159098	2632077	70.97	79.99	64.66	70.39	8.32	8.55

Source: World Trade Organisation

Note: Telecom Items include i) office and telecom equipment, ii) electronic data processing and office equipment, iii) telecommunications equipment, and iv) integrated circuits and electronic components.