

TRAI Recommendations on Promotion of NATEM - extremely comprehensive & forward looking recommendations

New Delhi, September 25, 2023: The Broadband India Forum (BIF) warmly welcomes the TRAI Recommendations for the Promotion of Networking & Telecom Equipment Manufacturing (NATEM) for its excellent assessment of India's true potential in Telecom Equipment Manufacturing and for delineating measures that would enable the sector to transition from high import dependency to becoming a global manufacturing hub.

Commenting on the TRAI Recommendations, Shri T.V. Ramachandran, President of the Broadband India Forum, said, "TRAI must be lauded for the measures that they have recommended to make India a Global Manufacturing Hub with a focus on exports besides local manufacturing of Networking & Telecom equipment. The detailed recommendations include, among others, a review of the PMA-PMI Policy Guidelines, including the Value Addition norms, so that they are aligned with market realities. Additional Financial/Fiscal Incentives beyond the existing PLI Scheme and policy guidelines are proposed, along with procedural simplification to position India as a Global R&D and Repair hub." He also added, "Some of these provisions could be made applicable to the Satcom industry, as appropriate."

A few of the other salient features of these Recommendations include:

1. Inclusion of VSAT Terminals and IoT devices under NATEM Policies and benefits.
 2. Recommendation of a new NATEDF fund to promote Networking & Telecom Equipment Manufacturing beyond PLI. This fund would be on the lines of the MeitY-led EDF, supporting Project & Contract Financing for domestic manufacturing.
 3. Recommendation of a new TEDB (Telecom Equipment Development Board) under DoT for faster and coordinated decisions relating to funding of incentives for design, development, and manufacturing of telecommunication equipment in the country. It should be responsible for facilitating innovation, R&D, testing certification, and manufacturing in the telecom sector.
 4. Recommendation of a Financial Scheme, on the lines of the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS). A new scheme should be introduced to partially fund the Capital expenses of manufacturing facilities with respect to domestic manufacturing of NATEM and related components.
 5. Financial Support for Capex for NATEM manufacturing for the first 5 years – up to a value of 25% of installed capacity.
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6. Tax Relief for IPR-driven companies.
 7. Funding for promoting the Startup Ecosystem.
 8. Financial Support for Standardization related work for Startups and MSMEs up to 100 Crores for participation in standards work by international SSOs.
 9. Creation of awareness & promotion of Skill Development jointly by DoT, TCOEs, along with AICTE at Graduation level.
 10. Lowered Investment thresholds (Rs. 10 Cr) for Medium enterprises for telecom.
 11. Ap-GR reduction for LSP on a net annual basis for using NATE.
 12. Creation of an online portal for receiving, handling and disposal of complaints.
 13. Incentive structure for Telecom Product Development Clusters (TPDCs).
 14. Special Benefit for exporters of indigenous equipment.
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About Broadband India Forum: Broadband India Forum (BIF) functions as an independent policy forum and knowledge based think-tank that works for the development and enhancement of the entire broadband ecosystem in a holistic, technology-neutral and service-neutral manner. BIF has established itself as a thought leader and a credible and effective voice, to help propel the nation to achieve the country's ambitious vision of creating a Digital India. To achieve this, BIF works to promote the rapid development of policies, so as to facilitate affordable and high-speed ubiquitous broadband throughout the country.
