

Information note to the Press (Press Release No. 45/ 2008)

For Immediate release

TELECOM REGULATORY AUTHORITY OF INDIA

Tel No.: -011-23221509

Fax: -011-23220442

Email: -traicable@yahoo.co.in

Website: -www.trai.gov.in

TRAI releases its recommendations on foreign investment limits for broadcasting sector

New Delhi, 26th April, 2008 - The Telecom Regulatory Authority of India (TRAI) has today released its recommendations on foreign investment limits for broadcasting sector. Foreign investments have an important role as a source of funding in the development of the sector. Foreign investments have other benefits also such as bringing in new technology, international best practices, and access to export markets. However, the extent of foreign investment is also conditioned by considerations such as national security, preserving socio-cultural fabric of the country, protection of domestic industry etc.

2. The Ministry of Information and Broadcasting had sought recommendations of the Authority on Foreign Investment limits for various segments of Broadcasting Sector vide letter dated December 11, 2007. The letter specifically mentioned teleport, DTH, satellite radio, HITS, cable operators and FM radio segments of the Broadcasting Sector. The letter also indicated the proposed changes in foreign investment limits being considered by the Government.

3. In line with its consultative approach, the Authority issued a Consultation Paper on March 3, 2008 for comments from the stakeholders before giving its recommendations to

the Government on Foreign Investment limits for various segments of Broadcasting Sector. An Open House Discussion was held by the Authority on these issues on 4th April, 2008 in Mumbai. The Authority has examined the comments received during the consultation process and finalized its recommendations after taking these into consideration.

4. The present status of foreign investment limits for different segments of Broadcasting sector along with the recommendations of the Authority are tabulated below:-

S. No.	Segment	Existing limit	Recommendations
1.	Teleport (Hub)	49% (FDI+FII)	74% (FDI+FII)
2.	DTH	49% (FDI+FII) FDI component not to exceed 20%.	74% (FDI+FII)
3.	Satellite Radio	No Policy as on date*	Being sent separately
4.	HITS	No Policy as on date **	74% (FDI+FII)
5.	Cable Network	49% (FDI+FII)	74% (FDI+FII)
6.	FM Radio	20% (FDI+FII)	49% (FDI+FII)
7.	Downlinking of TV Channels	100%	Status Quo
8.	Uplinking of TV News Channels	26% (FDI+FII)	49% (FDI+FII)
9.	Uplinking of Non News TV Channels	100%	Status Quo
10.	Mobile Television	No Policy as on date	74% (FDI+FII)
* Approval to one foreign Satellite Radio operator given through FIPB route.			
** Permission for HITS operation given to two Teleport licensees (49% foreign investment limit).			

5. The recommendations also cover the procedure for approval and suggest that within the composite foreign investment limit of 74% (wherever applicable) for carriage services, foreign investments upto 49% may be permitted under the automatic route, beyond which FIPB approval would be required as prescribed for the telecom sector. For content services, it has been suggested that FIPB approval should be required for foreign investments. The methodology for calculation of foreign investments in different segments of broadcasting is also proposed to be standardized. In this direction it has been recommended that methodology used in telecom sector for calculation of foreign investments should be adopted for the broadcasting sector.

6. The full text of the recommendations is available on TRAI's website:
www.traigov.in.

Contact Details in case of any clarifications:

R. N. Choubey,
Principal Advisor (B& CS)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg, New Delhi-110 002
Tel. No.011-23221509 Fax No.011-23220442

E-mail : traicable@yahoo.co.in

Authorised to issue: Principal Advisor (B&CS)