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TRAI releases consultation paper on foreign investment in broadcasting sector

New Delhi, 15th January, 2010- The Telecom Regulatory Authority of India (TRAI) has today released a consultation paper on foreign investment in broadcasting sector. Foreign investment has an important role in the economic development as an important source of funding. Foreign investment has other benefits also such as bringing in new technology, international best practices, and access to export markets.

2. TRAI had submitted its recommendations on Foreign Investment Limit for Broadcasting Sector on 26th April, 2008. The methodology of calculation of indirect foreign equity is based on the proportionate method in broadcasting sector.

3. The Department of Industrial Policy & Promotion (Ministry of Commerce & Industry), Government of India has issued Press Note No 2. (2009 Series) regarding the methodology to be used for calculating foreign investment including foreign direct and indirect investment. Recognizing the need to bring in clarity, uniformity, consistency and homogeneity into the exact methodology of calculation across sectors/activities for direct and indirect foreign

investment in Indian companies, the Government of India proposed the guidelines for calculating direct and indirect foreign investment.

4. Ministry of Information and Broadcasting vide its letter dated 30th September, 2009 has requested TRAI to revisit its recommendations dated 26th April, 2008 in view of recently issued Press Note (press Note 2 & 4 of 2009 series) by Department of Industrial Policy and Promotion about method of calculation of total foreign investment i.e. direct and indirect foreign investment in Indian companies. This reference dated 30th September, 2009 received from Ministry of Information and Broadcasting was placed on TRAI website www.traigov.in on 19th October, 2009 to solicit preliminary views of the stakeholders on the subject.

5. Taking into account the preliminary views of the stakeholders, TRAI has issued a consultation paper on the subject. The Authority has invited all stakeholders to respond to the issues raised in this consultation paper by 30th January, 2010. The comments will be posted on TRAI's website and counter comments are to be sent to TRAI by 08th February, 2010. The full text of the consultation paper is available on TRAI's website: www.traigov.in.

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