

# CABINET APPROVES MAJOR REFORMS IN TELECOM SECTOR

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, today approved a number of structural and process reforms in the Telecom sector. These are expected to protect and generate employment opportunities, promote healthy competition, protect interests of consumers, infuse liquidity, encourage investment and reduce regulatory burden on Telecom Service Providers (TSPs).

In the backdrop of the outstanding performance of the Telecom Sector in meeting COVID-19 challenges, with huge surge in data consumption, online education, work from home, interpersonal connect through social media, virtual meetings etc., the Reform measures will further boost the proliferation and penetration of broadband and telecom connectivity. The Cabinet decision reinforces the Prime Minister's vision of a robust Telecom Sector. With competition and customer choice, antyodaya for inclusive development and bringing the marginalized areas into the mainstream and universal broadband access to connect the unconnected. The package is also expected to boost 4G proliferation, infuse liquidity and create an enabling environment for investment in 5G networks.

Nine structural reforms and Five procedural reforms plus relief measures for the Telecom Service Providers are as below:

## **Structural Reforms**

## **Procedural Reforms**

## **Addressing Liquidity requirements of Telecom Service Providers**

The Cabinet approved the following for all the Telecom Service Providers (TSPs):

The above will be applicable for all TSPs and will provide relief by easing liquidity and cash flow. This will also help various banks having substantial exposure to the Telecom sector.

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