

E-MANUFACTURING CLUSTERS MOOTED

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The Communications and Information Technology (IT) Ministry proposes to develop new manufacturing clusters for electronic goods in eight cities of Bhopal, Bhubaneswar, Hyderabad, Maheshwaram, Bhiwadi, Jabalpur, Hosur and Kakinada to boost manufacturing and increase employment opportunities. Government would offer subsidies and incentives to companies setting up facilities in these eight cities.

The government proposes to further extend the modified special incentive subsidy scheme (M-SIPS) to Ahmedabad, Ghaziabad, Vadodara, Gandhinagar, Nagpur, Nashik, Aurangabad and Thane. In July 2012, M-SIPS were notified for the first time under which refunds on capital expenditure for new units or for expansion of more than 25% of existing capacity in specific new or existing electronic clusters will be given.

PSA view – The government intends to incentivize the domestic manufacturing and remove dependency on imports to meet its demand for electronic goods. The government intends to promote semiconductor fabrication in India and to begin with two semiconductor units were approved in February this year. The government has approved preferential market access guidelines that force it and its agencies to give preference to locally-made electronic and telecom equipment for procurements.

Telecom Commission approves National Mobile Number Portability

Telecom Commission has given its in principle approval for mobile number portability at the national level. Telecom Commission will approach Telecom Regulatory Authority of India ("TRAI") for seeking certain clarifications on performance bank guarantees, license fee for the two operators etc. which are expected to be provided within 60 days. Once clarifications are sought a final notification will be issued to clear the position.

PSA view – Keeping in mind the hassles a consumer faces when shifting base from one state to another, mobile number portability is seen as big relief. TRAI had recommended back in September 2013 that operators must offer nationwide number portability or put into effect "one nation, one number" within six months. Already more than 100 million customer requests have been received for number portability.

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