

India telecom budget disappoints industry

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India's telecom industry is reportedly disappointed with the government's budget proposals for the sector.

A seeming lack of reform in the form of lower licensing fees and taxes will continue to act as a drag on the industry's expansion, officials told the Sify.com Web site.

High overhead has been blamed by the telecom industry for the relatively slow pace of telecom expansion in India's rural regions.

S.C. Khanna, head of the Association of Unified Telecom Service Providers of India, said his group was "very disappointed" with the government's refusal to cut the license fee.

In addition, he said, an increase in the service tax will hit telecom particularly hard.

"Telecom sector has been one of the highest taxed despite the fact that we offer the cheapest tariffs in the world," he said.

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