Loud buzz on more telecom deals

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New Delhi, Nov. 13: Following in the footsteps of Japan's NTT DoCoMo, which picked a 26 per cent stake in Tata Teleservices yesterday, many other foreign mobile companies are set to enter India through foreign deals.

AT&T, Deutsche Telekom and Telecom Italia are actively scouting for partners, and deals could be struck over the next few months.

Foreign operators are looking at India as a growth market. But there are no certainty or policy barriers to their entry into the world's fastest growing telecom market.

MTN Group, South Africa's largest mobile services provider with operations in 21 countries, is waiting in the wings to enter after its plans to do so fizzled on two earlier occasions, Sunil Sanger, deep Singh Ruprai, chairman of IndiaView Advisors, an advisory firm, told **The Telegraph**.

The department of telecommunications is expected to bid for 3G spectrum, but they need to form alliances with domestic players before the services are rolled out.

The deal between NTT DoCoMo is the latest case of a foreign player seeking a toehold in the Indian market by partnering a domestic entry.

Wednesday's deal leaves Reliance Communications as the only incumbent player which has not sought any overseas alliance.

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While Telekom Malaysia has a 19.99 per cent stake in Idea Cellular, Sistema of Russia has bought 10 per cent of Shyam Telelink in September for $11.4 million.

Other companies Dunacom Solutions, HFL Mobile's Loop Telecom, and S-Tel, a joint venture between Sistema Psjsfb Joint Stock Company and Telecom Investments India, are looking at the new firms that have spectrum rights without overseas partners.

Last month, Norwegian telecom company Telenor bought the control of Unitech Wireless for Rs 6,120 crore. Earlier, Swan Telecom divested a 45 per cent stake to UAE-based Etisalat for Rs 4,050 crore.

Unitech Wireless and Swan Telecom are new firms that received licences and spectrum rights earlier this year and are yet to build networks.

"The investments in Tata Teleservices by NTT DoCoMo and the start-up operations of Swan Telecom by Etisalat and Unitech Wireless by Telenor show potential for growth in this market," said Sanger.

The sector, which has an annual subscriber growth of 8 per cent, requires investments of Rs 1 lakh crore over the next five years to achieve a teledensity of up to 40 per cent.