The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Duma to Mull Ban on Foreign Telecom Equipment

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April 16, 2014



The State Duma Committee has proposed a bill to allow using telecom equipment produced abroad only if it has no domestic equivalent.

The State Duma is likely to consider in July a ban on foreign telecom equipment, which constitutes the core of the multi-billion ruble market, Lenta.ru reported Tuesday.

The Duma Committee for Information Policy, Information Technologies and Communication has proposed to include in the lower parliament chamber's July agenda a bill to allow using telecom equipment produced abroad only if it has no domestic equivalent.

The draft advanced by several deputies in February justifies switching to Russian equipment because of "the necessity to protect the basis of the constitutional order, national defense system, security of the state, internal market, national economy and domestic producers." The draft introduces amendments to the Law on Communications applying them to both state-run and private telecoms.

The draft contains a list of conditions, which determine qualifying equipment as Russian-made. Its producer should be a Russian tax resident, an exclusive owner of the rights to all software applications for the communication lines, use only open source codes and the national operation system.

The authors of the draft estimate annual purchases of telecommunications equipment in Russia at 300 billion rubles ($8.3 billion) and the share of foreign-made equipment at 90 percent.

If nothing is done to change the situation, Russia's economy may suffer catastrophic consequences, the deputies said.

The draft does not indicate ways of substituting existing equipment, as currently only 65 articles applied in the sector, mainly cables and some equipment for landlines, qualify as locally-produced.

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Original url:
https://www.themoscowtimes.com/2014/04/16/duma-to-mull-ban-on-foreign-telecom-equipment-a34063