

DR. MURLI MANOHAR JOSHI : I want to know whether they are going to give complete autonomy to those PSUs which are categorised under 'performing category'. My question is very specific.

12.00 hrs.

SHRI MURASOLI MARAN : Sir, my answer is also going to be specific in the sense that we have identified nine companies as 'Navaratnas'. We are considering to give full autonomy to them so that they can compete not only with the private sector in India, but also with the contemporary giants in the outside world.

WRITTEN ANSWER TO QUESTIONS

[English]

Investment by NRI

*585. DR. Y.S. RAJA SEKHARA REDDY : Will the Minister of INDUSTRY be pleased to state :

- the total investment expected to be made in 1997-98 by the Non-Resident Indians in the country;
- the incentives given to NRIs for investment in the country;
- whether the incentives/concessions given to NRIs in the past produced good result; and
- if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The figures for Non-Resident Indians (NRIs) investments are maintained on a calendar year basis. The inflow of investments from NRIs during 1996 was Rs. 2062.0 crores. Investments by NRIs during 1997 is likely to increase significantly. The actual investments would, however, depend on the response of NRIs to the emerging investment opportunities.

(b) to (d) The policy and facilities for foreign direct investment are fully applicable to Non-Resident Indians. In addition, Government have extended some concessions specially for NRIs/OCBs (Overseas Corporate Bodies, Predominantly owned by NRIs). These include : (i) while no foreign investment is permitted in the real estate sector, NRIs/OCBs are permitted to invest in housing and real estate sector even upto 100%; (ii) NRI/OCB investment in the airlines sector is permitted upto 100%, while foreign investment is limited upto only 40%; (iii) NRIs/OCBs are

permitted to invest upto 40% in the banking sector whereas foreign equity is permitted only upto 20% (iv) while foreign equity and OCB equity is limited upto 24% in the case of SSI units, NRI individuals can invest beyond 24% in such units.

As a result of these measures, the investment from NRIs/OCBs has increased from Rs. 160.2 crores in 1991 to Rs. 2062.0 crores in 1996.

Decline in Industrial Growth

*586. SHRI SUBRAHMANYAM NELAVALA :
SHRI SANAT KUMAR MANDAL :

Will the Minister of INDUSTRY be pleased to state :

- whether the rate of industrial growth has declined during April to December, 1996 as compared to corresponding period during the previous year;
- if so, the details thereof including consumer goods and core sectors;
- the main reasons for the decline; and
- the steps taken by Government to increase the growth rate ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) The overall industrial growth in April-December, 1996 was 8.3% compared to 11.4% in the corresponding period last year. The sectoral growth as per the use based classification of industries during (April-December) 1995-96 and 1996-97 was as follows :-

	1995-96	1996-97
Basic Goods	9.2%	7.0%
Capital Goods	17.9%	11.8%
Intermediate	8.1%	9.6%
Consumer Goods	12.6%	6.2%

(c) and (d) The main reasons for decline in the production has been under performance in crude, electricity and consumer durable goods sector. Sector specific strategies have already been initiated to remove constraints in under performing sectors. The credit policy announced recently by Reserve Bank of India is also expected to provide further impetus to industrial growth. Government has also proposed initiatives in the Union Budget 1997-98 for accelerated industrial growth. Domestic and foreign investment is encouraged in industry and infrastructure sectors.