

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:272
ANSWERED ON:25.02.2000
FOREIGN INVESTMENT
MADHAVRAO SCINDIA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether in view of the cogentrix episode in the US investors have placed India on sort or `Watch List`;
- (b) if so, whether any perceptible change has also been noticed amongst potential and current foreign investors from other countries following the cogentrix case; and
- (c) if so, the steps taken to dispel the misgivings amongst US and other foreign investors?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) & (b) : No perceptible change in the attitude of the foreign investors including those from the United States has been noticed after M/s. Cogentrix Energy Inc opted out of the Mangalore Power Project.

(c) : The Government is committed to continue the tempo of the economic reforms initiated in 1991. With a view to further liberalizing the Foreign Direct Investment (FDI) regime, the Government has, with the exception of a negative list, decided to place all items/activities under the automatic route for overseas corporate bodies (OCB) investment. A Press Note to this effect has been issued on 11.02.2000. The Indian delegation which undertake overseas visits from time to time, also help project an investment friendly image of India and dispel the misgivings, if any, in this regard.

The resolve of the Government to promote FDI and create a congenial environment for it is also projected by the various delegations visiting abroad from time to time.