

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

UNSTARRED QUESTION NO:841

ANSWERED ON:22.11.2002

REPORT OF COMMITTEE ON FDI

AJAY CHAKRABORTY;ASHOK NAMDEORAO MOHOL;PRABODH PANDA;SUNIL KHAN;YEMPARALA VENKATESWARA RAO

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

(a) whether in order to attain an annual foreign investment inflow of 8 billion and 8% economic growth, a high power committee headed by Shri N.K. Singh has recommended 100% FDI in crucial sectors like refineries, oil marketing, petroleum exploration, airports, private banks, non-banking finance companies, financial services, mining, manufacturing and real estate;

(b) if so, the extent to which the Government have agreed to with the recommendations;

(c) the details of other recommendations made by the Committee in regard to FDI inflow in other sectors and to bridge the gap of FDI inflow; and

(d) the reaction of the Government thereto?

Answer

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

(a): The Steering Committee on Foreign Direct Investment set up by the Planning Commission in the context of the 10th Five Year Plan, has submitted its report recently. The Report, inter alia, has made recommendations for raising/removal of FDI caps in certain sectors.

(b)to(d): The Committee has specifically recommended increase in equity cap in certain sectors like insurance, broadcasting and telecom as a measure for increasing FDI inflows. In addition, the Committee has also recommended strengthening of institutional framework for FDI promotion and facilitation and simplification of entry/exit norms. The Report of the Committee is under consideration of the Group of Ministers (GoM) on FDI.