

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

UNSTARRED QUESTION NO:899

ANSWERED ON:25.07.2003

CLAMP DOWN OF CHINESE INVESTMENT

ADHIR RANJAN CHOWDHURY;CHARAN DAS MAHANT;NARESH KUMAR PUGLIA;SHYAMA SINGH

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

- (a) whether the Union Government have decided to clamp down Chinese investments in sensitive sectors in the country;
- (b) if so, the facts thereof;
- (c) whether the Department of Industrial Policy & Promotion has recently recommended that, China be placed on list of restricted countries under provisions of the Foreign Exchange Management Act;
- (d) if so, the details thereof; and
- (e) the extent to which the Chinese investments in the country have been tightened?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI CH. VIDYASAGAR RAO)

(a)to(e) : The Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis, keeping in view the economic environment, strategic and safety/security considerations. The policy incorporated as Schedule-I of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India ) Regulations, 2000 does not restrict investments from China. FDI proposals, including proposals for investments from China, requiring prior Government approval are considered after necessary Inter-Ministerial consultations taking into account the sectoral policies as also strategic and security related considerations.