

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2578
ANSWERED ON:09.12.2005
FDI IN INDIA AND CHINA
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Will the Minister of FINANCE be pleased to state:

- (a) whether foreign direct investment in India during the last three years is only one tenth as compared with China;
- (b) if so, the reasons for failure of the efforts put in by the country to attract foreign direct investment;
- (c) the details of foreign direct investment made during the last three years in India vis-a-vis China;
- (d) the major sectors of foreign direct investment in India; and
- (e) the State- wise details where the said foreign direct investment has been made?

Answer

Minister of State in the Ministry of Finance (SHRI S. S. PALANIMANICKAM)

(a) to (c): According to World Investment Report - 2005, of the United Nations Conference on Trade and Development, FDI in India and China during last three years was as under:

(billion of US \$)

Year	China	India
2002	52.74	3.45
2003	53.51	4.27
2004	60.63	5.34

Government has put in place a liberal, transparent and investor friendly FDI policy. Under the liberalized economic environment, decisions of the investors are based on techno-economic and commercial considerations.

(d): Sector-wise FDI inflows for the last three years indicate that the major sectors receiving FDI are - electrical equipments (including computer software & electronics), transport industry, telecommunications, services sector, chemicals, cement and pharmaceuticals.

(e) As reported by the Regional Offices of the Reserve Bank of India, the major states receiving FDI in the last three years are - Delhi, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Gujarat, and West Bengal.