

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

UNSTARRED QUESTION NO:950  
ANSWERED ON:06.03.2007  
FOREIGN DIRECT INVESTMENT IN SERVICE SECTOR  
Ahir Shri Hansraj Gangaram

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

- (a) whether the Government has permitted Foreign Capital Investment in Service Sector;
- (b) if so, whether any agreement has been made by the Government regarding the impact of Foreign Investment in Service Sector;
- (c) the contribution of Service Sector in economic development of the country;
- (d) whether protests have been made against the decision of allowing foreign investment in Service Sector; and
- (e) if so, the main points of the protest?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

- (a) : Yes, Sir.
- (b) : No agreement has been made by the Government regarding impact of foreign investment in service sector.
- (c) : As per the Economic Survey 2006-07, Service contributed 68.6% of the overall average growth in Gross Domestic Product (GDP) in the last five years between 2002-03 and 2006-07. During 2006-07, Services contributed 55.1% of the GDP.
- (d)&(e) : A decision on a policy matter could evoke divergent views. Government strives to address various concerns found to be legitimate in an ongoing process of decision making.