

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

UNSTARRED QUESTION NO:2943
ANSWERED ON:17.12.2004
FOREIGN DIRECT INVESTMENT
Scindia Shri Jyotiraditya Madhavrao

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

- (a) whether the Government has evolved a new policy to ensure that Foreign Direct Investment is promoted as India develops a global out-sourcing hub for financial services, and a trading hub for global bullion and currency market, with a single regulator;
- (b) whether Government has also decided to have a common set of regulations, for securities and commodity market, as part of an integrated programme to achieve the said objectives; and
- (c) the steps so far taken in that direction?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to (c): Government has put in place a liberal and transparent policy on Foreign Direct Investment (FDI) under which FDI is permitted up to 100% in most sectors/activities. Government is also committed to the orderly development and functioning of the capital markets. A number of steps have been taken to broaden and deepen the capital markets as well as to strengthen the regulatory regime. In order to carry forward the process of making the Indian Capital market strong and attractive, the Government in the Budget for 2004-05, inter-alia, proposed initiation of steps to integrate the commodities markets and the securities markets.