

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

UNSTARRED QUESTION NO:3840

ANSWERED ON:19.04.2010

BAN ON FDI IN CIGARETTE MANUFACTURING

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

- (a) whether the Government has any proposal to ban Foreign Direct Investment(FDI) in cigarette manufacturing;
- (b) if so, the details thereof;
- (c) whether the ban on FDI in cigarette manufacturing is likely to affect the existing foreign players' for future investments; and
- (d) if so, the details thereof alongwith the reaction of the Government?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) to (d): The Government has recently approved a proposal to prohibit Foreign Direct Investment (FDI) in manufacturing of cigarettes and to include the activity in the list of activities prohibited for FDI. The decision of the Government is expected to enhance public accountability by way of the Government's commitment towards proliferation of anti-smoking regime in the country.