

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

UNSTARRED QUESTION NO:1254

ANSWERED ON:02.08.2010

TARGET FOR FDI

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

- (a) whether the Government has fixed any target for Foreign Direct Investment (FDI) in the country in the comprehensive review of FDI policy issued recently;
- (b) if so, the details of new sectors opened up/prohibited for FDI;
- (c) the sector-wise, FDI inflow during the last three years alongwith the details of sectors attracted highest FDI inflow;
- (d) whether any proposals for setting up foreign industrial units received from the States including Maharashtra during the last three years;
- (e) if so, the details thereof and funds allocated thereto; and
- (f) the steps taken by the Government to attract more FDI in various sectors including infrastructure?

**Answer**

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

(a) & (b): No, madam. The extant policy, including sector-wise policy, on Foreign Direct Investment (FDI) in India, is available in Circular 1 of 2010, issued by the Department of Industrial Policy & Promotion. This Circular is effective from April 1, 2010. The only change in the sector-wise policy since that date has been that FDI has been prohibited in the Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes. This change was announced on 10 May, 2010, vide Press Note 2 of 2010, issued by the Department of Industrial Policy & Promotion. Both documents are available in the public domain.

(c): A Statement giving the sector-wise Foreign Direct Investment (FDI) equity inflows during the last three years is at Annex-I. Company-wise data on FDI is published as "SIA Newsletter" on a regular basis and made available on the Department's website at [http://siadipp.nic.in/publicat/pub\\_mn.htm](http://siadipp.nic.in/publicat/pub_mn.htm).

(d) & (e): Foreign investors desirous of making investment into India, may directly make investments through two routes. In cases where the sectors/activities concerned do not require prior approval of the Government, they are permitted to access the automatic route. In all other cases, they seek approval of Government. Total FDI inflows, as reported by Regional Offices of Reserve Bank of India, during the period April, 2007 to May, 2010, are enclosed at Annex II.

(f): Government has put in place an investor-friendly policy on FDI, under which FDI, up to 100%, is permitted on the automatic route, in most sectors/ activities, including infrastructure.

Government plays an active role in investment promotion, through dissemination of information on the investment climate and opportunities in India and by advising prospective investors about investment policies and procedures and opportunities. International Cooperation for industrial partnerships is achieved through both bilateral and multilateral arrangements. At bilateral level, this is achieved through a number of joint commissions and joint working groups, for promoting industrial, technical and scientific cooperation with select countries. The Government has also set up CEOs' Forums/Business Leaders' Forum with some countries for active business-to-business cooperation and for developing a road map for partnership and industrial cooperation. The Government also coordinates with apex industry associations, such as FICCI, CII and ASSOCHAM, in their activities relating to promotion of industrial cooperation, both through bilateral and multilateral initiatives intended to stimulate inflow of foreign direct investment into India, besides participating in the Joint Business Councils and other interactive sessions organized by them.

The Government also takes up investment and economic cooperation related issues in Bilateral/Regional Economic Cooperation Agreements and engages in negotiations on Bilateral Investment Promotion and Protection Agreements with various countries, with the aim of achieving greater investor confidence and thereby attracting increased inflows of FDI.

It has set up 'Invest India', a joint-venture company between the Department of Industrial Policy & Promotion and FICCI, as a not-for-profit, single window facilitator, for prospective overseas investors, to act as a structured mechanism for attracting investment.

The Government of India, in partnership with various State Government and Business Associations, is also making concerted efforts to make regulations conducive for business. In addition, it has initiated the implementation of the e-Biz Project, a Mission Mode Project under the National e-Governance Project, to provide online registration and filing payment services, to investors and business houses.