

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

UNSTARRED QUESTION NO:1330

ANSWERED ON:02.08.2010

TRADE CENTRE FOR FOREIGN COMPANIES

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

- (a) whether India has emerged as international trading hub of some major Multinational Companies (MNCs) over a period of time;
- (b) if so, the reaction of the Government thereto;
- (c) whether foreign investment has been made in the recent past by these MNCs including those of Japan in the joint ventures in the country; and
- (d) if so, the details thereof and the further steps taken by the Government to attract more foreign investment?

**Answer**

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

(a) to (d): As per the World Investment Report 2009, India is the third most attractive destination for Foreign Direct Investment (FDI). The number of foreign companies in India as defined in section 591 of the Companies Act, 1956 have increased from 1045 as on 31st March, 2000 to 3105 as on 31st December, 2009.

The total FDI equity inflow into India since the beginning of the liberalization process (August 1991 to April, 2010) is estimated at US\$ 134.6 billion. As per the international practices of reporting FDI i.e. including equity capital, reinvested earnings and intra company loans, the total FDI inflow in India is estimated at US\$ 163.7 billion during this period.

The total foreign investment inflows from Japan to India during the period April 2000 to April 2010 is estimated at US\$ 4.04 billion. Government of India has been encouraging FDI inflows and has put in place a liberalized, simpler and investor friendly FDI policy regime to attract foreign investment in different sectors of Indian economy.