

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

STARRED QUESTION NO:305

ANSWERED ON:16.08.2010

FDI INFLOWS

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

- (a) the details of the Foreign Direct Investment (FDI) inflows in India as compared to countries like China;
- (b) whether the growth of FDI inflows during the last two consecutive years and in the current quarter has come down;
- (c) if so, the details thereof alongwith the reasons therefor;
- (d) whether the Government proposes to further liberalise FDI regime; and
- (e) if so, the details thereof alongwith the steps taken for accelerating the growth of FDI?

**Answer**

THE MINISTER OF COMMERCE & INDUSTRY(SHRI ANAND SHARMA)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO LOK SABHA STARRED QUESTION NO. 305 FOR ANSWER ON MONDAY, 16TH AUGUST, 2010 ON 'FDI INFLOWS'

(a): Details of Foreign Direct Investment (FDI) inflows during the years 2007, 2008, and 2009, in respect of India, China and other countries, as per the UNCTAD's World Investment Report, 2010, are as under:

**FDI INFLOWS DURING 2009**

(Amount in million US \$)

Rank	Country	FDI Inflows
1	U.S.A	129,883
2	China	95,000
3	France	59,628
4	Hong Kong	48,449
5	U.K	45,676
6	Russian Federation	38,722
7	Germany	35,606
8	Saudi Arabia	35,514
9	India	34,613

**FDI INFLOWS DURING 2008**

(Amount in million US\$)

Rank	Country	FDI Inflows
1	United States	324,560

2	Belgium	109,956
3	China	108,312
4	U.K	91,487
5	Russian Federation	75,461
6	Spain	73,293
7	France	62,257
8	Hungary	61,993
9	Hong Kong	59,621
10	Canada	55,270
11	Australia	46,722
12	Brazil	45,058
13	British Virgin Islands	44,619
14	India	40,418

### FDI INFLOWS DURING 2007

(Amount in million US\$)

Rank	Country	FDI Inflows
1	United States	265,957
2	United Kingdom	186,381
3	Belgium	118,403
4	Netherlands	115,365
5	Canada	108,414
6	France	96,221
7	China	83,521
8	Germany	76,543
9	Hungary	71,485
10	Spain	64,264
11	Russian Federation	55,073
12	Hong Kong, China	54,341
13	Switzerland	51,681
14	Australia	45,477
15	Italy	40,202
16	Singapore	35,778
17	Brazil	34,585
18	Austria	31,154
19	British Virgin Islands	28,547
20	Mexico	27,440
21	Sweden	27,157
22	India	25,001

(b) & (c): Notwithstanding the global slowdown in FDI inflows during 2008 and 2009, India's FDI inflows, as per UNCTAD's figures, which are compiled on a calendar-year basis, as per international practices for calculation of FDI, had shown a rise from US\$ 25.0 billion during 2007, to US\$ 40.4 billion in 2008 and remained over US\$ 34.6 billion in 2009. The FDI equity inflows, during the period from January, 2010 to June, 2010, have been US\$ 10.7 billion. These figures do not include reinvested earnings and are thus not

comparable to UNCTAD figures. India is the second most attractive destination for FDI for 2010-12, as per UNCTAD World Investment Report, 2010.

(d) & (e): Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis through inter-Ministerial consultations. 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. Significant changes have been made in the FDI policy regime in the recent times, to ensure that India remains increasingly attractive and investor-friendly.

The 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. It 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.