

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5203  
ANSWERED ON:10.12.2010  
IMPACT OF CWG ON FDI INFLOW  
Hooda Shri Deepender Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Foreign Direct Inflow (FDI) in this financial year slowed down as compared to the corresponding quarter of last financial year;
- (b) if so, the reasons therefor;
- (c) the manner in which the Commonwealth Games (CWG) will have an impact on the inflow of FDI;
- (d) the details of sectors facing slow down as a result of the CWG; and
- (e) the impact of FDI inflows on monetary policy?

**Answer**

Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

- (a) : Yes Sir, the Foreign Direct Investment (FDI) equity Inflows in the second quarter (July to September) of the current financial year i.e. 2010-11 was US \$ 5232.90 million as compared to US \$ 8256.22 million inflows in the corresponding quarter (July to September) of last financial year i.e. 2009-10.
- (b) : FDI is influenced by both push and pull factors. The pull factors include strong growth, reduction in inflation, macroeconomic stability, opening up of capital accounts and buoyant growth prospects. The push factors include international liquidity and difference in rate of return.
- (c)to (d): Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, the nodal department for FDI have no information on the subject.
- (e): FDI is one of the components of capital flows. The capital flows during this year so far are absorbed by the current account deficit and would pose problems only when they become excessive.