

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

UNSTARRED QUESTION NO:1786

ANSWERED ON:07.03.2011

SLUMP IN FDI

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Hegde Shri Anant Kumar;Jaiswal Shri Gorakh Prasad ;Nagorao Shri Dudhgaonkar Ganeshrao;Ponnam Shri Prabhakar;Sharma Shri Jagdish;Singh Chaudhary Lal;Singh Shri Ilyaraj ;Yaskhi Shri Madhu Goud

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

- (a) the details of the Foreign Direct Investment (FDI) including Non-Resident Indian (NRI) investment during the last three years;
- (b) whether fall in the direct investment has taken place due to the hurdles/difficulties faced by companies in obtaining land, gaining environmental clearance, poor infrastructure and construction etc.;
- (c) if so, the details thereof and its impact on the economy;
- (d) whether the Government has taken any steps to remove such hurdles in order to increase FDI in the country;
- (e) if so, the details thereof and the outcome thereof;
- (f) whether the Government is contemplating to bring green norms for opening up more sectors in FDI; and
- (g) if so, the details thereof?

Answer

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

(a): The details of the Foreign Direct Investment (FDI), including Non-Resident Indian (NRI) investment, during the last three years, are as under:

FINANCIAL YEAR WISE FDI EQUITY INFLOWS FROM APRIL, 2007 TO DECEMBER, 2010

Sl.No.	Year (Apr-Mar)	Rs. in crore	US\$ in million
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1	2007-08	98,642.09	24,575.43
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2	2008-09	123,024.88	27,330.82
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3	2009-10	123,119.65	25,834.41
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4	2010-11 (Apr-Dec)	73,176.60	16,039.17
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(b) & (c): Under the liberalized economic environment, investment decisions of investors are based on the macro-economic policy framework, economic environment in the host and investing countries, investment policies of transnational corporations and other commercial considerations.

(d) to (g): 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. Environmental norms are integrated under the sectoral policies, which also have to be followed by entities with FDI.

The policy is reviewed on an ongoing basis through a consultative process. 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'/ Business Leaders' Fora 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 flow of foreign direct investment into India, besides participating in the Joint Business Councils and other interactive sessions organized by them.