

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:771
ANSWERED ON:25.02.2011
ISSUES IN FOREIGN DIRECT INVESTMENT
Bajirao Shri Patil Padamsinha

Will the Minister of FINANCE be pleased to state:

- (a) whether environment-sensitive policies are hurting Foreign Direct Investment (FDI);
- (b) if so, the details thereof and reasons therefor;
- (c) whether persistent procedural delays and acquisition issues and availability of quality infrastructure have added to the environment-related issues and;
- (d) the Government's reaction thereto?

Answer

MINISTER OF THE STATE IN MINISTRY OF FINANCE {SHRI NAMO NARAIN MEENA}

(a) to (d): Department of Industrial Policy and Promotion, the nodal department on the subject, has informed that they have not conducted any study to assess the role of environmental issues on FDI inflows. To ensure that India remains increasingly attractive and investor-friendly 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. This policy is reviewed, on an ongoing basis, through a consultative process and significant changes have been made in the policy regime, in recent times. The Government also plays an active role in investment promotion, through dissemination of information about the investment climate and opportunities in India and by advising prospective investors about investment policies, procedures and opportunities.