

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

UNSTARRED QUESTION NO:4355

ANSWERED ON:29.08.2011

FDI INFLOW

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

- (a) the details of the Foreign Direct Investment (FDI) including investment from Non-Resident Indians (NRIs) during the last three years and the current year, State-wise, sector-wise;
- (b) whether the decline in FDI inflow if any, during the above period has affected the ranking of Indian FDI as compared to that of other countries as per the report of World Investment Report;
- (c) if so, the remedial measures taken to fine-tune of FDI norms by the Government to enhance the FDI inflow during the current year;
- (d) whether Foreign Institutional Investors (FIIs) have pulled out considerably during the current year due to slowdown in growth rate, galloping inflation and other allied factors; and
- (e) if so, the remedial measures taken by the Government to attract more investment during the current year alongwith the details of number of proposals and projects approved/pending with the Government during the current year?

Answer

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

(a): A statement on financial year wise FDI equity inflows (including investment from NRIs), from April, 2008 to June, 2011, as reported by the Regional Offices of RBI, is at Annex A. The break-up is as per receipts by the regional offices of the RBI in the country and cannot be fully equated with State-wise inflows, as companies having headquarters in one State may have operations in more than one State. Also some RBI Regional Offices cover more than one State. A statement on sector-wise equity inflows, from April, 2008 to June, 2011, is at Annex B.

(b): As per UNCTAD World Investment Report 2011, India ranked 14th, in terms of Global FDI inflows during the calendar year 2010.

(c): 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. Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis, through a consultative process, with a view to making it more investor friendly.

(d): Data relating to inflow / outflow of foreign funds on account of investment by FIIs in the capital market is given below:

(USD Million)

Financial Year	Amount of		Amount of	Net
	Inward	outward	inflow	
	Foreign Fund	Foreign Fund		
2008 - 09	1,27,350	1,42,365	-15,015	
2009 - 10	1,56,569	1,27,521	29,048	
2010 - 11	2,51,125	2,21,704	29,421	
2011 - 12 (April- August 18, 2011)	72,714	70,734	1980	

(e): 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 solicited both through bilateral and multilateral arrangements. At bilateral level, this is achieved through 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.

During the current year (up to August 23, 2011), Foreign Investment Promotion Board (FIPB) has approved 123 proposals in which FDI to the tune of Rs.19711.17 crores was involved. As on August 23, 2011(that is up to 168th FIPB meeting held on August 5, 2011), 21 proposals are pending before FIPB.