

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4000
ANSWERED ON:26.08.2011
DECREASE IN FDI
Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a), whether different scams like 2G, Commonwealth Games, etc. has led to decrease in Foreign Direct Investment (FDI);
- (b). if so, the details thereof;
- (c). whether as per the report of the United Nations India has slipped to 14th position as compared to last year;
- (d). if so, the total decrease in FDI and impact on infrastructure development of the country; and
- (e). the steps taken or being taken by the Government to regain the investors` confidence in the country?

Answer

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

(a) to (d): The Foreign Direct Investment (FDI) equity inflows received in the country during the financial years 2009-10, 2010-11 and 2011-12 (up to June, 2011) are as under:

S.No. Financial Year (April-March) FDI in Rs. crore FDI in US\$ million

1.	2009-10	123,120	25,834
2.	2010-11	88,520	19,427
3.	2011-12 (up to June, 2011)	60,164	13,441

As per UNCTAD World Investment Report 2011, India ranked 14th, in terms of Global FDI inflows during the calendar year 2010. DIPP does not have information on the impact of decline in FDI on infrastructure development of the country.

(e): 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.

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.