

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

UNSTARRED QUESTION NO:1074  
ANSWERED ON:28.11.2011  
LICENSES TO FOREIGN COMPANIES  
Rawat Shri Ashok Kumar;Toppo Shri Joseph

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

- (a) whether the domestic industries are lagging behind and their production has also decreased due to licenses being given to foreign companies;
- (b) if so, the details thereof and the steps taken by the Government to protect/support the domestic industries; and
- (c) the number of investment proposal received from foreign companies to set up industrial units in the States during the last three years and the current year?

**Answer**

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

(a): Based on the Index of Industrial Production (IIP) released by the Central Statistical Organisation, a table showing the growth figures in respect of industrial production (general), the three sectors of industry namely, mining, manufacturing and electricity and the 22 major industry groups of industries for the last three years is at Annexure 1. It does not suggest that the production is affected by foreign investments. However, under the Industrial (Development and Regulation) Act, 1951, industrial licenses are only granted to Indian Companies.

(b): The steps taken/being taken by the Government for improving the industrial climate are the creation of world class infrastructure; promotion and facilitation of industrial investment including the foreign direct investment; improvement in business environment; and development of industry relevant skills. Government has also announced a National Manufacturing Policy with the objectives of enhancing the share of manufacturing in GDP to 25% within a decade and creating 100 million jobs. The policy seeks to empower rural youth by imparting necessary skill sets to make them employable. The policy is based on the principle of industrial growth in partnership with the States. The Central Government will create the enabling policy frame work, provide incentives for infrastructure development on a Public Private partnership (PPP) basis through appropriate financing instruments and the State Governments will be encouraged to adopt the instrumentalities provided in the policy. The proposals in the policy are generally sector neutral, location neutral and technology neutral except incentivisation of green technology. While the National Investment and Manufacturing zones(NIMZs) are an important instrumentality, the proposals contained in the Policy apply to manufacturing industry throughout the country including wherever industry is able to organize itself into clusters and adopt a model of self regulation as enunciated.

(c): A statement showing the Statewise details of Foreign Direct Investment proposals approved during the last three years and current year is at Annexure 2.