

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3369
ANSWERED ON:14.12.2011
FDI IN IT SECTOR
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) Details of inflow of Foreign Direct Investment (FDI) in Information Technology Sector during the last three years and the current year;
- (b) The steps taken by the Government to attract more FDI in IT Sector;
- (c) The steps taken by the Government for identifying new markets other than USA and Europe for IT exports; and
- (d) The results achieved thereof?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) and (b): As per the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion (DIPP), the inflow of FDI in IT Sector during the last three years and the current year is as under:-

FDI Inflows in Computer Software and Hardware

	FDI (Rscore)	FDI (USD Mn)
2008-09	6,740.41	1,543.34
2009-10	4,126.76	871.86
2010-11	3,551.24	779.81
2011-12 (Apr-Sept)	1957.94	432.92
Total	16,376.34	3,627.93

The extant policy of the Government of India on Foreign Direct Investment in the IT sector (except for the retail trading) permits FDI upto 100% under the automatic route.

(c) and (d): Under the Marketing Development Assistance (MDA) scheme of Department of Commerce, Financial Assistance is available to exporters for exploring the markets of Latin America, CIS, Africa and ASEAN Regions.

Electronics and Computer Software Export Promotion Council (ESC) as the implementing agency of MDA scheme for the IT Companies has been organizing a number of activities in the various focus regions since last several years. According to NASSCOM, emerging new geographies have registered a higher export growth rate as compared to the core markets i.e. US & European Market.