

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

UNSTARRED QUESTION NO:1956

ANSWERED ON:26.03.2012

FDI INFLOW AS COMPARED WITH OTHER COUNTRIES

Bajwa Shri Partap Singh;Choudhary Shri Bhudeo;Danve Shri Raosaheb Patil;Shetkar Shri Suresh Kumar;Shukla Shri Balkrishna
Khanderao Balu Shukla;Siddeswara Shri Gowdar Mallikarjunappa;Sivakumar Alias J.K. Ritheesh Shri K.;Yadav Shri M. Anjan Kumar

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

- (a) the details and percentage of Foreign Direct Investment (FDI) inflow in India as compared to other developing countries;
- (b) whether FDI have come down in comparison to the last year;
- (c) if so, the details thereof and reasons therefor;
- (d) the details of investment/proposal from Pakistan alongwith setting up of Joint Venture to invest in India during the last two years;
- (e) the details of criteria followed and procedures adopted by the Government in regard to investment by foreign companies in India; and
- (f) whether the Government has extended additional facilities/procedure for Non-Resident Indians to invest in India and if so, the details thereof?

Answer

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

(a): According to the UNCTAD's World Investment Report, 2011, Foreign Direct Investment (FDI) inflows, in respect of some of the developing economies, including India, during 2010, are as under:

DEVELOPING ECONOMIES US\$ (million)

China 105735

Hong Kong SAR 68904

Brazil 48438

Singapore 38638

British Virgin Islands 30526

Saudi Arabia 28105

India 24640

Mexico 18679

Chile 15095

Indonesia 13304

(b): No, Madam. FDI equity inflows of Rs. 122,307.19 crores have been received during the first ten months of the current financial year (April, 2011 to January, 2012), as against FDI equity inflows of Rs. 88,519.53 crores received during the last financial year (April, 2010 to March, 2011).

(c): Does not arise.

(d): As per extant policy on FDI, only a non-resident entity (other than a citizen of Pakistan or an entity incorporated in Pakistan) can invest in India. Therefore, investment from a citizen of Pakistan or an entity incorporated in Pakistan is currently not permitted. As per data on FDI equity inflows, maintained by this Department, on the basis of data received from RBI, Mumbai, no FDI equity inflows have been received from Pakistan till date.

(e): Under extant policy, a foreign investor may make Foreign Direct Investment (FDI) in India, as per existing norms and procedures, as provided under 'Circular 2 of 2011 - Consolidated FDI Policy', effective 1 October, 2011, released by the Department of Industrial Policy & Promotion, the provisions of the Foreign Exchange Management Act (FEMA) and applicable sectoral laws/regulations, security and other conditionalities.

(f): Under the FDI policy, special dispensation for NRI investments is available in the following sectors/activities:

(i) Investment by NRIs is exempt from four of the seven conditions imposed for FDI in the Development of Townships, Housing, Built-up infrastructure and Construction-development projects. These conditions, which relate to: (i) minimum area to be developed (ii) minimum capitalization (iii) repatriation of original investment and (iv) development of at least 50% of the project within a period of five years from the date of obtaining all statutory clearances, are applicable to other non-resident investors.

(ii) FDI, up to 100%, is allowed for NRIs, in respect of Scheduled Air Transport Services/ Domestic Scheduled Passenger Airlines, Non-Scheduled Air Transport Services and Ground Handling Services, against lower FDI limits for other foreign investors, as under:

Sector/Activity	% of FDI Cap/ Equity
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Scheduled Air Transport Services/ Domestic Scheduled Passenger Airlines	49% FDI (100% for NRIs)
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Non-Scheduled Air Transport Services	74% FDI (100% for NRIs)
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Ground Handling Services, subject to sectoral regulations and security clearance	74% FDI (100% for NRIs)
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