

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

UNSTARRED QUESTION NO:4958

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FDI

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

- (a) whether the Reserve Bank of India has blamed policy uncertainty for causing the slowdown in Foreign Direct Investment (FDI) inflow to India despite robustness of macroeconomic variables;
- (b) if so, the reaction of the Government thereto and the reasons for the said slowdown;
- (c) the details of the sectors which are facing slow down in FDI;
- (d) the company-wise FDI inflow during the last three years and their impact on the economy of the country including Bihar; and
- (e) whether the Commonwealth Games has impacted the FDI inflow in the country and if so, the details thereof?

**Answer**

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

(a): A research study was undertaken by the RBI to examine as to why the Foreign Direct Investment (FDI) flows to India remained sluggish in 2010-11, despite relatively better domestic economic performance ahead of global recovery. Based on an empirical exercise to analyse the factors behind such moderation in FDI inflows to India, the study, based on 10 major EMEs, showed that FDI was significantly influenced by openness, growth prospects, macroeconomic sustainability, labour cost and uncertainty in government policy.

(b): FDI equity inflows, received during the Financial Year 2011-12, have increased significantly over the FDI equity inflows received in the last financial year. FDI equity inflows of Rs. 133,181 crores have been received in 2011-12 (up to February, 2012), as compared to Rs. 88,520 crores, received during the Financial Year 2010-11.

(c): A statement on FDI equity inflows, sector-wise, from April 2008 to February, 2012 is at Annexure-I.

(d): Information on company-wise FDI equity inflows, during the last three years, is available in the public domain and may be accessed from this Department's website [www.dipp.nic.in](http://www.dipp.nic.in), according to the following path:

[www.dipp.nic.in](http://www.dipp.nic.in)> Publications? SIA Newsletter (from January, 2010 onwards); and [www.dipp.nic.in](http://www.dipp.nic.in)> Archives? Publications? SIA Newsletter (up to December, 2009)

A statement of FDI equity inflows, as reported by the Reserve Bank of India (RBI), Regional Office wise, during the last three years, is at Annexure-II. The break-up is as per receipts by the regional offices of the RBI in country and cannot be fully equated with State-wise inflows, as companies having headquarters in one State may have operations in one or more States and some RBI Regional Offices cover more than one State.

(e): Does not arise as FDI equity inflows in 2011-12 have increased significantly.