

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

UNSTARRED QUESTION NO:3672

ANSWERED ON:03.09.2012

FDI INFLOW

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

- (a) whether the study has been conducted to attract multinational and foreign companies in India;
- (b) if so, the details thereof along with the initiative taken by the Government for investment in labour intensive sectors;
- (c) the details of Foreign Direct Investment (FDI) inflows in India as compared to other developing countries like China along with rank of India in FDI inflow amongst the developing countries, Country-wise;
- (d) whether the FDI inflows has slowed down during each of the last three years in the country;
- (e) if so, the details thereof and the reasons therefor along with FDI inflow during each of the last three years, Country-wise, sector-wise and steps taken for accelerating the growth of FDI; and
- (f) the target set for FDI inflow and achieved by the Government during the last three years along with the steps taken by the Government to achieve the desired target?

**Answer**

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

(a) & (b): Government is constantly making efforts to attract foreign investment and has taken various initiatives with respect to labour intensive sectors.

(c): According to the UNCTAD's World Investment Report, 2012, FDI inflows, amounting to US \$ 684399 million, were received in developing economies of the world during 2011, of which India received 4.6%. Foreign Direct Investment (FDI) inflows, in respect of some of the developing economies, including India, during 2011, were as under:

DEVELOPING 2011 Rank among  
ECONOMIES US\$ (million) Developing Countries

China	123985	1
Hong Kong, China	83156	2
Brazil	66660	3
Singapore	64003	4
British Virgin Islands	53717	5
India	31554	6
Mexico	19554	7
Indonesia	18906	8
Chile	17299	9

(d): The FDI equity inflows, during the last three financial years, as per the data maintained by Department of Industrial Policy & Promotion, are as under:

Sl No	Year	FDI (Rs crore)	FDI (US\$ million)
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1	2009-10	123,119.65	25,834.41
2	2010-11	88,519.53	19,426.93
3	2011-12	173,946.39	36,504.28

(e): A statement of FDI equity inflows, country wise and sector-wise, during the last three years, is at Annexure.

Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis, with a view to making it more investor friendly. Government has put in place an investor-friendly policy on FDI, under which FDI, up to 100%, is permitted, under 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.

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 solicited both through bilateral and multilateral arrangements. 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.

The Government has also set up 'Invest India', a joint venture company between the Department of Industrial Policy & Promotion and FICCI, as a not-for-profit, single window facilitator, for prospective overseas investors and to act as a structured mechanism to attract investment.

(f): No targets were fixed for FDI inflows.