

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1745

ANSWERED ON:22.08.2012

ATTRACTING FDI

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Will the Minister of FINANCE be pleased to state:

- (a) the comparison between China and India in terms of attracting Foreign Direct Investment (FDI) for each of the last three years:
- (b) the reasons for the country lagging behind China in the matter; and
- (c) the steps taken or proposed to be taken thereon?

Answer

Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a):The Foreign Direct Investment (FDI) inflows in respect of China and India for the last three years is tabulated below

[US\$ in Millions]

Name of Country	2011	2010	2009
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China	123985	114734	95000
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India	31554	24159	35596
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Source: World Investment Report 2012 released by UNCTAD

(b) and (c): FDI inflows are the result of investment decisions by the foreign investors. On the part of Government of India, the FDI policy is reviewed on an ongoing basis, with a view to making it more investor friendly and up to 100% FDI is permitted under the automatic route, in most sectors/activities. An active role is played by the Government in investment promotion, through dissemination of information on the investment climate and opportunities in India to prospective investors. International Cooperation for industrial partnerships is solicited both through bilateral and multilateral arrangements. The Government also coordinates with apex industry associations, such as FICCI, CII and ASSOCHAM, in their activities relating to promotion of industrial cooperation to stimulate inflow of FDI 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.