

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:333  
ANSWERED ON:23.11.2012  
PROTECTION OF INDIGENOUS PRODUCERS  
Choudhary Shri Bhudeo

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the steps being taken to avoid the failures in the economic sector and address the lack of mutual coordination among the Ministries;
- (b) whether the Government has decided to allow Foreign Direct Investment on the pretext of economic reforms and ignoring the sound domestic producers; and :
- (c) if so, the intention of the Government behind it and details of the steps being taken on to provide protection to indigenous producers?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a) The Government has taken several steps to boost the economy and the industrial sector in particular. In order to boost the business sentiment and investment certain measures taken by the Government recently, inter alia, include liberalization of FDI policy to attract foreign investment, announcing a road map to achieve fiscal consolidation, reduction in the subsidy on diesel etc. The measures being taken by the Government to revive the industrial growth, inter alia, include announcement of the National Manufacturing Policy (NMP), better access to finance for manufacturing sector, promoting Micro, Small & Medium Enterprises (MSME) sector by way of higher allocation of funds, enhancing investment in the infrastructure sector by focusing on Public Private Partnerships, etc. In order to ensure mutual coordination among the Ministries, the Government has been monitoring large investment projects on regular basis.
- (b)& (c) Foreign Direct Investment (FDI) is a means to supplement domestic investment to achieve stable growth in an economy. The role of FDI in the upgradation of technology, skills and managerial capabilities is well accepted. Additional investment, over and above investment possible domestically, helps in providing much needed employment opportunities. FDI in India is also subject to applicable laws/regulations, security and other conditionalities.