

**GOVERNMENT OF INDIA  
FOOD PROCESSING INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:1299

ANSWERED ON:26.11.2009

FOREIGN INVESTMENT IN FPI

Kashyap Shri Virender;Thakur Shri Anurag Singh

**Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:**

- (a) whether several foreign investment proposals have been approved for setting up of food processing units in the country during the last three years including in Himachal Pradesh;
- (b) if so, the details thereof, State-wise;
- (c) whether the Government is encouraging foreign investment at the cost of the domestic investment/ food processors; and
- (d) if so, the steps taken by the Government to protect the interests of the domestic food processors and investors?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHA)

(a) & (b): The details of the food processing units sanctioned and set up by foreign entrepreneurs in the country during last three years, State-wise (including that of Himachal Pradesh) and details of the amount of FDI inflows as on 9.7.2009 are at Annexure.

(c) & (d): Foreign Direct Investment (FDI) complements and supplements domestic investment. FDI brings in, apart from capital, state-of-art technology and best managerial practices, thereby providing better access to the domestic industry to foreign technology and integration into the global market. The extant policy permits FDI under the automatic route in most sectors/ activities, including Food Processing Industries. However, proposals requiring prior Government approval are considered by the Foreign Investment Promotion Board (FIPB), an inter-Ministerial recommendatory body, which takes into account the policy and sectoral guidelines for FDI. The FIPB also examines whether the proposal would jeopardize an existing joint venture or technology transfer/ trade mark agreement if any, in the same field in India. There is no definitive indication about the adverse impact of FDI on the small food processing units and no data is available centrally regarding effect of FDI on the domestic industry.