

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

UNSTARRED QUESTION NO:2269

ANSWERED ON:11.03.2013

. FDI INFLOW

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

- (a) whether the Foreign Direct Investment (FDI) inflow in the country has declined during the last three years and the current year;
- (b) if so, the details thereof and the reasons therefor along with FDI inflow during the said period, sector/State/country-wise and the steps taken by the Government for enhancement of FDI inflow in the country;
- (c) whether any study has been conducted to assess the Indian capability to attract multinational/foreign companies and if so, the details thereof along with the initiatives taken by the Government for investment in labour intensive industries;
- (d) the details of target set/achieved during the said period along with the discrepancies/shortcomings identified by the Government to achieve the targeted FDI inflow; and
- (e) the efforts made by the Government to make liberal and investor-friendly policy/ environment for enhancing investment in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (Dr. S. JAGATHRAKSHAKAN)

(a) & (b): The Foreign Direct Investment (FDI) equity inflows from April, 2009 to December, 2012, are as under:

SlNo	Year(Apr-Mar)	FDI (Rs crore)	FDI (US\$ million)
1	2609-10	123,119.65	25,834.41
2	2010-11	97,320.39	21,383.05
3	2011-12	165,145.53	35,120.80
4	2012-13 (Apr-Dec)	92,237.04	16,945.76

A statement showing sector-wise (Financial - Year wise) Foreign Direct Investment (FDI) equity inflows from April, 2009 to December, 2012 is at Annex-I. A statement on financial-year wise FDI equity inflows, from April, 2009 to December, 2012, as reported by the Regional Offices of RBI, is at Annex II. The break-up is as per receipts by the regional offices of the RBI in the country and cannot be fully equated with State-wise inflows, as companies having headquarters in one State may have operations in more than one State. Also some RBI Regional Offices cover more than one State. A statement showing country-wise (Financial - Year wise) FDI equity inflows from April, 2009 to December, 2012, is at Annex-III.

Under the liberalized economic environment, investment decisions of investors are based on the macro-economic policy framework, investment climate in the host country, investment policies of the trans-national corporations and other commercial considerations.

The policy on FDI is reviewed on an ongoing basis, through a consultative process, so as to facilitate and promote FDI inflows into India.

(c): This Department has not conducted any study in this regard.

(d): No targets are fixed for FDI inflows, as FDI is largely a matter of private business decisions.

(e): 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 the promotion of investment in all sectors, including in labour-intensive industries, 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.

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.

Annexue not recived from minister.