GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:186
ANSWERED ON:05.08.2013
. IMPACT OF FDI
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has recently allowed Foreign Direct Investment (FDI) in certain sectors including Civil Aviation Sector;

(b) if so, the details thereof;

(c) whether the Government has assessed the impact of FDI on existing companies particularly Aviation sector in the country;

(d) if so, the details thereof along with the steps taken by the Government to protect the domestic industries;

(e) whether the FDI has decreased in the country during the last three years and the current year; and

(f) if so, the details thereof and the reasons therefor along with the FDI inflow in the country during the above period, State/sector/country-wise?

Answer

THE MINISTER OF COMMERCE & INDUSTRY (SHRI ANAND SHARMA)

(a)&(b): Government has put in place an investor friendly Foreign Direct Investment (FDI) policy, under which FDI, up to 100%, is permitted, on the automatic route, in most sectors/activities. FDI policy is reviewed on an ongoing basis, with a view to making it more investor friendly. Significant changes in the FDI policy regime have been made in the recent past, to provide further openings for Foreign Direct Investment in different sectors. The extant FDI policy in respect of the Civil Aviation sector is annexed (Annexure I).

(c)&(d): FDI inflows have a positive impact by supplementing domestic capital, technology and skills of existing companies including in the aviation sector, as well as through establishment of new companies. Keeping in view the sensitivity of the aviation sector, investment by foreign airlines has been allowed only up to 49% and on the government approval route.

(e)&(f): Statements showing the FDI inflow into the country during the last three years and the current year, State/sector/country-wise, are annexed (Annexure II & III).