GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1038
ANSWERED ON:12.08.2013
TRADE DISCUSSIONS WITH USA
Bhagora Shri Tarachand

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

(a) whether the business community from the United States of America (USA) including the Chairman and Chief Executive Officer of the USA Trade Representatives have raised concerns over investing in India;

(b) if so, the details thereof along with the issues raised by them;

(c) whether USA`s bilateral trade with India is lower in volume as compared to that with China and if so, the details thereof; and

(d) the efforts made by the Government to fast track the reforms and increase the investment and trade with USA along with its outcome thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a)&(b): Yes, Madam. The USA Trade Representatives and the business community have raised the following concerns relating to investment in India:

(i) Restrictions under FDI policy in sectors like Defence, Retail trade, Financial sectors such as Insurance and Pharma sector;

(ii) Compulsory licensing under IPR Policy;

(iii) Preferential Market Access policies in some sectors.

(c): The bilateral merchandise trade between India and USA was USD 60.50 billion during 2012-13 whereas bilateral merchandise trade between India and China was USD 67.87 billion during the same period (DGCI&S, Kolkata)

(d): The Government reviews the FDI policy on an ongoing basis to ensure that India remains an attractive & investor friendly destination. In a recent review of the policy government has amended the sectoral caps and/or entry routes in some sectors viz. petroleum & natural gas; commodity exchange; power exchange; stock exchanges; depositories and clearing corporations; asset reconstruction companies; credit information companies; tea sector including tea plantations; single brand product retail trading; test marketing; telecom services; courier services and defence.