

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

UNSTARRED QUESTION NO:615

ANSWERED ON:09.12.2013

FDI CAP

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

- (a) whether the Government proposes to relax/review Foreign Direct Investment (FDI) ceiling in print media sector, construction development/real estate, civil aviation, telecom, defence, railways, information and broadcasting through automatic/Foreign Investment Promotion Board route;
- (b) if so, the details thereof along with its likely impact on the growth of the said sectors;
- (c) whether the Government has held consultations with the concerned Ministries to remove their objections in this regard;
- (d) if so, the details thereof along with the other concrete measures taken by the Government to boost FDI inflow in the country; and
- (e) the details of FDI inflow into India during the last three years and the current year, sector/State-wise including print media and construction etc. along with its contribution to the Gross Domestic Product?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(a): 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 exchanges; power exchanges; 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.

(b): The review of FDI policy was done with a view to boost investor confidence thereby stimulating FDI inflows and contributing to accelerated economic growth.

(c): The Government had held consultations with concerned Ministries to address the issues raised by them.

(d): 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 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.

(e): The requisite details are attached as per Annexure.FDI directly supplements domestic capital, technology and skills in the sectors of direct entry. It has indirect multiplier effect on other related sectors also, and thereby stimulates economic growth. FDI inflows also have a positive impact on the current account balance.