

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

UNSTARRED QUESTION NO:3358
ANSWERED ON:10.12.2009
MNC IN FPI SECTOR
Chavan Shri Harischandra Deoram

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

- (a) whether several multinational companies are engaged in food processing sector in the country;
- (b) if so, the details thereof;
- (c) whether the small and cottage industries engaged in food processing are getting discouraged by the presence of these multinational companies in the sector; and
- (d) if so, the reaction of the Government thereto and the remedial measures taken by the Government to protect the interests of the indigenous industries?

Answer

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

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

(c) & (d) : There is no definitive indication about the adverse impact of Foreign Direct Investment (FDI) on the small food processing units and no data is available centrally regarding effect of FDI on the domestic industry. 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.