

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

STARRED QUESTION NO:360  
ANSWERED ON:14.12.2009  
FDI IN INDIA  
Chitthan Shri N.S.V.

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

- (a) India's rank amongst the developing countries in terms of Foreign Direct Investment (FDI) inflow alongwith the volume and percentage of FDI attracted by India every year during the last five years;
- (b) The sectors in which FDI flow was low against the target alongwith the reasons in terms of both the world volume and in comparison without total approved FDI;
- (c) Whether the impact of low FDI inflow has affected the growth rate in India during the last year; and
- (d) If so, the details thereof, sector-wise and the steps taken by the Government in this regard?

**Answer**

THE MINISTER OF COMMERCE & INDUSTRY (SHRI ANAND SHARMA)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 360 FOR ANSWER ON MONDAY THE 14TH DECEMBER, 2009

(a): India's rank, amongst the developing countries, as per the UNCTAD World Investment Report (WIR) 2009 data, in terms of Foreign Direct Investment (FDI) inflows, along with the volume and percentage of FDI attracted by India every year, is as under:

India's Ranking in terms of FDI Inflows among Developing Countries and its share to Total World Inflows since 2004

Sl.No.	Year (Jan.-Dec.)	Rank/ Position of India	India's Share to total
		Among Developing Countries	World inflows (%)
		as per WIR 2009 Data	(as per WIR Data)

1.	2004	12	00.79
2.	2005	13	00.78
3.	2006	4	1.39
4.	2007	6	1.27
5.	2008	4	2.45

Volume of FDI Inflows in India, as per international best practices, and their percentage growth over the previous year since 2004-05

FINANCIAL YEAR	FDI Inflows as per International Practices (US \$ billion)	Percentage growth
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2004-05	6.05	(+) 40%
2005-06	8.96	(+) 48%
2006-07	22.83	(+) 146%
2007-08#	34.36	(+) 51%
2008-09#	35.17	(+) 2%

# Provisional

(b): Targets are not fixed for FDI inflows for various sectors. A statement on sector-wise FDI inflows during April 2004 to September 2009, financial year wise, is at Annex.

(c) : FDI inflows have shown an increasing trend on year to year basis since the year 2004-05. During the global economic downturn in

the financial year 2008-09, FDI inflows grew by only 2% over the previous year, as compared to the growth of 51% evidenced in the financial year 2007-08. However, in the financial year 2009-10, FDI equity inflows for the months of June, July, August and October, 2009, have shown an increasing trend, as compared to the FDI equity inflows received during the same months in the previous financial year (2008-09).

(d): Government has put in place a simple and transparent policy for Foreign Direct Investment (FDI), including investments from Non-resident Indians (NRIs), wherein most of the sectors are open to FDI under the automatic route. Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis through inter-Ministerial consultations with a view to attract FDI in more industries and sectors.

Government has also announced a number of measures to accelerate the demand in the economy which would enable India to continue as an attractive investment destination. Under the liberalized` economic environment, investment decisions of investors are based on the macro- economic policy framework, investment climate in the state, investment policies of the transnational corporations and other commercial considerations. The Government of India continues to make efforts to increase economic cooperation with the developing as well as developed countries through different fora such as Joint Commissions/Joint Committees, other bilateral channels like interaction with the delegations visiting the country and organizing visits abroad for discussions on issues of mutual interest and business/ investment meets between Indian and foreign entrepreneurs to stimulate foreign investment into India. The Department of Industrial Policy and Promotion also participates in discussions covering industrial cooperation organized by other Ministries and Departments of Government of India and the Joint Business Council meetings. The Government has announced the setting up of '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. The Government of India also undertakes investment promotion activities by organising events such as 'Destination India' and 'Invest India' in various countries with FDI potential to create awareness about the investment climate and opportunities in India, as well as to provide support to potential investors.

The Government of India, in partnership with various State Governments and Business Associations, is making concerted efforts to make regulations conducive for business. In addition, the Government has initiated to implement e-Biz Project, a Mission Mode Project, under the National e-Governance Project, to provide online registration, filing payment services to investors and business houses.