

**GOVERNMENT OF INDIA
HOUSING AND URBAN POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4086

ANSWERED ON:17.12.2014

FDI IN CONSTRUCTION SECTOR

Patil Shri Bheemrao Baswanthrao;Thakur Shri Anurag Singh;Udhayakumar Shri M.

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

- (a) whether the Government has eased rules for foreign direct investment in the construction sector;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government also intends to accord infrastructure status to housing sector; and
- (d) if so, the details thereof and the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION (SHRI BABUL SUPRIYO)

(a) & (b): Yes, Madam. The Government has eased norms for Foreign Direct Investment (FDI) by changing the requirements of minimum area, minimum capitalization, repatriation of investment, definition of affordable housing project etc. to increase the foreign investment in housing sector which creates forward and backward linkage with other sectors and spurs the growth through multiplier effects.

(c) & (d): Ministry of Housing and Urban Poverty Alleviation has requested Ministry of Finance to grant the 'infrastructure' status to 'affordable housing project' to ensure enhanced credit flow to housing sector through benefits like various tax incentives, longer repayment tenure loans, higher debt-to-equity ratio, eligibility for low- cost external commercial borrowings etc.