

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

STARRED QUESTION NO:607

ANSWERED ON:08.05.2015

FOREIGN COLLABORATION IN INDIAN INDUSTRY

Owaisi Shri Asaduddin

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

(a) whether the share of manufacturing and services sectors in the total Foreign Technological Collaboration (FTC) agreements has gained significantly during 2012-13 and 2013-14 as per the survey conducted by the Government / RBI on foreign collaboration in Indian industry;

(b) if so, the details thereof;

(c) the number of countries with whom export restrictive clauses have been increased and decreased during the said period;

(d) the sectors which have received increased share of FTC during the said period; and

(e) the steps taken or being taken by the Government to increase the FTC during the coming years?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 607 FOR ANSWER ON FRIDAY, THE 08TH MAY, 2015 ON 'FOREIGN COLLABORATION IN INDIAN INDUSTRY'

(a) & (b): The Reserve Bank of India periodically conducts Foreign Collaboration Survey (FCS) in Indian Industry to capture information on various aspects of operations of Indian companies having technical collaboration with foreign companies.

The survey is voluntary and not mandatory. The tenth round of the FCS covered the years 2012-13 and 2013-14, where 866 Indian companies responded, of which, 303 companies reported 528 Foreign Technological Collaboration (FTC) agreements.

Among the responding companies, the share of manufacturing sector in total FTC agreements increased from 70.1 per cent in ninth FCS round (2010-11 to 2011-12) to 77.5 per cent in tenth FCS round (2012-13 to 2013-14) while that of services sector declined from 26.9 per cent to 17.0 per cent over the same period.

(c): The analysis of country-wise agreements shows that the share of agreements with export-restrictive clauses increased with USA, United Kingdom, Italy, and Switzerland and decreased with Japan, Germany, Korea and France, among the responding companies.

(d): The sectors which have received increased share of FTC during the said period are Agriculture-related, Plantation & Allied activities; Manufacturing and Construction.

(e): Liberalized FDI regime and investor friendly climate are attractive factors for FTC. India has one of the most liberalized FDI policy regimes in the world. 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 from time to time, to ensure that India remains increasingly attractive and investor-friendly. Government has undertaken a number of steps to improve Ease of Doing Business in India. Amongst the other important steps, Ministries and State Governments have been advised to simplify and rationalize the regulatory environment through business process reengineering and use of information technology. 14 Government of India services have been integrated with the online single window eBiz portal.