

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

UNSTARRED QUESTION NO:844
ANSWERED ON:24.07.2015
FDI in Tobacco Purchases
Galla Shri Jayadev

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

- (a) whether the Government proposes to allow Foreign Direct Investment (FDI) in tobacco purchases in view of problems being faced by tobacco farmers;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor ?

Answer

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

(a) to (c): As per extant Foreign Direct Investment (FDI) policy, FDI is prohibited in manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes. The prohibition applies only to manufacturing of these products and foreign direct investment in other activities relating to these products including wholesale cash and carry, retail trading etc. shall be governed by the sectoral restrictions as laid down in the FDI policy. At present, there is no proposal under the consideration of the Government to review extant FDI policy in tobacco sector.
