

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

STARRED QUESTION NO:65

ANSWERED ON:11.07.2014

. FOREIGN DIRECT INVESTMENT

Kodikunnil Shri Suresh;Patil Shri Shivaji Adhalrao

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

- (a) the details of Foreign Direct Investment (FDI) inflow in various sectors in the country during each of the last three years and the current year, sector-wise;
- (b) whether FDI inflow is on the decline during the said period and if so, the details thereof along with the reasons therefor;
- (c) whether the Government proposes to allow 100% FDI in Defence and several segments of Railways, if so, the details thereof and the reasons therefor;
- (d) whether the Government has consulted or proposes to consult various stake holders to address their concerns before allowing FDI in Defence and Railways and if so, the details thereof; and
- (e) the time by which final decision is likely to be taken in the matter?

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 PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 65 FOR ANSWER ON 11TH JULY, 2014, REGARDING FOREIGN DIRECT INVESTMENT

(a): Sector-wise details of FDI equity inflow for the last three Financial Year (2011-12, 2012-13, 2013-14) and current year 2014-15 (upto April, 2014) are given at Annexure -I

(b): Sector-wise details of Total FDI inflow for the last three Financial Year (2011-12, 2012-13, 2013-14) and current year 2014-15 (upto April, 2014) is as under:

(in US\$ billion)

Sl. No.	Financial Year	Total FDI inflow	Annual Growth
1	2011-12 (P)	46.56	33.61
2	2012-13 (P)	34.29	- 26.35
3	2013-14 (P)	36.39	6.12
4	2014-15 (P) (upto April, 2014)	2.59	- 19.81

(P) Provisional Compared with figures of Financial Year 2010-11 i.e. US\$ 34.84 billion. # Compared with figures of upto April, 2013 i.e. US\$ 3.23 billion.

During the last 3 years FDI inflow in the country has fluctuated. As seen above, FDI inflow has decreased by 26.35% during the Financial Year 2012-13 in comparison to F.Y. 2011-12 and increased by 6.12% in 2013-14 in comparison to 2012-13.

Under the liberalized economic environment, investment decisions of investors are based on the macro-economic policy framework, investment climate in the host country, investment policies of the trans-national corporations and other commercial considerations.

(c) to (e):The consultation process for allowing/enhancing FDI in sectors such as Railways and Defence has been initiated.