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Investment in Overseas Projects

1480. SHRI ABHAYSINH S. BHONSLE :
 SHRI ASHOK NAMDEORAO MOHOL :
 SHRI D.S. AHIRE :

Will the Minister of COMMERCE be pleased to state:

(a) the total investment made in overseas projects during each of the last two years;

(b) whether investment in overseas projects has dipped by 50%;

(c) if so, the reasons therefor;

(d) the projects which have been built badly as a result thereof; and

(e) the steps proposed to be taken by the Government in this regard?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Overseas Investments are

made in Civil Construction Projects and Engineering (Turnkey) Projects, Joint Ventures (JVs) and Wholly Owned Subsidiaries (WOSs). The details of investments made by Indian investors in JVs and WOSs and Project Exports by Indian project exporters during the last two years are given in the enclosed Statement.

(b) and (c) There has been no dip in the project exports. However, actual investments in JVs and WOSs abroad has shown a decline due to general economic recession all over the world and inadequate availability of investible funds with Indian investors.

(d) No instance of any badly executed project has come to the notice of the Government.

(e) The guidelines for Indian direct investments in JVs and WOSs abroad has been further liberalised, by raising the limit of fast tract clearance by Reserve Bank of India to US \$ 15 Million (Rs. 60 crores in the case of investment in Indian Rupees in Nepal and Bhutan) and blankets investment by computer software companies upto 50% of their export/foreign exchange realisation during preceding 3 years, subject to a maximum of US \$ 25 million.

Statement

(i) *Details of Indian direct investments in JVs and WOSs abroad during the last two years*

(Amount of USD in million)

Year	No. of approval	Equity and loan	Guarantee	Actual investment made
1996-97	212	284.15	183.35	214.47
1997-98	164	462.00	137.03	120.76

(ii) *Details of the value of contracts secured in respect of civil construction and turnkey projects exports and of foreign exchange earnings from export of consultancy services (including computer software) during the last two years:*

(Rs. in Crores)

Year	Civil construction Projects	Turnkey Projects
1996-97	338	861
1997-98	431	1240