

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

UNSTARRED QUESTION NO:826
ANSWERED ON:25.07.2003
UTILISATION OF NRI INVESTMENT
ABDUL RASHID SHAHEEN;RATNA SINGH

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

- (a) Whether the NRI investment is not leading to balanced development of every region of a state;
- (b) if so, whether the Government have made any efforts to utilise the NRI investment in backward areas of a State;
- (c) if so, the details thereof;
- (d) the extent of success achieved by the Government in this regard: and
- (e) if not, the steps proposed to be taken in this regard.

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI CH. VIDYASAGAR RAO)

(a) to (e): Government has put in place a competitive, liberal and transparent policy framework to attract foreign direct investment (FDI), including NRI investment. The Government have also extended some concessions especially for NRIs and OCBs for investment in housing and real estate development sector, civil aviation sector. As per the policy of the Government, NRIs are permitted to invest anywhere in India, including backward areas. However, the investment decisions of an investor, including locational choices of the projects depend upon several factors such as availability of infrastructure in an area, competitive advantages, business/marketing considerations, corporate restructuring/ strategies, etc.. NRIs` inflows form 6.71% of the total FDI inflows for the period January,1991 to May, 2003.