

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

STARRED QUESTION NO:194
ANSWERED ON:15.03.2002
REVAMPING OF FIPB AND FIIA
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL

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

- (a) whether the Government are contemplating to revamp the Foreign Investment Promotion Board and Foreign Investment Implementation Authority;
- (b) if so, the details thereof;
- (c) whether the Government are also planning to bring a separate legislation to attract investments in infrastructure sector;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to remove red tapism, hassles and to attract investors?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

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

STATEMENT REFERRED TO IN REGARD TO LOK SABHA STARRED QUESTION NO. 194 FOR REPLY ON 15-3-2002.

(a) & (b) : Simplification of the approval mechanism and the strengthening of the investment facilitation mechanism is a continuous process and several steps have been taken in that direction, which inter alia include placing most activities on the automatic route, announcement of transparent guidelines for consideration of foreign direct investment proposals by the Foreign Investment Promotion Board (FIPB), 30 days time frame for communicating Government decision on FIPB proposals, and regular meetings of the Foreign Investment Implementation Authority (FIIA) to resolve implementation related issues by closer and more sustained interaction with foreign investors on the one hand and relevant agencies of Central Government/State Governments on the other.

(c) : No, Sir.

(d) : Does not arise.

(e) : With a view to simplifying foreign direct investment procedures, Government has already put in place a transparent and investor friendly FDI policy. Under this dispensation, in most sectors FDI is permitted upto 100% on the automatic route and foreign investors only have to notify RBI within 30 days of bringing in funds and again within 30 days of issuing shares.