

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

UNSTARRED QUESTION NO:5845
ANSWERED ON:02.05.2003
FOREIGN DIRECT INVESTMENT
RAM VILAS PASWAN

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

- (a) the sectors in which foreign direct investment is being received during each of the last three years;
- (b) the actual percentage of foreign direct investment in comparison to total investment in the country during the above period;
- (c) whether the Government have assessed the actual outflow of funds out of the country due to this foreign direct investment and the employment generated in each of the above sectors during the above period;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to ensure that the domestic industrial sectors are not affected by the foreign direct investment?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY):

- (a) The Foreign Direct Investment (FDI) inflows into India during 2000-2002 is as under:â€”

Year (Jan- Dec)	FDI inflows into India (US \$ in billion)
--------------------	--

2000	2.43
------	------

2001	3.57
------	------

2002	3.38
------	------

Sector-wise details of the FDI inflows are given in the statement enclosed.

- (b) FDI as a percentage of gross fixed capital formation for India for the years 1998-2000, as per the latest publication of the UNCTADs' World Investment Report, 2002 is given below:

Year (Jan-Dec)	Inward flows as a percentage of gross fixed capital formation for India
----------------	---

1998	2.9
------	-----

1999	2.2
------	-----

2000	2.3
------	-----

(c) and (d) There has been no major outflow of funds on account of repatriation of original investment. The outflow on account of dividend repatriation, technology fee payment, etc., has also not been significant. Detailed outflow figures are published annually by the Reserve Bank of India. Foreign Direct investment especially in green field projects as in the case of domestic investment, leads to employment generation. Data on employment generation on account of foreign investment proposals approved are not maintained.

(e) FDI supplements domestic investment efforts. Apart from providing additional capital to bridge saving-investment gap, FDI also infuses modern technology and management practices, and provides overseas market access resulting in greater international competitiveness of Indian Industry.