

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2426  
ANSWERED ON:23.07.2004  
PLAN TO BOOST FDI IN THE COUNTRY  
Meghwal Shri Kailash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has chalked out any plan to boost FDI in the country;
- (b) if so, the details thereof;
- (c) whether Federation of Indian Chambers of Commerce and Industry has conducted any survey recently in regard to FDI inflow;
- (d) if so, the details thereof; and
- (e) the reaction of the Government thereto?

**Answer**

Minister of State in the Ministry of Finance (Shri S. S. Palanimanickam)

(a) & (b): Government has put in place a liberal and transparent Foreign Direct Investment (FDI) policy and most sectors have been placed under the automatic route, except for a few sectors where caps have been prescribed.

In the Budget speech for 2004-05, Finance Minister has announced that FDI will continue to be encouraged and actively sought, particularly in areas of infrastructure, high technology and exports.

(c) & (d): Yes, Sir. Federation of Indian Chambers of Commerce and Industry in its 'FDI Survey 2004' published in June, 2004 have identified five thrust areas where a dedicated effort by the Government would result in strong FDI inflows in the near to medium term. These include IT and related services, chemical and chemical products, rubber and plastic products, electrical machinery and apparatus and services sector. The survey says that a large proportion of respondents from these sectors have assessed India favourably as an investment destination, perceive opportunities for greater FDI in their industry/sector and are planning expansion of their Indian operations.

(e): It is proposed to establish an Investment Commission which will have the broad authority of the Government to engage, discuss with and invite domestic and foreign businesses to invest in India.