

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

UNSTARRED QUESTION NO:1930
ANSWERED ON:06.12.2005
FDI IN TRADE AND MINING
Acharia Shri Basudeb

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

- (a) whether the Government has taken decision to liberalise FDI policy in mining and trading;
- (b) whether the Government has also sought suggestion from different ministries in this regard;
- (c) if so, the details thereof; and
- (d) the action taken / proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to (d): Under the extant policy, Foreign Direct Investment (FDI) up to 74% is allowed on the automatic route for exploration and mining of diamonds and precious stones. FDI up to 100% is allowed on the automatic route for exploration and mining of other minerals. FDI up to 100% is allowed, with prior Government approval, for cash and carry wholesale trading. The Government has not taken any decision in the recent past to liberalise the FDI policy in mining and trading activities. The FDI policy, including sectoral equity caps, is reviewed on a continuing basis taking into consideration the views of the sectoral Ministries.