

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

UNSTARRED QUESTION NO:4014
ANSWERED ON:20.12.2005
UNCTAD SURVEY ON FOREIGN DIRECT INVESTMENT
Scindia Shri Jyotiraditya Madhavrao

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

- (a) whether India occupies the second position in foreign direct investment next only to China as the most attractive investment destination for Transnational Corporations as per UNCTAD survey;
- (b) if so, the percentage of transnational Corporation found India, China, US,UK, Russia and Pakistan as attractive destinations; and (
- (c) the steps taken or being taken by Government to make India a more attractive investment destination for multinationals?

Answer

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

(a) & (b): Based on the FDI prospects survey quoted in United Nations Conference on Trade and Development's (UNCTAD's) 'World Investment Report, 2005', 51% of the surveyed transnational corporations have found India to be the most attractive investment location. China, United States, Russian Federation and United Kingdom have been considered the most attractive location by 87%, 51%, 33% and 13% respondents respectively. Response for Pakistan has not been reported.

(c): The Government has put in place an investor friendly policy on Foreign Direct Investment(FDI) under which FDI up to 100% is allowed under the automatic route in most sectors/activities. The FDI policy and related procedures are reviewed on a continuing basis. The Government also undertakes investment promotion and facilitation measures to attract investments.