

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

UNSTARRED QUESTION NO:1817

ANSWERED ON:07.03.2006

PROPOSALS UNDER FOREIGN DIRECT INVESTMENT

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

- (a) the number of proposal of Foreign Direct Investment (FDI) in various sectors pending with the Government as on date;
- (b) the time by which these are likely to be cleared;
- (c) the country from which maximum Foreign Direct Investment (FDI) has been received during the last five years, State-wise, along with the target find by the Government during the current year;
- (d) the criteria laid down to approve the Foreign Direct Investment (FDI) proposals;
- (e) whether the said criteria is not being followed properly;
- (f) if so, the reasons therefor;
- (g) the difference between the sanction of Foreign Direct Investment (FDI) proposal and actual investment in the country;
- (h) the manner in which the Foreign Investment Promotion Board monitor the Foreign Direct Investment (FDI); and
- (i) the steps taken by the Government for materialising cent percent investment of sanctioned Foreign Direct Investment (FDI) in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMRECE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): Foreign Direct Investment (FDI) proposals, seeking prior approval of the Government, are considered by the Foreign Investment Promotion Board (FIPB) in a time-bound manner and decisions on proposals with complete information are normally conveyed in 6-8 weeks. 35 proposals seeking Government approval are pending. Receipt of such proposals and decision thereon is a continuing process.

(c): No target is fixed for FDI. Details of the FDI from top ten countries and as reported to the Regional Offices of the Reserve Bank of India during the last 5 years are given in the statement at Annex-I and Annex-II respectively.

(d) to (f): Decisions on the FDI proposals seeking Government approval are taken in accordance with the policy notified from time to time.

(g): During the period August 1991 till December 2005, approval for FDI amounting to Rs. 2,58,319 crore has been given. The FDI inflow in equity during this period has been Rs. 1,53,192 crore. Under the extant policy, FDI up to 100% is allowed in most sectors/activities on the automatic route, which does not require approval of the Government.

(h): Foreign Investment Promotion Board considers the FDI proposals seeking prior approval of the Government.

(i): Under the liberalized economic environment, investment decisions, including the choice of location are taken by the entrepreneurs, based on their techno-economic assessment. The economic environment in other parts of the world and policies of the transnational corporations are other important determinants. The Government of India has put in place an investor-friendly policy. The FDI policy and associated procedures are reviewed on a continuing basis to make the investment climate attractive, consistent with the overall economic policies. Initiatives have also been taken for procedural simplification, including e-governance, to make the operating environment investor-friendly. The FDI in equity during the period April-December 2005 has been Rs. 16,394 crore, representing an increase of 39.5% over the FDI in the corresponding period last year.

ANNEX-I

STATEMENT REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 1817 FOR ANSWER ON 7-3-2006

COUNTRY WISE BREAK-UP FOR FDI INFLOWS FROM JANUARY 2001 To DECEMBER 2005

(Amount in crore)

S.No Name of the Country Amount of Foreign
Direct Investment
Inflows(In Rs)

1	Mauritius	31398.05
2	U.S.A.	9964.55
3	Netherlands	5746.66
4	U.K.	5462.07
5	Japan	4690.08
6	Germany	2719.96
7	Singapore	2257.33
8	France	1947.29
9	Switzerland	1541.31
10	Sweden	1228.22

ANNEX-II

STATEMENT REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 1817 FOR ANSWER ON 7-3-2006

REGION-WISE BREAK-UP OF FDI INFLOWS FROM JANUARY 2001 To DECEMBER 2005
(As Reported to Regional Offices of RBI)

(Amount in crore)

S.No	Regional Offices of RBI States Covered	Amount of FDI Inflows
1	NEW DELHI DELHI, PART OF UP AND HARYANA	19618.52
2	MUMBAI MAHARASHTRA, DADRA & NAGAR HAVELI, DAMAN & DIU	14399.67
3	BANGALORE KARNATAKA	5873.56
4	CHENNAI TAMIL NADU, PONDICHERRY	4651.22
5	AHMEDABAD GUJARAT	2764.14
6	HYDERABAD ANDHRA PRADESH	2485.67
7	CHANDIGARH` CHANDIGARH, PUNJAB, HARYANA, HIMACHAL PRADESH	1314.37
8	KOLKATA WEST BENGAL, SIKKIM, ANDAMAN & NICOBAR ISLANDS	1210.82
9	PANAJI GOA	450.18
10	BHUBANESHWAR ORISSA	261.66
11	KOCHI KERALA, LAKSHADWEEP	245.24
12	BHOPAL MADHYA PRADESH, CHATTISGARH	160.07
13	GUWAHATI ASSAM, ARUNACHAL PRADESH, MANIPUR, MEGHALAYA, MIZORAM, NAGALAND, TRIPURA	41.03
14	JAIPUR RAJASTHAN	16.80
15	PATNA BIHAR, JHARKHAND	1.13
16	KANPUR UTTAR PRADESH, UTTRANCHAL	0.03
17	STATE NOT INDICATED	22087.24
18	Advance of Inflow	7049.64
19	Stock Swapped	284.87
20	NRI-RBI Schemes	240.33
	Grand Total	83,156.19

> FootNote: 1. Includes `equity capital component` only.

2. The above State-wise inflows are classified as per RBI's Region-wise inflows furnished by RBI, Mumbai