

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2088
ANSWERED ON:06.12.2006
FDI INFLOW
Surendran Shri Chengara

Will the Minister of PLANNING be pleased to state:

- (a) whether the Planning Commission in their Draft Approach Paper of Eleventh Five Year Plan has expressed concern over economy's failure to attract much needed Foreign Direct Investment (FDI) to the tune of about 1.5 billion dollars;
- (b) if so, the reasons therefor; and
- (c) the efforts being made to attract more FDI in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

- (a): No, Sir. The Draft Approach Paper to the Eleventh Five Year Plan states: `The flow of FDI amounted to about \$6 billion in 2005-06 and could increase significantly during the 11th Plan`.
- (b): In view of (a) above, does not arise.
- (c):The Government has taken major initiatives to attract more FDI in the country. Most of the equity limits in manufacturing and minerals sectors are on 100% automatic route and restricted only in production of defense equipment and atomic energy. Infrastructure services in urban areas are allowed 100% automatic route although there are equity limits for telecom, airports, civil aviation and gas pipelines. Most of the services are allowed 100% foreign equity except banking, insurance and some professional services.