

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

UNSTARRED QUESTION NO:2839
ANSWERED ON:12.12.2006
BUSINESS PROCESS OUTSOURCING
Rao Shri Kavuru Samba Siva

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

- (a) The main findings and suggestions of private sector study report on performance of Business Transformation Outsourcing (BTO), Business Process Outsourcing (BPO) and general atmosphere to attract more foreign investment ;
- (b) The steps taken to remove the weaknesses and strengthen the foreign investors' confidence by providing better infrastructure, peaceful social and cultural environment and faster economic growth;
- (c) Whether the Government proposes new policy initiatives to speed up construction of infrastructure, resolution of religious, cultural, political healthy environment for larger foreign investments; and
- (d) If so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

- (a) : The Annual Survey, 2005 Report of A.T. Kearney has, inter-alia, rated India as the most favoured off-shoring destination.
- (b):Government has put in place a liberal policy for Foreign Direct Investment (FDI), according to which FDI upto 100% is permitted in most sectors and activities under the automatic route. The extant policy also allows FDI up to 100% in infrastructure sectors, such as roads & highways; ports & harbours; shipping; power generation / transmission / distribution (except atomic power) and development of airports.The FDI Confidence Index, 2005 by A.T.Kearney has rated India as the second most attractive investment destination.
- (c)&(d) : Government has permitted FDI up to 100% under the automatic route in construction development projects and in other infrastructure sector. Major initiatives taken for development of physical infrastructure include greater public investment, encouraging private investment and facilitating public private partnership.