

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

UNSTARRED QUESTION NO:3830  
ANSWERED ON:19.12.2006  
FOREIGN DIRECT INVESTMENTS  
Patil Shri Shrinivas Dadasaheb

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

- (a) Foreign Direct Investment for the year 2005-2006 in billion dollars in China, Hongkong, Singapore and India respectively;
- (b) Whether according to world bank study, starting business in India is an 11 stage process that takes 35 days whereas in other countries it is just 2 days; and
- (c) The steps taken by the Government to increase Foreign Direct Investment in India and modify the complicated tariff structure?

**Answer**

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

(a) : As per United Nations Conference on Trade and Development (UNCTAD)'s World Investment Report (WIR) 2006, Foreign Direct Investment inflows in China, Hongkong, Singapore and India during 2005 were as under:

(Amount in US \$ billion)

Country	Inflow
China	72.41
Hongkong	35.90
Singapore	20.08
India	6.60

- (b) : Yes Sir. As per the World Bank Study report, the time taken for the process of starting business is 2 days only in Australia.
- (c) : With a view to encourage Foreign Direct Investment (FDI), the Government has put in place a liberal and investor-friendly policy under which FDI up to 100% is permitted on the automatic route in most sectors / activities. Towards simplifying the State level tax structure, Value Added Tax (VAT) has been introduced in most States. A simplified and liberal tax policy for the Special Economic Zones has also been put in place. The Government is also simplifying various procedures for setting up and running units.