

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

UNSTARRED QUESTION NO:4863  
ANSWERED ON:23.05.2006  
JOINT CAPITAL INVESTMENT  
Rao Shri Kavuru Samba Siva;Yerrannaaidu Shri Kinjarapu

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

- (a) the status of investment of foreign funds in joint labs to develop new products;
- (b) the potential of capital investments in the country;
- (c) the share of India in world capital investments in the areas of new product development;
- (d) whether the Government proposes a policy to attract investments in various fields to get bigger share of the world capital investment market; and
- (e) if so, the details thereof?

**Answer**

THE MINISTER OF COMMERCE & INDUSTRY (SHRI KAMAL NATH)

- (a) & (b): Foreign Direct investment (FDI) received in the Research & Development (R&D) sector during the last three years is US\$ 26.05 million. FDI Approvals have been issued for R&D for proposed investment of US\$ 27.23 million during the above period.
- (c): As per the UNCTAD Survey 2004 contained in the UNCTAD's World Investment Report, 2005, India has a share of 25% of R&D locations among the developing countries. The Survey ranks India as the sixth global destination for R&D off-shoring.
- (d)&(e): The extant policy permits FDI up to 100% on the automatic route in R&D Services. In addition, Income tax concessions are available under the Income Tax Act for earnings from R&D activities.