

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:584
ANSWERED ON:24.11.2006
FDI IN ORISSA AND BIHAR
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Will the Minister of FINANCE be pleased to state:

- (a) whether approval of proposals and inflow of Foreign Direct Investment (FDI) in Bihar and Orissa are poor;
- (b) if so, the details thereof during each of the last 3 years in these States;
- (c) the details of proposals for FDI pending clearance in each States of the country at present; and
- (d) the steps taken by the Union Government to expedite the clearance of FDI proposals in each State so that FDI inflow promptly takes place?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a&b) The number of proposals approved for foreign direct investment in the states of Bihar and Orissa as well as for the country as a whole in last three years (from January, 2003 to July, 2006) is given in table-I. The cumulative inflow of foreign direct investment in this period is also given in this table.

(c) As on 14th November, 2006, 22 FDI proposals are pending for clearance, details of which are given in Table -II.

(d) Foreign Investment Promotion Board (FIPB) is a single window clearance system for expeditious approval of all FDI proposals which require prior approval by the Government of India. This body normally meets twice a month. However, barring few sectors, foreign direct investment does require prior approval but only post facto reporting to the Reserve Bank of India. Government of India has also set up the Foreign Investment Implementation Authority (FIIA) vide resolution dated 9th August, 1999 to facilitate quick translation of FDI approvals into implementation, to provide a pro-active one stop after care service to foreign investors by helping them obtain necessary approvals, sort out operational problems and meet with various Government agencies to find solution to their problems. FIIA is assisted by a Fast Track Committee (FTC) for each sector (Administrative Ministry-wise), which is headed by the lead Administrative Ministry and includes representatives from all agencies, including state government, concerned with implementation of project. FTCs, while reviewing individual projects, are also responsible for identifying and suggesting deletion of redundant procedures/ simplification of existing procedures at the Central/State level for each sector and for charting out the sectoral road map, including approval time frame, in consultation with the State Governments.