

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

UNSTARRED QUESTION NO:111  
ANSWERED ON:01.03.2005  
FDI INVESTMENT VIS-A-VIS CHINA  
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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the East Asian countries like China, Hong Kong, Korea, Malaysia, Singapore and Indonesia have better F.D.I. inflow and export rate than that of India;
- (b) if so, the details thereof;
- (c) whether the Government of India is making any efforts to enhance the commercial and industrial work efficiency of its workforce through higher literacy rate and quality education;
- (d) if so, the details thereof;
- (e) whether the B.I.F.R. plays any role in the restructuring process;
- (f) if so, the details thereof;
- g) whether any action plan is in operation together with other Ministries and Departments to take remedial measures in order to enhance the industrial efficiency; and
- h) if so, the details thereof ?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) & (b) According to World Investment Report 2004 by United Nations Conference on Trade and Development (UNCTAD), FDI Inflows & outflows of China, Hong Kong, Korea, Malaysia, Singapore and Indonesia as compared to India are as under:

(FDI in millions of dollars)

Country	2001		2002		2003	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
China	46878	6884	52743	2518	53505	1800
Hong Kong	23775	11345	9682	17463	13561	3769
Republic of Korea	3683	2420	2941	2617	3752	3429
Malaysia	554	267	3203	1904	2474	1370
Singapore	15038	17063	5730	3699	11409	5536
Indonesia	-2977	125	145	116	-597	130
India	3403	1397	3449	1107	4269	913

(c) to (h) Under the liberalized economic environment, investment decisions are taken by the entrepreneurs based on their commercial judgment and other considerations. Government's policy initiatives, including the policy on Foreign Direct Investment, are aimed at creating an enabling environment promoting modernisation and technological upgradation, productivity, efficiency and enhancing export competitiveness. These provide opportunities to Indian industry for technological upgradation, gaining access to global managerial skills and practices, optimizing utilization of human and natural resources, and competing internationally with higher efficiency.

Government's initiatives in the area of technical and professional education have played a significant role in enhancing the availability of high-quality manpower and establishing strong linkages between technical institutions and industry.

Board for Industrial and Financial Reconstruction (BIFR) has been set up with a view to tackle the issue of industrial sickness in an effective manner, to secure timely detection of sick and potentially sick companies owning industrial undertakings, speedy determination of the preventive, ameliorative, remedial and other measures which are required to be taken with respect to such companies and the expeditious enforcement of the measures so determined.

The Government has set up the National Manufacturing Competitiveness Council (NMCC) to identify the manufacturing sectors having potential for global competitiveness, problems and constraints in such sectors and to evolve sector-specific strategies for enhancing competitiveness of the manufacturing sector.