

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
QUESTION NO 09.11.2010
ANSWERED ON
FOREIGN INVESTMENT IN THE COUNTRY .

32

Dr. T. Subbarami Reddy

Will the Minister of COALCOALCOALCOALFINANCE be pleased to state :-

- (a) whether foreign Investment In India Is likely to be \$17-18 bn. this year and with \$12-13 billion already in;
- (b) whether in 2009 inflows were negative with net outflow being nearly \$13bn. from stock markets;
- (c) whether economy expect current account deficit to enlarge which could impact balance of payments surplus in 2010-11;
- (d) whether Government is also considering that policy framework has to be cautious about a flood of inflows which might add to inflationary pressures; and
- (e) if so, what steps Government has taken in this regard?

ANSWER

Minister of State in the Ministry of Finance

(SHRI NAMO NARAIN MEENA)

- a) As per information received from Reserve Bank of India (RBI) total FDI inflow in India during the period from April, 2010 to August, 2010 is USD 11.39 billion.
- b) In the stock market in the Financial Year 2008-09, the net inflow was USD 15.01 billion negative.
- c) to (e): During the first quarter (Q1 - April-June) of 2010-11, Current Account Deficit (CAD) widened to US\$ 13.7 billion vis-vis US\$ 4.5 billion in Q1 of 2009-10. The capital account however remained buoyant, as there was surge in capital inflow to the tune of US\$ 18.4 billion vis-a-vis US\$ 4.0 billion in Q1 of 2009-10. The capital account surplus is largely balancing the current account deficit.