# GOVERNMENT OF INDIA MINISTRY OF COMMERCE & INDUSTRY DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE RAJYA SABHA

### STARRED QUESTION NO. 238. TO BE ANSWERED ON FRIDAY, THE 21<sup>ST</sup> MARCH, 2025.

#### AMENDMENT IN FDI POLICY

#### \*238. MS. SUSHMITA DEV:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) whether Government has amended the Foreign Direct Investment (FDI) policy to allow Chinese investors to invest in the country as mentioned in Economic Survey 2023-24, if so, the details thereof;
- (b) whether it is a fact that Government has further relaxed the visa norms for Chinese technicians, especially under the Production Linked Incentive (PLI) scheme, if so, the details thereof; and
- (c) the manner in which electronics sector will be benefitted from the Chinese FDI, given that India imported electronic components worth over USD 12 billion in 2023-24 from China?

## ANSWER THE MINISTER OF COMMERCE & INDUSTRY (SHRI PIYUSH GOYAL)

(a) to (c): A statement is laid on the Table of the House.

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## STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF RAJYA SABHA STARRED QUESTION DY. NO. 238 FOR ANSWER ON 21<sup>ST</sup> MARCH 2025.

- (a): The extant FDI Policy was amended vide Press Note 3 of 2020 dated 17.04.2020 (PN 3/2020) to curb opportunistic takeovers/acquisitions of Indian companies due to the COVID-19 pandemic. As a result of the enforcement of PN 3/2020, investments from countries sharing land border with India, require Government approval. The said FDI policy amendments do not prohibit investments from the countries sharing land border with India and such investments are evaluated and processed under the Government route. Subsequent to PN 3/2020, no amendment has been undertaken in the FDI Policy relating to investments from countries sharing land border with India.
- (b): In order to facilitate the entry of foreign nationals engaged by Indian companies under the PLI Scheme or other similar schemes approved by the Central Government or in PLI-associated industries, six-month Business Visa (non- extendable) has been introduced on 26.07.2024. This was introduced keeping in view the high priority attached by the government to domestic manufacturing of products on account of both economic and strategic imperatives and to contain huge foreign exchange outgo on account of import of products. The scheme applies for a grant of visa to all foreign nationals. It does not provide special relaxation to any particular foreign nationality.
- (c): In India, most sectors/activities have been liberalized and open to 100% FDI under the automatic route. Further, FDI infuses long term sustainable capital in the economy and contributes towards technology transfer, development of strategic sectors, greater innovation, competition and employment creation amongst other benefits. FDI irrespective of the country of origin supplements domestic capital, technology and skills for accelerated economic growth and development thereby helps to create a 'lasting interest' in an enterprise that is resident in an economy other than that of the investor.

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