

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1977**

TO BE ANSWERED ON MONDAY, DECEMBER 19, 2022

**FOREIGN INVESTMENT OPPORTUNITIES
1977, SHRI RAKESH SINGH**

Will the Minister of FINANCE be pleased to state:

- (a) whether the foreign investment opportunities has improved in the country and if so, the details thereof;**
- (b) whether the country's current deficit will come down due to increased foreign investment opportunities and if so, the details thereof;**
- (c) whether the other corrective measures need to be taken by the Government to control the deficit; and**
- (d) if so, the details thereof?**

ANSWER

**MINISTER OF STATE (FINANCE)
(SHRI PANKAJ CHAUDHARY)**

(a) Yes Sir, the total Foreign Direct Investment (FDI) inflow in the country increased from USD 81,973 million in FY21 to USD 84,835 million in FY22, reflecting increased foreign investment opportunities in the country. To promote FDI the Government has put in place an investor-friendly policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. The Government of India reviews the FDI Policy on regular basis to ensure that India remains attractive and investor friendly destination.

(b), (c) & (d) FDI inflows finance the Current Account Deficit (CAD). The size of India's Current Account Deficit depends on several factors including exports, imports, price of crude oil among others. CAD comes down with improvement in net trade balances, increase in remittances and higher returns on investment abroad.

Government is carefully monitoring the CAD and early in the current financial year had increased customs duty on gold from 10.75% to 15% to restrain gold imports that is likely to reduce CAD. Further, RBI also announced a series of measures to increase foreign exchange inflows to finance Current Account Deficit.