

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

LOK SABHA

**UNSTARRED QUESTION NO. 3494.
TO BE ANSWERED ON WEDNESDAY, THE 22ND MARCH, 2023.**

FDI POLICY

**3494. SHRI GYANESHWAR PATIL:
SHRI NAYAB SINGH:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) the salient features of the new FDI policy implemented by the Government which is likely to encourage the Foreign investment in India;
- (b) the details of sectors wherein the FDI has been increased for investment under the said new policy; and
- (c) the sectors in which maximum foreign investment has been made during the last three years and the new opportunities created due to the said investment across the country?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

- (a): To promote foreign investment, 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. Further, the policy on FDI is reviewed on an ongoing basis, to ensure that India remains an attractive and investor friendly destination. To simplify the approval process of foreign investment and to promote ease of doing business, the erstwhile Foreign Investment Promotion Board (FIPB) has been abolished in May 2017 and a new regime has been put in place. Under the new regime, process for granting FDI approvals has been simplified wherein the work relating to processing of applications for FDI has been delegated to the concerned Ministries/ Departments and DPIIT is the nodal department for facilitating the process. Detailed standard operating procedure for approval process has been issued by DPIIT. Further, all proposals seeking Government approval under FDI route are now filed on National Single Window System (NSWS) Portal.
- (b): FDI policy provisions have been progressively liberalized and simplified across various sectors in the last eight years, such as Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Pharmaceuticals, Single Brand Retail Trading, Construction & Development, Power Exchanges, e-commerce activities, Coal Mining, Contract Manufacturing, Civil Aviation etc. In the recent past,

reforms in the FDI Policy have been undertaken in sectors such as Defence, Insurance, Petroleum & Natural Gas and Telecom. FDI in defence sector is now allowed up to 74% (from earlier 49%) through automatic route for companies seeking new industrial license. In insurance sector, FDI limit has been raised from 49% to 74% for insurance companies under the automatic route and foreign ownership and control has been allowed with safeguards. FDI up to 20% in Life Insurance Corporation of India (LIC) has been permitted under automatic route. Further, FDI up to 100% under the automatic route has been permitted in Telecom sector. Details of Sectors wherein in FDI has increased in past 8 years, as compared to preceding 8 years is placed at **Annexure**.

- (c): Details of top 10 sectors that comprise more than 75% of FDI Equity inflow (excluding reinvested earnings, other capital and equity in incorporated bodies) received in the country during the last three financial years (from April 2019 to March 2022) are as under:

STATEMENT ON TOP SECTOR-WISE FDI EQUITY INFLOW FROM April 2019 TO March 2022			
Sr. No.	Sector	Amount of FDI Equity Inflow (InUSD Million)	%age of Total FDI Equity Inflow
(1)	(2)	(3)	(4)
1	COMPUTER SOFTWARE & HARDWARE	48,279	29
2	SERVICES SECTOR (Fin., Banking, Insurance, Non Fin/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other)	20,045	12
3	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	13,164	8
4	TRADING	11,720	7
5	AUTOMOBILE INDUSTRY	11,455	7
6	METALLURGICAL INDUSTRIES	5,713	3
7	TELECOMMUNICATIONS	5,505	3
8	EDUCATION	5,245	3
9	HOTEL & TOURISM	4,036	2
10	NON-CONVENTIONAL ENERGY	3,792	2

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA USTARRED QUESTION NO. 3494 FOR ANSWER ON 22.03.2023.

Details of Sectors wherein in FDI has increased in past 8 years, as compared to preceding 8 years, in descending order of FDI Equity Inflow from April 2014 to March 2022 (excluding reinvested earnings, other capital and equity in incorporated bodies)

SECTOR-WISE COMPARISON of Amount of FDI Equity Inflow (In USD Million) (Approx.)				
Sl. No	Sector	April 2006 to March 2014	April 2014 to March 2022	Growth %
(1)	(2)	(3)	(4)	(5)
1	COMPUTER SOFTWARE & HARDWARE	9,599	72,700	657
2	SERVICES SECTOR (Fin., Banking, Insurance, Non Fin/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other)	37,628	54,689	45
3	TRADING	5,132	29,440	474
4	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	2,575	25,407	887
5	TELECOMMUNICATIONS	12,098	24,168	100
6	AUTOMOBILE INDUSTRY	8,580	23,030	168
7	CHEMICALS (OTHER THAN FERTILIZERS)	8,864	9,785	10
8	HOTEL & TOURISM	6,880	9,269	35
9	METALLURGICAL INDUSTRIES	7,644	8,940	17
10	NON-CONVENTIONAL ENERGY	2,997	8,618	188
11	ELECTRICAL EQUIPMENTS	2,927	7,369	152
12	EDUCATION	941	6,777	620
13	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	3,511	5,962	70
14	HOSPITAL & DIAGNOSTIC CENTRES	2,163	5,644	161
15	CONSULTANCY SERVICES	1,939	5,524	185
16	RETAIL TRADING	107	3,856	3515
17	SEA TRANSPORT	1,051	3,715	254
18	INDUSTRIAL MACHINERY	2,668	3,413	28
19	AIR TRANSPORT (INCLUDING AIR FREIGHT)	476	3,050	541
20	CEMENT AND GYPSUM PRODUCTS	2,190	2,612	19
21	TEXTILES (INCLUDING DYED, PRINTED)	1,217	2,583	112
22	ELECTRONICS	803	2,267	182
23	MINING	952	2,252	136
24	FERMENTATION INDUSTRIES	1,604	1,995	24
25	RUBBER GOODS	1,360	1,838	35

26	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	370	1,799	386
27	MEDICAL AND SURGICAL APPLIANCES	700	1,629	133
28	SOAPS, COSMETICS & TOILET PREPARATIONS	653	1,506	131
29	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	1,058	1,471	39
30	GLASS	331	859	160
31	DIAMOND, GOLD ORNAMENTS	387	780	102
32	RAILWAY RELATED COMPONENTS	470	721	53
33	AGRICULTURAL MACHINERY	187	641	243
34	VEGETABLE OILS AND VANASPATI	383	623	63
35	FERTILIZERS	263	394	50
36	BOILERS AND STEAM GENERATING PLANTS	61	314	411
37	EARTH-MOVING MACHINERY	145	313	117
38	SUGAR	45	184	310
39	SCIENTIFIC INSTRUMENTS	129	164	28
40	GLUE AND GELATIN	9	138	1374
41	TIMBER PRODUCTS	85	129	52
42	LEATHER, LEATHER GOODS AND PICKERS	95	109	15
43	DYE-STUFFS	17	83	398
44	DEFENCE INDUSTRIES	5	8	55
