

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

**UNSTARRED QUESTION NO. 3532.
TO BE ANSWERED ON WEDNESDAY, THE 22ND MARCH, 2023.**

FDI

3532. SHRI RITESH PANDEY:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of the FDI received in the last five years, sector and State-wise;
- (b) the details of the growth in manufacturing sector in the last five years, State-wise;
- (c) whether the Government is contemplating a policy framework to attract foreign investors who are currently shifting from China to Southeast Asia;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government is bringing in reforms in the labour market, land acquisition and ease of doing business to incentivise foreign companies to set-up their manufacturing plants in India; and
- (f) if so, the details thereof and if not, the reasons therefor?

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): The total FDI inflow includes equity inflow, equity capital of unincorporated bodies, re-invested earnings, and other capital. The sector and state wise details are maintained only for equity component of total FDI inflow. The sector-wise details of FDI equity inflow received in the last five years are at Annexure-I. The state-wise details which are maintained w.e.f. October, 2019 are at Annexure-II.
- (b): State wise growth, as gross state value added from manufacturing sector at constant (2011-12) prices, in the last five years is given at Annexure –III.
- (c) & (d): To attract foreign investors, 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 attractive and investor friendly destination. Changes are made in the policy after having consultations with stakeholders including apex industry chambers, associations, representatives of industries/groups and other organizations. Government has recently undertaken a number of reforms across sectors. In

the last one year alone, reforms in the FDI policy have been undertaken in sectors such as Insurance, Petroleum & Natural Gas, Telecom, etc.

(e) & (f): Major reforms undertaken by Government to incentivize the manufacturing sector are as follows:

- **Labour Reforms:** The Government has formulated four Labour Codes, namely, the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 and published these Codes in the official gazette for general information. These four Labour Codes, while strengthening the protection available to workers, including unorganized workers, promote ease of doing business and ease in compliance in order to catalyse setting up of more enterprises leading to creation of more employment opportunities in the country.
- **DIGITAL INDIA LAND RECORDS MODERNIZATION PROGRAMME :** Government is running a scheme namely 'Digital India Land Record Modernization Programme (DILRMP)' with aims to digitize/ tagging of land records, including mutations, improve transparency in the land records maintenance system, digitize maps and survey, update all settlement records and minimize the scope of land disputes. It has 3 major components - (a) Computerization of land record (b) Survey/re-survey (c) Computerization of Registration. This scheme is very helpful for land acquisition transaction in reference to ease of doing business.
- **Industrial Corridor Development Programme:** In order to accelerate growth in manufacturing, Government of India (GoI) has adopted the strategy of developing Industrial Corridors in partnership with State Governments. The objective of this programme is to develop Greenfield Industrial regions/areas/nodes with sustainable infrastructure & make available Plug and Play Infrastructure at the plot level. As part of National Industrial Corridor Program, 11 Industrial Corridors are being developed in 4 phases.
- **Ease of Doing Business:** The objective is to improve Ease of Doing Business and Ease of Living by Simplifying, Rationalizing, Digitizing and Decriminalizing Government to Business and Citizen Interfaces across Ministries/States/UTs. The key focus areas of the initiative are simplification of procedures, rationalization of legal provisions, digitization of government processes, and decriminalization of minor, technical or procedural defaults.
- **Foreign Direct Investment (FDI):** Para 5.2.5 of the FDI Policy provides FDI Policy provisions w.r.t manufacturing as follows:

5.2.5.1 Subject to the provisions of the FDI policy, foreign investment in 'manufacturing' sector is under automatic route. Manufacturing activities may be either self-manufacturing by the investee entity or contract manufacturing in India through a legally tenable contract, whether on Principal to Principal or Principal to Agent basis. Further, a manufacturer is permitted to sell its products manufactured in India

through wholesale and/or retail, including through e-commerce, without Government approval.

5.2.5.2 Notwithstanding the FDI policy provisions on trading sector, 100% FDI under Government approval route is allowed for retail trading, including through e-commerce, in respect of food products manufactured and/or produced in India.

- **Production Linked Incentive scheme:** Keeping in view India's vision of becoming 'Atmanirbhar', Production Linked Incentive (PLI) Schemes for 14 key sectors is under implementation with an outlay of Rs. 1.97 lakh crore to enhance India's Manufacturing capabilities and Exports. These schemes have potential for creation of high production, economic growth, exports and significant employment over the next five years and more. Under this scheme, 717 applications have been approved till date. Total investment amounting to nearly Rs. 50,000 crores has been received till date. It has led to production having worth of more than Rs. 4 lakh crore. It has also led to employment to nearly 3 lakh people.
- **National Single Window System:** The setting up of National Single Window System (NSWS) was announced in the Budget 2020-21 with the objective to provide "end to end" facilitation and support to investors, including pre-investment advisory, provide information related to land banks and facilitate clearances at Centre and State level. Envisioned as a one-stop shop for investor related approvals and services in the country, the National Single Window System (NSWS) was soft-launched on 22nd September, 2021 by Hon'ble Commerce & Industry Minister. Large number of States/UTs Single Window Systems have been linked with the NSWS Portal thereby providing access to approvals of these States/UTs to be applied through NSWS.
- **PM Gati Shakti National Master Plan (NMP):** PM Gati Shakti National Master Plan (NMP), a GIS based platform with portals of various Ministries/Departments of Government, was launched in October, 2021. It is a transformative approach to facilitate data-based decisions related to integrated planning of multimodal infrastructure, thereby reducing logistics cost. Empowered Group of Secretaries (EGoS) and Network Planning Group (NPG) have been created as institutional arrangement. For enhanced capital expenditure by states for infrastructure development, the Ministry of Finance, Department of Expenditure through the "Scheme for Special Assistance to States for Capital Investment for 2022-23" on 6th April 2022 has made a additional provision of Rs. 1,00,000 crore for disbursement among the states as long term loans at a zero interest rate. Out of this, under Part II of the scheme Rs 5,000 crore are specifically provided for PM Gati Shakti related expenditure.

Annexure-I

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF LOK SABHA UNSTARRED QUESTION NO. 3532 FOR ANSWER ON 22nd MARCH, 2023 REGARDING 'FDI'.

STATEMENT ON SECTOR-WISE FDI EQUITY INFLOW FROM April 2017 TO March 2022		
(Amount in USD million)		
Sr. No.	Sector	FDI Equity Inflow
1	COMPUTER SOFTWARE & HARDWARE	60,847.77
2	SERVICES SECTOR (Fin., Banking, Insurance, Non Fin/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other)	35,879.85
3	TRADING	20,525.59
4	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	18,151.46
5	AUTOMOBILE INDUSTRY	16,167.79
6	TELECOMMUNICATIONS	14,385.16
7	METALLURGICAL INDUSTRIES	6,684.08
8	NON-CONVENTIONAL ENERGY	6,442.15
9	EDUCATION	6,307.67
10	HOTEL & TOURISM	6,243.55
11	CHEMICALS (OTHER THAN FERTILIZERS)	6,159.24
12	DRUGS & PHARMACEUTICALS	4,698.46
13	CONSULTANCY SERVICES	4,305.93
14	POWER	4,298.10
15	ELECTRICAL EQUIPMENTS	4,132.88
16	HOSPITAL & DIAGNOSTIC CENTRES	3,586.10
17	FOOD PROCESSING INDUSTRIES	3,540.96
18	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	3,180.60
19	RETAIL TRADING	2,973.65
20	MISCELLANEOUS INDUSTRIES	2,952.20
21	AIR TRANSPORT (INCLUDING AIR FREIGHT)	2,526.39
22	SEA TRANSPORT	2,217.33
23	CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	1,916.33
24	ELECTRONICS	1,863.42
25	INDUSTRIAL MACHINERY	1,799.62
26	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	1,550.66
27	TEXTILES (INCLUDING DYED,PRINTED)	1,522.53
28	FERMENTATION INDUSTRIES	1,455.93
29	PETROLEUM & NATURAL GAS	1,154.04
30	SOAPS, COSMETICS & TOILET PREPARATIONS	1,042.58
31	RUBBER GOODS	994.16
32	MINING	981.31
33	MEDICAL AND SURGICAL APPLIANCES	829.61
34	MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES	798.73
35	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	794.38
36	GLASS	754.61
37	AGRICULTURE SERVICES	633.30
38	AGRICULTURAL MACHINERY	536.62

39	RAILWAY RELATED COMPONENTS	429.95
40	PAPER AND PULP (INCLUDING PAPER PRODUCTS)	340.03
41	VEGETABLE OILS AND VANASPATI	332.13
42	DIAMOND, GOLD ORNAMENTS	317.09
43	CEMENT AND GYPSUM PRODUCTS	250.34
44	EARTH-MOVING MACHINERY	177.41
45	MACHINE TOOLS	171.06
46	FERTILIZERS	146.49
47	CERAMICS	132.92
48	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	99.90
49	BOILERS AND STEAM GENERATING PLANTS	69.12
50	TIMBER PRODUCTS	56.61
51	LEATHER, LEATHER GOODS AND PICKERS	55.16
52	TEA AND COFFEE (PROCESSING & WAREHOUSING COFFEE & RUBBER)	52.28
53	SCIENTIFIC INSTRUMENTS	48.90
54	SUGAR	34.95
55	GLUE AND GELATIN	25.11
56	DYE-STUFFS	14.05
57	INDUSTRIAL INSTRUMENTS	13.03
58	DEFENCE INDUSTRIES	7.39
	Gross-Total	257,608.65

Annexure-II

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF LOK SABHA UNSTARRED QUESTION NO. 3532 FOR ANSWER ON 22nd MARCH, 2023 REGARDING 'FDI'.

STATEMENT ON SECTOR-WISE FDI EQUITY INFLOW FROM April 2019 TO March 2022 (Amount in USD million)		
Sr. No.	State Name	Amount of FDI Equity Inflow
1	MAHARASHTRA	39,164.67
2	KARNATAKA	34,031.41
3	GUJARAT	27,187.09
4	DELHI	17,658.89
5	TAMIL NADU	6,332.69
6	HARYANA	5,222.42
7	TELANGANA	3,442.24
8	JHARKHAND	2,650.53
9	RAJASTHAN	1,168.49
10	WEST BENGAL	1,033.90
11	UTTAR PRADESH	881.63
12	PUNJAB	868.24
13	KERALA	617.45
14	ANDHRA PRADESH	511.78
15	MADHYA PRADESH	490.85
16	BIHAR	167.09
17	HIMACHAL PRADESH	160.82
18	Dadra and Nagar Haveli and Daman and Diu	150.04
19	ODISHA	128.13
20	UTTARAKHAND	123.99
21	GOA	118.39
22	CHANDIGARH	64.99
23	PUDUCHERRY	58.85
24	State Not Indicated	28.27
25	ASSAM	18.53
26	ARUNACHAL PRADESH	5.55
27	MEGHALAYA	1.10
28	CHHATTISGARH	1.01
29	TRIPURA	0.56
30	JAMMU AND KASHMIR	0.36
31	LADAKH	0.16
32	NAGALAND	0.01
	Gross-Total	142,290.15

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF LOK SABHA UNSTARRED QUESTION NO. 3532 FOR ANSWER ON 22nd MARCH, 2023 REGARDING 'FDI'.

STATE WISE GROWTH, AS GROSS STATE VALUE ADDED FROM MANUFACTURING SECTOR AT CONSTANT (2011-12) PRICES

(% Growth over previous year)

Sl. No.	State\UT	2017-18	2018-19	2019-20	2020-21	2021-22
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Andhra Pradesh	8.52	8.85	0.10	6.12	7.42
2	Arunachal Pradesh	-25.14	31.27	-56.69	11.87	17.96
3	Assam	13.54	0.58	3.16	19.81	8.61
4	Bihar	4.84	-1.33	2.84	-6.04	1.18
5	Chhattisgarh	10.59	27.18	1.70	-0.59	7.60
6	Goa	2.55	3.71	-1.31	-1.67	-2.64
7	Gujarat	11.30	12.70	5.76	-5.29	12.89
8	Haryana	1.93	15.64	-4.59	0.77	11.77
9	Himachal Pradesh	12.73	10.12	0.88	-7.33	11.33
10	Jammu & Kashmir*	3.15	-1.83	NA	NA	NA
11	Jharkhand	13.99	22.38	-9.46	0.25	5.20
12	Karnataka	1.61	6.35	-5.64	-2.89	11.11
13	Kerala	6.06	-5.28	-0.98	2.39	3.63
14	Madhya Pradesh	7.73	28.00	-15.74	-0.85	14.19
15	Maharashtra	2.59	0.48	-7.49	-5.72	4.19
16	Manipur	-2.39	-2.08	-29.14	2.30	-9.64
17	Meghalaya	22.57	4.40	14.95	-2.37	18.42
18	Mizoram	-6.51	6.14	23.89	-4.50	-4.50
19	Nagaland	0.87	11.15	-8.23	-1.71	25.07
20	Odisha	20.54	18.53	-11.51	5.95	9.27
21	Punjab	5.85	4.92	1.61	0.50	6.63
22	Rajasthan	2.08	12.71	9.51	-1.88	12.03
23	Sikkim	15.97	4.86	-4.40	-3.96	8.71
24	Tamil Nadu	10.90	8.31	-0.63	-0.99	10.45
25	Telangana	9.25	16.54	-2.00	-2.26	11.30
26	Tripura	-11.48	-6.83	11.61	-2.12	0.89
27	Uttar Pradesh	-10.94	-5.82	2.69	-4.24	13.57
28	Uttarakhand	6.72	-0.57	-1.30	-1.66	8.80
29	West Bengal	11.51	17.58	-1.43	-7.01	17.25
30	Andaman & Nicobar Islands	-12.42	-9.39	-10.33	-1.11	NA
31	Chandigarh	-11.12	21.70	-2.24	0.84	6.08
32	Delhi	0.47	2.13	4.96	-10.44	11.03
33	Jammu & Kashmir-UT	NA	NA	NA	-1.64	5.78
34	Puducherry	9.51	75.13	-12.04	-0.93	2.96

Source: Ministry of Statistics & Programme Implementation.

* relates to Jammu and Kashmir and Ladakh
