

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

**LOK SABHA
STARRED QUESTION NO. *245**

TO BE ANSWERED ON MONDAY, AUGUST 07, 2023

PROMOTION OF FOREIGN AND DOMESTIC INVESTMENT

***245: SHRI MALOOK NAGAR:**

Will the Minister of FINANCE be pleased to state:

- (a) the efforts made/being made by the Government to promote foreign and domestic investment so as to strengthen the country at the global level and to make it a five trillion dollar economy for which foreign and domestic investments are needed;
- (b) the success achieved so far through the said efforts; and
- (c) the amount of foreign and domestic investment made in the country during the last three years?

ANSWER

**FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)**

(a) to (c): A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.*245 RAISED BY SHRI MALOOK NAGAR, HON'BLE MEMBER OF PARLIAMENT TO BE ANSWERED ON 07.08.2023 REGARDING "PROMOTION OF FOREIGN AND DOMESTIC INVESTMENT"

(a) & (b): A series of measures have been undertaken by the Government to promote foreign and domestic investment which will help the country become a USD 5 trillion economy and beyond. These include the introduction of Goods and Services Tax (GST), implementation of the Insolvency and Bankruptcy Code (IBC), reduction in Corporate Tax Rate, and rationalization of Labour Laws, among others, which have also improved the Ease of Doing Business. The Production Linked Incentive Scheme, which was initially announced as a major component of the Atmanirbhar Bharat Mission, has been expanded to cover 14 sectors, which, together with the National Infrastructure Pipeline of Projects, will boost investment and growth in the economy. The Government has recapitalised banks, merged them and strengthened their balance sheets so that bank lending can grow faster.

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% Foreign Direct Investment (FDI) under the automatic route. FDI Policy reforms have been undertaken in various sectors such as Coal Mining, Contract Manufacturing, Single Brand Retail Trading, Digital Media, Insurance, Civil Aviation, Defence, Petroleum and Natural Gas and Telecommunications.

To promote growth, a series of measures have also been announced in the Union Budget 2023-24, including an increase in capital investment outlay for the third year in a row by 33 per cent to Rs.10 lakh crore (3.3 per cent of GDP); the enhanced outlay for PM Awas Yojana, the launch of Aspirational Blocks Programme covering 500 blocks for saturation of essential government services; increase in agriculture credit target to Rs. 20 lakh crore with a focus on animal husbandry, dairy and fisheries among others. Direct capital investment by the Centre is also complemented by the provision made for the creation of capital assets through Grants-in-Aid to States. The 'Effective Capital Expenditure' of the Centre is budgeted at Rs. 13.7 lakh crore (4.5 per cent of GDP) for 2023-24. Further, to improve logistics performance, one hundred critical transport infrastructure projects for last and first-mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and will be prioritised for development. On account of the above initiatives and strong macroeconomic fundamentals of the Indian economy, India became the 5th largest economy in the world in 2022-23, at current prices and exchange rates.

(c): (i) Details of FDI Equity Inflow and FDI Inflow received in the country is as under:

| S. No. | Financial Year | FDI Equity inflow (USD Billion) | FDI Inflows (USD Billion) |
|---------------|-----------------------|--|--------------------------------------|
| 1 | 2020-21 | 59.64 | 81.97 |
| 2 | 2021-22 (P) | 58.77 | 84.84 |
| 3 | 2022-23 (P) | 46.03 | 70.97 |

Source: Quarterly Factsheet on FDI Inflow, DPIIT; Note: (P): Provisional

(ii) Total FPI information for last three years is as under:

| Year | FPI (Amount in Rs. Crore) |
|-------------|----------------------------------|
| 2020-21 | 2,67,101 |
| 2021-22 | (-)1,22,242 |
| 2022-23 | (-) 40,936 |
| 2023-24* | 1,65,565 |

Source: NSDL website * upto 1st August 2023

(iii) Gross Capital Formation (GCF)

| S. No. | Financial Year | GCF at Current Prices (Rs. Lakh Crore) | GCF at Constant Prices (2011-12) (Rs. Lakh Crore) |
|---------------|-----------------------|---|--|
| 1 | 2019-20* | 61.06 | 49.11 |
| 2 | 2020-21# | 55.27 | 43.42 |
| 3 | 2021-22 @ | 73.62 | 53.05 |

Source: MoSPI, Notes: *: Third Revised Estimates; #: Second Revised Estimates; @: First Revised Estimates
