

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

**UNSTARRED QUESTION NO. 1795.
TO BE ANSWERED ON MONDAY, THE 21ST SEPTEMBER, 2020.**

PROMOTION OF FDI

1795. SHRI GOPAL CHINNAYA SHETTY:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of the measures taken to promote Foreign Direct Investment (FDI);
- (b) whether big industries/groups are the main beneficiaries of FDI reforms;
- (c) if so, the details of the foreign companies that invested in India during the last three years along with the sectors in which they invested and the names of their Indian associates;
- (d) the investments made by the foreign companies in small and medium enterprises (SME) during the last three years;
- (e) the measures taken to promote FDI in SME sector; and
- (f) the steps taken to encourage foreign investment to use the internal resources and inputs instead of bringing them from abroad, except technology along with the details of terms and conditions of FDI?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a): Government has put in place a liberal and transparent policy for Foreign Direct Investment (FDI), wherein most of the sectors are open to FDI under the automatic route. The Government reviews the FDI policy on an ongoing basis and makes changes from time to time, to ensure that India remains an attractive & investor friendly destination. It has been the endeavor and intent of the Government to put in place an enabling and investor friendly FDI Policy.
- (b): FDI policy is an enabling policy which is uniformly applicable in the country across all scales of industries including small and medium enterprises.

(c) & (d): Details of Foreign Direct Investment is maintained remittance-wise. The Foreign Direct Investment Equity Inflow data inter-alia includes the name of the Foreign company, Indian company including MSMEs, country, sector activity, amount and type of investment, etc. This data is very voluminous and available on the departmental website (www.dipp.nic.in).

(e) & (f): India has one of the most liberalized FDI policy worldwide, wherein 100% FDI under automatic route is permitted in many sectors/ activities. There are only a few sectors/ activities where FDI is regulated i.e. subjected to government approval, with a cap or having other conditionality requirements. The FDI policy equally applies to the MSME sector. Further, the Government reviews the FDI policy on an ongoing basis and significant changes are made in the FDI policy regime, from time to time, to ensure that India remains increasingly attractive and is viewed as an investor-friendly investment destination. A liberalised FDI Policy is being pursued to ensure that along with attracting investment, modern and cutting edge technology is brought in the country to improve overall productivity and competitiveness.

Further, the extant FDI Policy on Single Brand Product retail trading contributes significantly to the development of MSME sector thereby encouraging increased sourcing of goods from India, thereby enhancing competitiveness of Indian MSMEs, providing access to global designs, technologies and management practices.

FDI Policy on Single Brand Product retail trading, in case of proposals involving foreign investment beyond 51%, mandates sourcing of 30% of the value of goods procured, to be done from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors.

Further, the FDI Policy on Multi Brand Retail Trading provides that, at least 30% of the value of procurement of manufactured/processed products purchased shall be sourced from Indian micro, small and medium industries, which have a total investment in plant & machinery not exceeding US \$ 2.00 million.
