

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

**LOK SABHA
UNSTARRED QUESTION NO. 1103
TO BE ANSWERED ON MONDAY, FEBRUARY 10, 2025**

Key Sectors to attract FDIs

1103. Shri Sukanta Kumar Panigrahi:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has identified key sectors which will attract Foreign Direct Investment (FDI) in the coming years;
- (b) if so, the details of these sectors and the specific measures planned to enhance FDI inflows;
- (c) the role of Ease-of-Doing-Business (EoDB) reforms in increasing FDI in the development sector; and
- (d) the projected impact of these initiatives on job creation, infrastructure development and economic growth?

ANSWER

MINISTER OF STATE (FINANCE)

(SHRI PANKAJ CHAUDHARY)

(a) & (b): To attract more Foreign Direct Investment (FDI), the Government has put in place an investor friendly FDI policy, wherein most of the sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. The Government has implemented several transformative FDI reforms across sectors such as Defence, Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Pharmaceuticals, Single Brand Retail Trading, Construction & Development, Civil Aviation, Power Exchanges, e-commerce activities, Coal Mining, Contract Manufacturing, Digital Media, Insurance Intermediaries, Insurance, Petroleum & Natural Gas and Telecom, etc. Further, the Government reviews the FDI policy on an ongoing basis and makes significant changes from time to time, to ensure that India remains an attractive & investor friendly destination.

(c) & (d): Ease of Doing Business (EoDB) attracts FDI by reducing entry barriers, streamlining regulations and ensuring transparency among others. Efficient processes for business setup, taxation and legal protections boost investor confidence, making a country more competitive. EoDB and liberalized FDI policies attracts long-term, sustainable capital into the economy, fostering technology transfer, advancing strategic sectors and promoting innovation, competition, and greater job creation. The Government of India aims to attract and encourage FDI to complement domestic capital, technology, and expertise, thereby driving accelerated economic growth and development.
