

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

**UNSTARRED QUESTION NO. 4099.
TO BE ANSWERED ON TUESDAY, THE 25TH MARCH, 2025.**

PROMOTION OF FOREIGN INVESTMENT

4099. SMT. LOVELY ANAND:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of steps being taken by the Government to promote foreign investment;
- (b) the details of various policies adopted to encourage domestic manufacturing industries;
- (c) the steps taken for implementation of the said policies; and
- (d) the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a):** In recent years, India has been an attractive destination for FDI. India has embarked on a series of reforms aimed at liberalizing its Foreign Direct Investment (FDI) policies, to stimulate economic growth and encourage foreign capital inflows. To promote Foreign Direct Investment (FDI), 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. More than 90% of the FDI inflow is received under the automatic route, including sectors involving electronics and renewable energy. Recently, in the Union Budget 2025-26, the sectoral cap of insurance sector was increased to 100% from 74%. National Single Window System (NSWS) has also been launched as the online single point interface of the Government of India for investors to start any industry in India and take requisite permissions.

India and the European Free Trade Association (EFTA) signed the Trade and Economic Partnership Agreement (TEPA) on 10th March 2024 at New Delhi. EFTA is an intergovernmental organization set up in 1960 comprising of Switzerland, Iceland, Norway & Liechtenstein. Under TEPA, EFTA has committed to promote foreign direct investments by USD 100 billion in India in the next 15 years and to facilitate the generation of 1 million direct employment in India, through such investments. To achieve this, various investment promotion and cooperation activities are envisaged to be taken up as per the

Agreement. The sectors that are likely to see the highest impact from the agreement include seafood & maritime, energy, healthcare, financial services, education and audio-visual services, pharmaceutical, mechanical & electrical engineering, renewable energy and food & food processing. The TEPA is expected to drive investments into India and give impetus to “Make in India” initiative by encouraging domestic manufacturing in these sectors.

Further, to ensure that India remains an attractive and investor-friendly destination, the Government reviews FDI policy on an ongoing basis and makes changes from time to time after having intensive consultations with stakeholders including apex industry chambers, Associations, representatives of industries/groups and other organizations taking into consideration their views/comments. In the recent past, reforms in the FDI Policy have been undertaken in sectors such as Defence, Insurance, Petroleum & Natural Gas, Telecom and Space. Further, as per Para 5.2.5.1 of the Consolidated FDI Policy Circular dated 15.10.2020, as amended from time to time, 100 per cent FDI under automatic route is allowed in the Manufacturing sector. The total FDI inflows from April 2000 till December 2024 is \$1053.78 billion (Source: FDI Statistics, DPIIT).

(b) to (d): ‘Make in India’ Initiative was launched on 25th September, 2014 to facilitate investment, foster Innovation, build best in class Infrastructure, and make India a hub for manufacturing, design, and innovation. Investment outreach is being done through Ministries, State Governments and Indian Missions abroad for enhancing International co-operation for promoting Domestic and Foreign Direct Investment (FDI) in the country. Presently, Make in India 2.0 focuses on 27 sectors implemented across various Ministries and Departments and State Governments. The list of sectors under Make in India 2.0 is placed at **Annexure**.

Production Linked Incentive (PLI) Schemes for 14 key sectors (with an incentive outlay of Rs. 1.97 lakh crore) are under implementation to enhance India’s manufacturing capabilities and exports. The purpose of the PLI Schemes is to attract investments in key sectors and cutting-edge technology; ensure efficiency and bring economies of size and scale in the manufacturing sector and make Indian companies and manufacturers globally competitive. These schemes have the potential of significantly boosting production, employment and economic growth over the next five years or so.

In addition to ongoing schemes of various Departments and Ministries, Government has taken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in corporate tax, improving ease of doing business, FDI policy reforms, measures for reduction in compliance burden, measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP) and QCOs (Quality Control Orders), to name a few. The other major initiatives include Start-up India, National Single Window System (NSWS), GIS enabled Land Bank, Foreign Direct Investment (FDI) policy reforms, PM Gati Shakti National Master Plan for integrated planning of multi-

modal infrastructure, Project Monitoring Group to remove bottlenecks in setting up of major infrastructure projects, Special Packages for North Eastern and Himalayan Regions, etc.

Government of India is developing various Industrial Corridor Projects as part of National Industrial Corridor Development Programme (NICDP) which is aimed at development of greenfield industrial areas/region/nodes in India which can compete with the best manufacturing and investment destinations in the world. As per the approved institutional & financial framework of Industrial Corridor Programme, State Govt provides land and Government of India through National Industrial Corridor Development and Implementation Trust (NICDIT) provides the equity for development of internal trunk infrastructure components.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (b) to (d) OF THE LOK SABHA UNSTARRED QUESTION 4099 FOR ANSWER ON 25.03.2025.

Manufacturing Sectors:

- i. Aerospace and Defence
- ii. Automotive and Auto Components
- iii. Pharmaceuticals and Medical Devices
- iv. Bio-Technology
- v. Capital Goods
- vi. Textile and Apparels
- vii. Chemicals and Petro chemicals
- viii. Electronics System Design and Manufacturing (ESDM)
- ix. Leather & Footwear
- x. Food Processing
- xi. Gems and Jewellery
- xii. Shipping
- xiii. Railways
- xiv. Construction
- xv. New and Renewable Energy

Service Sectors:

- xvi. Information Technology & Information Technology enabled Services (IT & ITeS)
- xvii. Tourism and Hospitality Services
- xviii. Medical Value Travel
- xix. Transport and Logistics Services
- xx. Accounting and Finance Services
- xxi. Audio Visual Services
- xxii. Legal Services
- xxiii. Communication Services
- xxiv. Construction and Related Engineering Services
- xxv. Environmental Services
- xxvi. Financial Services
- xxvii. Education Services
