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

LOK SABHA

UNSTARRED QUESTION NO. 423.
TO BE ANSWERED ON TUESDAY, THE 22ND JULY, 2025.

STRATEGY FOR ATTRACTING FDI

423. SHRI NAVEEN JINDAL:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:
वाणिज्य एवं उद्योग मंत्री

(a) the strategy of the Government for attracting Foreign Direct Investment (FDI) and boosting exports and the measures being taken to address trade imbalances;

(b) the approach of the Government towards international trade negotiations and the manner in which these negotiations are being conducted to benefit the country; and

(c) the strategy of Government for managing foreign debt and ensuring financial stability in the face of global economic uncertainties?

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): The Government has put in place a liberal and transparent policy for attracting Foreign Direct Investment (FDI), wherein most of the sectors are open to FDI under the automatic route. Additionally, the FDI policy is reviewed on an ongoing basis, and changes are made in the FDI policy regime from time to time to ensure that India remains an increasingly attractive and investor-friendly investment destination. As per Union Budget 2025, Government has signed Bilateral Investment Treaties (BIT) with UAE and Uzbekistan in 2024. Additionally, India and the European Free Trade Association (EFTA) signed the Trade and Economic Partnership Agreement (TEPA) on 10th March 2024 at New Delhi with a commitment of 100 billion in next 15 years. Further, Invest India has been setup as the national investment promotion and facilitation agency to support India's broader economic vision, thereby bridging the gap between potential international investors and the country's diverse economic landscape. It also undertakes promotional work and attract Investment especially by expanding global investor awareness.

To boost exports and address trade imbalances, the Government has launched a dynamic Foreign Trade Policy (FTP) from 1st April 2023 to boost exports through wider engagement with States and Districts. Schemes such as Trade Infrastructure for Export Scheme (TIES) and the Market Access Initiatives (MAI) Scheme have been in place to promote exports from the grassroots. To promote labour-oriented sector exports Rebate of State and Central Levies and Taxes (RoSCTL) Scheme has been put in place. Further, support to the tune of around INR 45,000 Crores has been provided to Indian exporters under the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme since January 2021. Other measures to promote exports include the Districts as Export Hubs program, allowing rupee trading through Special Rupee Vostro Accounts. Additionally, regular monitoring of export performance is undertaken with Commercial Missions abroad, Export Promotion Councils, Commodity Boards and Industry Associations for taking corrective measures from time to time.

(b): The Government adopts a structured and consultative approach to international trade negotiations. For initiating any Free Trade Agreement (FTA), a Joint Study Group (JSG) is normally set up to study the feasibility of the proposed FTAs, including their impact on the domestic industry. Stakeholders, including industry representatives, Apex Chambers of Commerce and Industry, Industry Associations, as well as the Administrative Ministries and Departments, are regularly consulted. In order to protect the interests of the domestic industry, FTAs provide for maintaining sensitive, negative or exclusion lists of items on which limited or no tariff concessions are granted. FTAs are entered into with the concerned trading partner countries primarily to increase bilateral trade through enlarging the scope of market access and building on the trade complementarities for increasing trade and investment. This helps increase export potential, benefiting both industry and farmers, while also creating job opportunities and ensuring a level playing field for Indian exporters vis-à-vis competitors who may have preferential access in our trading partner countries.

(c): The Government of India adopts a prudent and well-structured external debt management policy, aimed at maintaining both sustainable debt levels and overall financial stability. The policy ensures close monitoring of long- and short-term debt, mobilisation of sovereign loans on concessional terms with longer maturities, regulation of external commercial borrowings, and rationalization of interest rates on NRI deposits. According to the Financial Stability Report, June 2025 (FSR), the Indian economy continues to grow at a healthy pace, accompanied by steadily moderating inflation, which is supporting macroeconomic and financial stability.

To complement this, the Government has introduced several initiatives to enhance Ease of Doing Business (EoDB) focusing on Reducing Compliance Burden (RCB), Decriminalization and National Single Window System (NSWS). These initiatives include Business Reform Action Plan (BRAP), the Business-Ready assessment, Jan Vishwas and Reducing Compliance Burden on

Businesses and Citizens. Building on this reform, the Hon'ble Finance Minister has announced the Jan Vishwas 2.0 initiative, under which DPIIT has undertaken an analysis of criminal provisions (including both major and minor offences) across Acts under 39 Ministries/Departments. These have resulted in reduction of compliance burden, regulatory barriers, streamlining processes, developing infrastructure, enhancing logistics and improving the business environment in the country. Additionally, the domestic financial system is exhibiting resilience fortified by healthy balance sheets of banks and non-banks. As per FSR, external debt remained moderate at 19.1% of GDP, and short-term debt stood at 45.4% of foreign exchange reserves, reflecting a resilient and well-managed external sector

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