

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 177.
TO BE ANSWERED ON MONDAY, THE 25TH APRIL, 2016.**

INVESTMENTS BY FOREIGN COUNTRIES

177. SHRI RAHUL KASWAN:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether many foreign countries like America, Japan, France, etc. have invested in India as a result of reformed economic policy during the last two years;
- (b) if so, the details thereof, State-wise along with the facilities provided by the Government to these countries for investment in India; and
- (c) the steps taken/being taken by the Government to encourage the countries to increase the investment?

ANSWER

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)**

- (a) & (b):** Yes, Madam. Due to the continuous reforms and initiatives being undertaken by the Government the FDI equity inflow has recorded a growth of 44% in its 21 months tenure (June 2014 to February 2016) from US\$ 43.87 billion to US\$ 63.16 billion over the preceding period of 21 months (September, 2012 to May, 2014). The country wise details of investment received through Foreign Direct Investment (FDI) equity inflows during the last two years and the current financial year are given at Annexure-I. FDI data is not maintained state wise, but RBI regional office wise. FDI equity inflows recorded for a particular regional office of RBI, may cover more than one state. Accordingly, region wise details of FDI equity inflow are at Annexure –II. Government plays an active role in investment promotion, through dissemination of information on the investment climate and opportunities in India and by advising prospective investors about investment policies. However, the investment decisions of investors are based on the macro-economic policy framework, investment climate in the host country, investment policies of the trans-national corporations and other commercial considerations.
- (c):** To boost the entire investment environment and to bring in foreign investments in the country, the Government has brought in FDI related reforms and liberalization touching upon 15 major sectors of the economy by putting more and more FDI proposals on automatic route. Details of the major initiatives taken in this regard are at Annexure III.

ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF LOK SABHA UNSTARRED QUESTION NO. 177 FOR ANSWER ON 25th APRIL, 2016.**FINANCIAL YEAR WISE FDI EQUITY INFLOWS
FROM APRIL 2013 TO FEBRUARY 2016**

SI No	Country	2013-14	2014-15	2015-16	Total
		Apr-Mar	Apr-Mar	Apr-Mar	
		FDI in US\$ million	FDI in US\$ million	FDI in US\$ million	FDI in US\$ million
1	Australia	58.10	57.96	153.17	269.22
2	Austria	24.54	35.64	17.93	78.10
3	Bahamas	2.76	4.84	0.61	8.21
4	Baharain	3.10	16.98	15.25	35.34
5	Argentina	0.02	0.00	0.00	0.02
6	Belgium	270.67	42.03	91.30	404.01
7	Belarus	0.09	0.01	0.89	0.99
8	Brazil	1.57	0.63	1.15	3.35
9	Bangladesh	0.00	0.00	0.02	0.02
10	Bulgaria	0.06	0.99	0.05	1.10
11	Canada	11.32	91.10	103.03	205.45
12	Caymen Islands	124.35	72.16	442.57	639.08
13	Channel Islands	7.88	11.31	1.96	21.15
14	China	123.99	494.75	449.85	1,068.60
15	Czech Republic	1.35	0.41	2.65	4.41
16	Cyprus	556.72	597.97	460.44	1,615.13
17	Denmark	42.68	29.25	17.90	89.83
18	Estonia	0.00	0.18	0.30	0.48
19	Finland	13.44	59.23	39.43	112.09
20	Chile	2.90	6.26	0.00	9.17
21	France	305.39	634.62	591.18	1,531.19
22	Greece	0.20	2.47	0.13	2.80
23	Germany	1,038.42	1,124.86	942.14	3,105.42
24	HongKong	186.63	325.52	336.65	848.80
25	Hungary	6.55	0.18	0.46	7.18
26	Indonesia	1.14	11.53	1.31	13.98
27	Ireland	163.01	12.77	14.47	190.24
28	Isle of Man	7.07	0.02	0.00	7.09
29	Israel	20.08	10.22	11.84	42.14
30	Italy	196.05	219.92	277.44	693.42
31	Liechtenstein	2.97	0.09	4.89	7.95
32	Japan	1,717.75	2,084.23	1,791.44	5,593.42
33	Kazakhstan	8.70	0.00	0.00	8.70
34	Korea(North)	0.00	0.28	0.03	0.32
35	Lebanon	0.08	1.20	0.24	1.52
36	South Korea	173.85	146.54	241.94	562.34
37	Kuwait	4.76	4.19	3.66	12.62
38	Latvia	0.00	0.04	0.00	0.04
39	Luxembourg	542.61	229.50	755.57	1,527.68
40	Malaysia	88.28	96.57	72.97	257.83
41	Mauritius	4,858.73	9,030.15	7,855.46	21,744.34

42	Mexico	9.39	5.72	19.32	34.43
43	Maldives	0.34	0.00	0.01	0.34
44	Nepal	0.07	0.02	0.21	0.30
45	Netherlands	2,270.47	3,435.55	2,461.93	8,167.95
46	NewZealand	9.12	5.38	8.15	22.65
47	Nigeria	0.48	2.18	0.14	2.80
48	Norway	23.88	26.35	6.44	56.66
49	Oman	4.71	13.20	51.00	68.91
50	Panama	0.19	2.54	1.17	3.90
51	Philippines	1.41	90.17	7.48	99.07
52	Poland	45.89	4.88	0.12	50.89
53	Portugal	2.17	4.45	4.81	11.43
54	Qatar	1.80	0.50	0.80	3.09
55	Romania	1.66	0.75	0.55	2.96
56	Russia	15.57	570.34	46.07	631.98
57	Saudi Arabia	1.06	11.38	6.38	18.82
58	Singapore	5,985.10	6,742.28	13,463.68	26,191.06
59	Scotland	0.93	8.91	0.00	9.84
60	South Africa	102.64	66.28	25.30	194.22
61	Slovakia	0.00	0.14	5.45	5.58
62	Spain	327.73	262.02	151.14	740.89
63	Sri Lanka	0.92	4.55	5.17	10.65
64	Sweden	45.48	64.30	141.18	250.96
65	Slovenia	0.00	0.25	0.23	0.49
66	Switzerland	340.76	336.78	239.67	917.20
67	Taiwan	0.76	25.25	74.87	100.88
68	Thailand	60.95	30.88	42.02	133.85
69	Turkey	27.52	10.22	38.87	76.61
70	UAE	254.96	367.32	958.25	1,580.53
71	United Kingdom	3,215.13	1,446.62	873.16	5,534.92
72	U.S.A	806.35	1,823.60	3,968.59	6,598.54
73	Ukraine	0.00	2.51	1.08	3.59
74	Venezuela	0.00	0.00	0.00	0.00
75	Uruguay	0.00	0.86	0.00	0.87
76	British Virginia	9.11	32.79	187.29	229.18
77	West Indies	0.00	0.00	0.12	0.12
78	Country Details Awaited	3.85	0.00	9.11	12.96
79	Malta	1.26	0.60	0.00	1.86
80	Iran	0.00	0.46	0.00	0.46
81	Muscat	0.00	0.01	0.00	0.01
82	Tanzania	0.19	0.03	1.82	2.04
83	Georgia	0.00	0.00	0.09	0.09
84	Gibraltar	0.22	0.06	0.00	0.27
85	Jordan	0.23	0.32	0.68	1.23
86	Vietnam	0.00	0.08	0.14	0.22
87	Jamaica	0.27	0.00	0.00	0.27
88	Kenya	0.00	0.67	0.29	0.96
89	Egypt	1.47	0.35	1.21	3.03
90	Yemen	0.00	0.00	0.01	0.01
91	Monaco	0.00	0.00	0.42	0.42
92	Costa Rica	0.03	0.00	0.01	0.05

93	St. Vincent	0.00	1.30	2.87	4.17
94	Myanmar	0.00	0.00	0.00	0.00
95	Guersney	0.00	0.09	2.98	3.07
96	Zambia	0.00	0.03	0.01	0.03
97	Morocco	0.00	0.62	0.39	1.01
98	Colombia	0.01	1.00	1.25	2.25
99	British Isles	2.08	0.19	0.06	2.33
100	Virgin Islands(US)	25.13	4.76	0.00	29.89
101	Peru	0.09	0.00	0.01	0.10
102	Uganda	0.00	0.00	2.77	2.77
103	Seychelles	122.41	40.62	2.59	165.62
104	Ghana	1.74	1.48	0.00	3.22
105	Togolese Republic	0.00	0.23	0.09	0.32
106	Iraq	0.00	0.03	0.00	0.03
107	Belize	0.02	0.02	0.13	0.17
108	Cameroon	0.00	0.00	0.00	0.00
109	Barbados	0.00	0.00	0.00	0.00
110	Bermuda	2.09	14.13	3.45	19.67
111	Botswana	0.00	0.00	1.82	1.82
112	Anguilla	0.00	0.00	0.00	0.00
113	St. Lucia	0.00	0.00	0.09	0.09
114	Trinidad & Tobago	2.34	0.00	0.11	2.45
115	SAN MARINO	1.52	0.00	0.00	1.52
116	Paraguay	0.00	0.00	0.00	0.00
117	SURINAME	0.00	0.09	0.00	0.09
118	SENEGAL	0.00	0.00	0.00	0.00
119	MOZAMBIQUE	0.00	0.00	0.00	0.00
120	SAMOA ISLANDS	0.00	7.44	10.10	17.54
121	TAJIKISTAN	0.00	0.29	0.45	0.74
122	Lithuania	0.00	0.00	0.33	0.34
123	Ivory Coast	0.00	0.00	0.00	0.00
124	Algeria	0.00	0.00	0.00	0.00
125	Swaziland	0.00	0.00	0.00	0.00
126	Brunei Darussalam	0.00	0.00	0.09	0.09
127	Fiji Island	0.00	0.00	0.04	0.04
128	TURKMENISTAN	0.00	0.00	0.00	0.00
129	MARSHALL ISLANDS	0.00	0.00	0.17	0.17
	Grand Total	24,299.33	30,930.50	37,534.55	92,764.38

ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF LOK SABHA UNSTARRED QUESTION NO. 177 FOR ANSWER ON 25th APRIL, 2016.

**STATEMENT ON FINANCIAL YEAR WISE FDI EQUITY INFLOWS
FROM APRIL 2013 TO FEBRUARY 2016**

(Amount in US\$ million)

SI No	Regional Offices of RBI	States Covered	2013-14	2014-15	2015-16 (upto Feb, 2016)	Total
1	HYDERABAD	ANDHRA PRADESH	678.25	1,368.72	1,543.04	3,590.01
2	GUWAHATI	ASSAM, ARUNACHAL PRADESH, MANIPUR, MEGHALAYA, MIZORAM, NAGALAND, TRIPURA	0.61	4.66	9.28	14.55
3	PATNA	BIHAR, JHARKHAND	1.38	11.13	42.71	55.23
4	AHMEDABAD	GUJARAT	859.90	1,531.15	2,114.34	4,505.39
5	JAMMU	JAMMU & KASHMIR	0.23	4.06	0.41	4.70
6	BANGALORE	KARNATAKA	1,891.78	3,443.89	4,072.87	9,408.53
7	KOCHI	KERALA, LAKSHADWEEP	69.74	229.99	88.94	388.67
8	BHOPAL	MADHYA PRADESH, CHATTISGARH	118.85	100.13	57.11	276.10
9	MUMBAI	MAHARASHTRA, DADRA & NAGAR HAVELI, DAMAN & DIU	3,420.28	6,361.09	8,366.19	18,147.56
10	BHUBANESHWAR	ORISSA	47.65	9.17	5.33	62.14
11	JAIPUR	RAJASTHAN	38.09	540.93	49.49	628.51
12	CHENNAI	TAMIL NADU, PONDICHERRY	2,116.24	3,817.69	4,488.34	10,422.27
13	KANPUR	UTTAR PRADESH, UTTRANCHAL	24.78	110.36	66.50	201.64
14	KOLKATA	WEST BENGAL, SIKKIM, ANDAMAN & NICOBAR ISLANDS	435.98	238.60	898.24	1,572.82
15	CHANDIGARH	CHANDIGARH, PUNJAB, HARYANA, HIMACHAL PRADESH	91.23	38.57	26.81	156.62
16	NEW DELHI	DELHI, PART OF UP AND HARYANA	6,241.89	6,874.95	12,383.84	25,500.69
17	PANAJI	GOA	17.15	34.50	18.20	69.85
18	Not Indicated 9000	GOA	0.00	0.00	3.12	3.12
19	REGION NOT INDICATED	REGION NOT INDICATED	8,245.28	6,210.91	3,299.79	17,755.97
		Grand Total	24,299.33	30,930.50	37,534.55	92,764.38

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF LOK SABHA UNSTARRED QUESTION NO. 177 FOR ANSWER ON 25th APRIL, 2016.

FDI policy reforms/ initiatives in last two years

- 100% FDI under the automatic route has been allowed in the specified **rail infrastructure** projects.
- Investment made by NRIs, PIOs and OCIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations on non-repatriation basis is now deemed to be domestic investment at par with the investment made by residents.
- The special dispensation of NRIs has also been extended to companies, trusts and partnership firms, which are incorporated outside India and are owned and controlled by NRIs.
- 100% FDI under automatic route for manufacturing of **medical devices** has been permitted.
- In order to provide simplicity to the FDI policy and bring clarity on application of conditionalities and approval requirements across various sectors, different kinds of foreign investments have been made fungible under one **composite cap**.
- FDI up to 100% through automatic route has been allowed in **White Label ATM Operations**.
- Reforms in FDI Policy on **Constructions Development** sector include:
 - Removal of conditions of area restriction and minimum capitalization to be brought in within the period of six months of the commencement of business.
 - Exit and repatriation of foreign investment is now permitted after a lock-in-period of three years. Transfer of stake from one non-resident to another non-resident, without repatriation of investment is also neither to be subjected to any lock-in period nor to any government approval.
 - Exit is permitted at any time if project or trunk infrastructure is completed before the lock-in period.
 - 100% FDI under automatic route is permitted in completed projects for operation and management of townships, malls/ shopping complexes and business centres.
- Foreign investment up to 49% in **defence sector** has been permitted under automatic route along with specified conditions. Further portfolio investment and investment by FVCIs has been allowed up to permitted automatic route level of 49%. The foreign investment in excess of 49% has been allowed on case to case basis with Government approval in case of access to modern and 'state-of-art' technology related manufacturing.
- Sectoral cap on **Broadcasting sector** has been raised across various activities as follows:
 - 74% to 100% in Teleports, DTH, Cable Networks (Digital), Mobile TV, HITS
 - 26% to 49% for FM Radio, up-linking of news and current affairs
 - 49% to 100% for Cable Networks (not undertaking digitisation)

- FDI route for Up-linking of Non- 'news and current affairs' and down-linking of channels changed to automatic route.
- Government has decided to introduce full fungibility of foreign investment in **Banking-Private sector**. Accordingly, FII/FPIs/QFIs, following due procedure, can now invest up to sectoral limit of 74%, provided that there is no change of control and management of the investee company.
- Government has opened certain **plantation** activities namely; coffee, rubber, cardamom, palm oil tree and olive oil tree plantations for 100% foreign investment under automatic route.
- It has been decided that a manufacturer will be permitted to sell its product through wholesale and/or retail, including through e-commerce under automatic route.
- Government has reviewed **single brand retail trading (SBRT)** FDI policy to provide that sourcing of 30% of the value of goods purchased would be reckoned from the opening of first store. In case of 'state-of-art' and 'cutting-edge technology' sourcing norms can be relaxed subject to Government approval. Further, an entity operating SBRT through brick and mortar stores has been permitted to undertake e-commerce activities as well.
- Indian brands are equally eligible for FDI to undertake SBRT. In this regard, it has been decided that certain conditions of the FDI policy on the sector namely; products to be sold under the same brand internationally and investment by non-resident entity/ entities as the brand owner or under legally tenable agreement with the brand owner, will not be made applicable in case of FDI in Indian brands.
- 100% FDI is now permitted under automatic route in **Duty Free Shops** located and operated in the Customs bonded areas.
- FDI policy on wholesale cash & carry activities has been reviewed to provide that a single entity will be permitted to undertake both the activities of SBRT and wholesale.
- 100% FDI is now permitted under the automatic route in **Limited Liability Partnerships (LLP)** operating in sectors/activities where 100% FDI is allowed, through the automatic route and there are no FDI-linked performance conditions. Further, the terms 'ownership and 'control' with reference to LLPs have also been defined.
- **Regional Air Transport Service (RSOP)** has been opened for foreign investment up to 49% under automatic route. Further, foreign equity cap of activities of Non-Scheduled Air Transport Service, Ground Handling Services have been increased from 74% to 100% under the automatic route.
- Foreign investment cap on **Satellites- establishment and operation** has now been raised from 74% to 100% under the government route.
- Foreign investment cap on **Credit Information Companies** has now been increased from 74% to 100% under the automatic route.
- In order to achieve faster approvals on most of the proposals, the Government has decided to raise threshold limit for approval by FIPB to Rs. 5000 crore.

- FDI Policy on **Insurance and Pension** sector reviewed to permit foreign investment up to 49% under automatic route.
- In order to provide clarity to the e-commerce sector, the Government has guidelines for foreign investment in the sector. 100% FDI under automatic route is permitted in the marketplace model of e-commerce.
- Further, Finance Minister in its Budget Speech on 29.2.2016 has announced that 100% FDI will be allowed through FIPB route in marketing of food products produced and manufactured in India. This will benefit farmers, give impetus to food processing industry and create vast employment opportunities.
