

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

**UNSTARRED QUESTION NO. 1355.
TO BE ANSWERED ON MONDAY, THE 25TH JULY, 2016.**

FDI IN TOBACCO SECTOR

**1355. SHRI SUDHEER GUPTA:
SHRI DHARMENDRA YADAV:
SHRI GAJANAN KIRTIKAR:
KUNWAR HARIBANSH SINGH:
SHRI Y.V. SUBBA REDDY:
SHRI ANANDRAO ADSUL:
DR. SUNIL BALIRAM GAIKWAD:
DR. KULAMANI SAMAL:
SHRI VINAYAK BHAURAO RAUT:
SHRI S.R. VIJAYAKUMAR:
SHRI T. RADHAKRISHNAN:
SHRI BIDYUT BARAN MAHATO:
SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:
SHRIMATI SUPRIYA SULE:
DR. HEENA VIJAYKUMAR GAVIT:
SHRI DHANANJAY MAHADIK:
SHRI SATAV RAJEEV:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) the present policy of the Government on Foreign Direct Investment (FDI) in the Tobacco sector;
- (b) whether the Government has any proposal to impose a ban on FDI in this sector and if so, the details thereof and the reasons therefor;
- (c) whether there are many flaws in this proposal and various organizations/ departments have raised concern about major tobacco players taking advantage of these flaws and if so, the reaction of the Government thereto;
- (d) whether these organizations/ departments have requested the Government to remove these flaws and impose a complete ban on FDI in tobacco sector and if so, the action taken/proposed to be taken by the Government in this regard; and
- (e) whether any cases of illegal import of tobacco products into the country especially cigarettes have come to the notice of the Government and if so, the details thereof along with the action taken by the Government in this regard?

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): As per extant Foreign Direct Investment (FDI) policy, FDI is prohibited in manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes. FDI in other

activities relating to these products including wholesale cash and carry, retail trading etc. shall be governed by the applicable restrictions as laid down in the FDI policy.

(b): No decision has been taken by the Government in this regard.

(c) & (d): The Government reviews FDI policy on different sectors on an ongoing basis and changes are made in the policy, from time to time, to ensure that India's attractiveness as an investor-friendly investment destination increases. Changes are made in the FDI policy after intensive consultation with stakeholders including Ministries/ Departments concerned, Apex Industry Associations and other organizations.

(e): No such data is centrally maintained.
