(c) whether Ministry of Home Affairs and Ministry of Defence have been consulted in allowing FDI in sensitive sector like aviation; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) No, Sir. FIPB is not considering any proposal to raise FDI in the aviation sector.

(b) Does not arise.

(c) and (d) As per extant Foreign Direct Investment (FDI) policy up to 49% and NRI investment up to 100% is permitted on the automatic route, subject to no direct or indirect participation by foreign airlines.

Air transport services being sub-divided into Scheduled domestic airlines and Non-Scheduled airlines etc. as below:

(i) No change in the equity cap of 49% in Scheduled Domestic Airlines with NRI 100% and no participation by foreign airlines.

(ii) FDI up to 74% on the automatic route for Non Scheduled airlines, Chartered airlines and Cargo airlines (excludes helicopter services/seaplane services).

— No direct or indirect participation by foreign airlines in non-scheduled airlines and chartered airlines.

— Cargo airlines has no restriction on participation by foreign airlines.

— NRI investment would be allowed up to 100% on the automatic route in all the above mentioned categories.

(iii) FDI up to 74% on the automatic route for Ground Handling Services subject to sectoral regulations and security clearance. NRI investment would be allowed up to 100% on the automatic route.

(iv) FDI up to 100% on the automatic route for Maintenance and repair organizations; flying training institutes; technical training institutions; and helicopter services/ seaplane services in the aviation sector requiring DGCA approval.

Review of FDI policy is an on-going process. The policy on FDI is approved after inter-ministerial consultations, after obtaining views of all concerned Ministries/Departments. All concerns of national security are being constantly addressed by the Government suitably.

Industrial policy for hilly States

†261. SHRI BHAGAT SINGH KOSHYARI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

†Original notice of the question was received in Hindi.

(a) the reasons for curtailing the period of industrial package to Uttarakhand State for the year 2010 by ruling Government, in place of the year 2013, as given by earlier Government; and

(b) whether Government has any separate industrial policy for hilly States?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) As already stated in Para 140 of the Finance Minister's Speech 2004-05 made in the Parliament on 8th July, 2004, area-specific exemptions from excise duty granted by the Government from time to time to various states (including Uttarakhand) were reviewed and made available to units set up or expanded in the States other than the North Eastern States and Jammu and Kashmir on or before 31st March, 2007. Subsequently, this was extended up to 31st March, 2010 by a notification issued by the Department of Revenue, Ministry of Finance on 2nd August, 2006.

(b) No, Sir.

Preferential duty free market access

262. SHRI R.C. SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what would be impact of recent Prime Minister's announcement of preferential duty-free market access to 50 least developed countries;

(b) whether China, Brazil and other developed countries are also offering this above kind of market access to least developed countries; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) The Duty Free Tariff Preference (DFTP) Scheme for Least Developed Countries (LDCs) announced on the occasion of the India Africa Forum Summit on 8 April, 2008 would have a positive impact on the LDCs. It provides enhanced market access for the products of export interest to LDCs thereby helping in their economic development. The Scheme provides duty free and preferential market access to all LDCs on 94% of India's total tariff lines. These tariff lines cover 92.5% of the global exports of all LDCs.

(b) to (c) As per the World Trade Organisation's (WTOs) Trade Policy Review report, China provided special preference tariffs to imports of some goods from 37 least developed Countries (LDCs) with which it had certain tariff agreements. Brazil is still in the process of formulating a DFQF preferential market access scheme for LDCs. Several other countries, both developed and developing, provide preferential market access to LDCs. The details of the some of these schemes are given in the Statement.