

Legal hindrance in FDI

1529. DR. Y. LAKSHMI PRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether archaic legal system is a hindrance for foreign direct investment and fast track economic growth in the country; and

(b) the measures taken to change such economic laws early to attract international agencies, financial institutions and foreign investors for foreign direct investment?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) and (b) No, Sir. The country's legal system has not hindered foreign direct investment. However, legislative reforms, including economic legislations, are carried out in a need-based manner to provide appropriate legal support to ongoing economic reforms and make investment climate more attractive.

Diversification of Activities by MMTC

1530. SHRI ANANTA SETHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the areas in which the Minerals and Metals Trading Corporation (MMTC) has been operating in various States;

(b) whether the MMTC has diversified its activities;

(c) if so, since when;

(d) whether the MMTC has started earning profit after diversification;

(e) if so, to what extent, year-wise; and

(f) the specific steps taken for the peripheral development of the areas where MMTC has been operating?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) Sir, major areas in which MMTC has been operating in various States are minerals, metals fertilizer raw material, finished fertilizers and precious metals.

(b) and (c) Yes, Sir. MMTC has diversified its activities during the last 3 years wherein sustained trade operations in Agro, Coal and hydro-carbon products have been added to its portfolio.

(d) and (e) The year-wise profits of MMTC during the last two years and during 6 months of the current financial year are given below:

(Value in Rs. Crores)

Year	Sales	Profit before tax & prior period adjustments
1999-2000	4,697	14.81
2000-2001	5,301	20.59
April-Sept. 01	3,913	13.28

(f) The following steps have been taken, inter-alia, for the peripheral development of areas in which MMTC has been operating:

- Promotion of Neelachal Ispat Nigam Ltd. (NINL) and Konark Met Coke Ltd. (KMCL) for production of pig iron, steel, coal by-products and met coke, as well as generation of power in the State of Orissa;
- Value addition to iron ore by producing Caliberated Lumpy Ore through crushing and screening plant set up at BellaryHospet sector in Karnataka;
- Opening of duty free shops for sale of jewellery at Mumbai and Chennai airports;
- Production and sale of gold and silver medallions as well as assaying and Hallmarking facilities in Delhi; and
- Commissioning of a warehouse in Kakinada to facilitate import and export activity from coastal Andhra Pradesh.

New Industrial Centres in Maharashtra

1531. SHRI SURYA BHAN PATIL VAHADANE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the number of industrial centres set up in Maharashtra during the last three years;

(b) the amount of capital investment made by Government in this regard in the State;

(c) the location-wise details of industrial centres proposed to be set up in the Adivasi areas of the State during the next two years; and