

Overhauling Foreign Investment Policy Matrix

2760. DR. T. SUBBARAMI REDDY:

SHRI V. HANUMANTHA RAO:

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

- (a) whether Government has embarked on a major overhaul of its foreign investment policy matrix to remove inconsistencies that lead to regulatory arbitrage;
- (b) if so, whether PM has directed his Ministry, RBI etc. to iron out their differences to integrate the legal and regulatory regimes for foreign capital inflows;
- (c) if so, whether all legal regulatory and taxation regimes with respect to foreign investment have been reviewed;
- (d) if so, whether one object of this was to disallow foreign investors from evading rules by pitting one regulator against another; and
- (e) if so, to what extent Government has been able to remove all hurdles of foreign funds?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (e) The Government has put in place a liberal and investor friendly policy on Foreign Direct Investment (FDI) under which FDI, upto 100%, is permitted on the automatic route in most sectors/activities. The policy on FDI, including legal, regulatory and taxation regimes, are reviewed on an ongoing basis through an inter-ministerial consultation process, with a view to rationalizing/simplifying the policy and attracting FDI in more industries and sectors.

Developing industries on unfertile lands

2761. SHRI RANJITSINH VIJAYSINH MOHITE-PATIL:

SHRI DHIRAJ PRASAD SAHU:

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

- (a) whether Government has any plan to develop industries only on non agricultural/unfertile lands in the country;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (c) The National Rehabilitation and Resettlement Policy (NRRP) 2007, *inter-alia*, stipulates that as far as possible, projects may be set up on waste

land, degraded land or un-irrigated land. It further provides that "acquisition of agricultural land for non-agricultural use in the project may be kept to the minimum; multi-cropped land may be avoided to the extent possible for such purposes and acquisition of irrigated land, if unavoidable, may be kept to the minimum" (Section 1.4).

Allotment of wagon

2762. SHRI BHARATSINH PRABHATSINH PARMAR:

SHRI VIJAYKUMAR RUPANI:

SHRI PARSHOTTAM KHODABHAI RUPALA:

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

(a) whether it is under consideration of Government to allot the wagon two days in a week as Oldest Date of Registration (ODR) day; and

(b) if so, by when the same will be considered?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) No, Sir.

(b) Does not arise.

Effect of FTA with China and ASEAN on exporters

2763. SHRI Y.P. TRIVEDI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Indian exporters are facing new challenges due to Free Trade Agreement (FTA) between China and members of ASEAN;

(b) if so, the details thereof; and

(c) the details of products which are going to trade in between?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) In order to balance the trade with China, India has been trying to widen its trade basket to include manufactured goods, basmati rice, fruits and vegetables. This effort may have a setback due to FTA between China and ASEAN as goods from ASEAN will now cost much less to the Chinese consumers.

(c) At present major items of export to China are iron ore, gems & jewellery, other ores and minerals, cotton, machinery and instruments, plastic & linoleum products and ferro alloys. Major items of import from China are electronic goods, machinery except electronic, organic chemical, iron & steel, electric machinery except electronic, project goods, coal, coke & briquettes and transport equipment.