

- (a) whether Government has made efforts to enhance travelling and trade across the line of control;
- (b) the aims and objectives behind these travelling and trade;
- (c) whether it will affect domestic trade in the country; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA) : (a) Yes, Sir. The Srinagar - Muzaffarabad and the Poonch - Rawalkot bus services were started on April 7, 2005 and June 19, 2006 respectively. Trade on these routes commenced on October 21, 2008.

- (b) The aims and objective behind these travel and trade initiative is to improve market access for local produce and enhance people to people contact.
- (c) Trade on these routes does not significantly affect domestic trade in the country.
- (d) Does not arise.

#### **Withdrawal of restrictions on Foreign Capital Investment**

†1799. SHRI RAVI SHANKAR PRASAD :

SHRI RAM JETHMALANI :

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

- (a) whether it is a fact that United States and other European countries are insisting on India to allow foreign capital investment and withdrawal of restrictions;
- (b) if so, the details thereof; and
- (c) the details of restriction on trade and industry withdrawn for foreign capital investment in the country during the last five years?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA) : (a) and (b) The United States has suggested relaxation in FDI Policy in sectors such as retail trade, insurance, etc.

- (c) Review of FDI policy is a continuous process and Government notifies any change in FDI policy through Press Notes issued from time to time. Simplification/rationalization of FDI Policy were announced *vide* :

(i) Press Note Nos. 1 to 7 of 2006;

(ii) Press Note Nos. 1 to 3 of 2007;

(iii) Press Note Nos. 1 to 8 of 2008;

(iv) Press Note Nos. 1 to 8 of 2009;

(v) DIPP has issued Circular No. 1 of 2010 on 31.3.2010 consolidating all previous Press Notes issued on FDI Policy. All these Press Notes and Consolidated FDI Policy are available at website of Department of Industrial Policy and Promotion ([dipp.nic.in](http://dipp.nic.in)).

#### **Foreign investment in wholesale market**

†1800. SHRI RAM JETHMALANI :

SHRI RAVI SHANKAR PRASAD :

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

(a) whether it is a fact that at present 100 percent foreign capital investment is allowed in wholesale market with certain conditions;

(b) if so, the details thereof and the time since when this approval is in force in the country;

(c) whether following this approval, the companies with 100 percent approval to foreign capital investment in the country have made capital investment in certain infrastructure facilities; and

(d) if so, names of the companies and capital investment made by them till March, 2010?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA) : (a) and (b) Yes, Sir. As per extant policy, Foreign Direct Investment (FDI), up to 100%, on the automatic route, is allowed in Cash & Carry Wholesale Trading. 100% FDI in Cash & Carry Wholesale Trading was introduced in 1997. It was brought under the automatic route in 2006.

(c) and (d) Since the sectors viz., 'Cash & Carry trading wholesale trading/wholesale trading' and 'Storage & Warehousing' are on the automatic route, particulars of investments made by such companies in infrastructure facilities are not available with this Department. A statement showing financial year-wise FDI inflows in 'Trading (Wholesale Cash & Carry)', from April, 2000 to May, 2010, as maintained by this Department, is given in Statement (See below). Company wise data on FDI made by foreign investors is published as "SIA Newsletter" on a monthly basis and made available on the Department's website at : [http://siadipp.nic.in/publicat/pub\\_mn.htm](http://siadipp.nic.in/publicat/pub_mn.htm).