

Government has established an organization, called Overseas Indian Facilitation Centre (OIFC) in 2007, to facilitate NRIs who desire to invest in India. OIFC has organized several Investment and Interactive Meets in different countries, as also during Pravasi Bharatiya Divas (PBD) in India. Further, an electronic portal has also been launched to reply to the queries of potential overseas investors by Overseas Indian Facilitation Centre and its knowledge partners, to promote and facilitate Pravasi Bharatiya Divas and regional Pravasi Bharatiya Divas also to provide a platform for facilitation of investment by overseas Indians.

Significant changes have been made in the FDI policy regime in the recent times, to ensure that India remains increasingly attractive and investor-friendly. Government plays an active role in investment promotion, through dissemination of information on the investment climate and opportunities in India and by advising prospective investor about investment policies and procedures and opportunities. International cooperation for industrial partnerships is solicited both through bilateral and multilateral arrangements. Government also coordinates with apex industry associations, in their activities relating to promotion of industrial cooperation to stimulate inflow of foreign direct investment into India. The Government has also set up 'Invest India', a joint venture company between the Department of Industrial Policy and Promotion and FICCI, as a not-for-profit, single window facilitator, for prospective overseas investors and to act as a structured mechanism to attract investment focused on MSME Sector.

Review of FTA with ASEAN countries

2182. SHRI AVINASH PANDE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government proposes to review Free Trade Agreement (FTA) with any of the Association of South-East Asian Nations (ASEAN) countries;

(b) if so, whether Government has any plans to seek FTA with countries like Taiwan; and

(c) if not, the major challenges in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN): (a) A decision has been taken in the ASEAN Economic Ministers Meeting-India consultations 2013, to initiate review of India-ASEAN Agreement of Trade in Goods signed in 2009. The second review of India-Singapore Comprehensive Economic Cooperation Agreement signed in 2005 is currently under progress. It has also been agreed to have a meeting of the Joint Committee to review

the implementation of the India-Malaysia Comprehensive Economic Cooperation Agreement signed in 2011.

(b) and (c) No, Sir. There is no immediate proposal to seek FTA with Taiwan as under the present circumstances, there does not seem to be any great advantage to India from an FTA with Taiwan.

Increase in FDI in pharmaceutical sector

2183. SHRI T.M. SELVAGANAPATHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the Foreign Direct Investment (FDI) in the pharmaceutical sector has jumped by 86.5 per cent to \$ 1.08 billion during April-October, 2013 with multinationals on a merger and acquisition spree, if so, the details thereof;

(b) whether it is also a fact that the huge FDI in the pharmaceutical sector could lead to an increase in the price of medicines as multinational companies tend to phase out cheap generic drugs in order to enhance profits by selling their own branded products which are costlier; and

(c) if so, the steps proposed to be taken by Government to prevent such situation in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN): (a) Yes, Sir. The Foreign Direct Investment (FDI) in pharmaceutical sector jumped by 86.42% from US \$ 580.32 million during April-October, 2012 to US \$ 1081.81 million during the corresponding period April-October, 2013. Out of this, FDI inflow under FIPB approval/acquisition route during the period April-October, 2012 and April-October, 2013 is US\$ 134.62 Million and US\$ 1073.67 Million respectively. Details indicating FDI inflows during the said period is given in the Statement (*See below*).

(b) and (c) The extant FDI policy in the pharmaceutical sector allows 100% FDI on the automatic route for greenfield investment. 100% FDI is allowed for brownfield investment on the Government approval route. In order to ensure availability and affordability of essential medicines and to maintain a reasonable level of research and development expenditure, Government has prescribed appropriate conditionalities for approvals under the Government approval route. Further, with a view to protecting the domestic pharmaceutical sector, including the production of generics, the Government