

Economic and Social Commission for Asia and the Pacific (UNESCAP)

Committee on Trade and Investment

7th Session, Bangkok, 27–29 January 2021

India's Statement

Agenda 3: Promoting inward and outward foreign direct investment in the post-coronavirus-disease era

Mister Chair, Thank you for the floor,

Mister Chair and Distinguished Delegates,

1. It has been the continuous endeavor of the Government of India to put in place an enabling and investor friendly FDI policy by making policy reforms conducive to promote investment inflows into the country. The measures taken by the Government on the fronts of FDI policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the country. Both FDI equity inflows and total FDI inflows into India have shown a secular rise over the years, with 2019-20 recording the highest annual FDI inflow in the last six years at US \$74.39 billion (provisional figure).

2. FDI policy has been progressively liberalized and simplified across various sectors in the recent past to make India an attractive investment destination. Some of the sectors include Insurance, Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Pharmaceuticals, Single Brand Retail Trading, Construction & Development, Power Exchanges, e-commerce activities, Coal Mining, Contract Manufacturing, Digital Media, Insurance Intermediaries, Civil Aviation, etc. FDI up to 100% is now permitted under the automatic route in most sectors/activities.

3. COVID-19 pandemic has drastically affected the investment climate in all economies of the world, causing a sharp decline in demand and supply equilibrium everywhere. India has been no exception to this unprecedented economic shock. Yet, investment sentiment in the Indian economy has been buoyed by the consistent and active intervention by the Government of India. FDI equity inflows during the financial year 2020-21 upto September 2020 were about 15% more than the corresponding period of 2019-20.

4. The FDI policy amendments, notified on 17.09.2020, have been carried out to realize the vision of an Aatmanirbhar Bharat or Self Reliant India. The reforms announced by the Government under the ambit of the *Aatmanirbhar Bharat* or Self

Reliant India have opened up many sectors including niche sectors such as Nuclear Energy and Space for the foreign investors to partake in. The underlying tenet of the marquee package is not about excluding India from the globe, but making it an integral part of the global value chains by improving its domestic competitiveness.

5. With a view to support, facilitate and provide investor friendly ecosystem to investors investing in India, an Empowered Group of Secretaries (EGoS) for Investment has been constituted in India with the objective of fast-tracking investments into the country.

6. The Government of India is working on setting up a Single Window System (SWS)/Investment Clearance Cell (ICC) for clearances and approvals of industry in the country. The ICC will be a National portal that integrates the existing clearance systems of the various Ministries/ Departments of the Government of India and of the State Governments and will have a single, unified application form.

7. Project Development Cells (PDCs) have been set up in all concerned Ministries/ Departments in India to fast-track investments in coordination between the Central Government and the State Governments and thereby helping the growth of investible projects in India and in turn increasing domestic investments and FDI inflow.

8. India has developed an Industrial Information System (IIS) which provides a GIS-enabled database of industrial areas including clusters, parks, nodes, zones, etc. across the country to help investors identify their preferred location for investment

9. An 'FDI Monitoring Cell' has been established in India which follows up with applicant/investor, to expedite FDI proposals and follow up if there are any hurdles being faced by them after receiving FDI approvals.

10. A user friendly portal (Foreign Investment Facilitation Portal) has been created for online filing of FDI proposals and interaction with the concerned Administrative Ministry/ Department.

11. India is committed to continue suitable policy interventions to promote both inward and outward FDI in the post COVID-19 era.

Thank you all.