

TABLE 7.5
Industrial investment intentions filed through IEMs and LOIs

Year	I E M (Industrial Entrepreneurs Memorandum)			L O I (Letters of Intent)		
	Number	Proposed Investment (Rs.crore)	Proposed Employment (000's)	Number	Proposed Investment (Rs.crore)	Proposed Employment (000's)
1991\$	3084	76310	769	195	2071	34
1992	4860	115872	923	620	13994	97
1993	4456	63976	703	528	12845	100
1994	4664	88771	829	546	17937	130
1995	6502	125509	1114	355	14265	91
1996	4825	73278	696	522	29932	181
1997	3873	52379	522	321	9528	96
1998	2889	57385	521	145	3274	27
1999	2948	128892	477	132	827	17
2000*	2789	69814	377	192	961	28
(1999)*	2289	92266	356	116	766	16
Total	40890	852190	6931	3556	105634	802

\$ August to December * **January-November.**
Note : Totals may not tally because of rounding off on an annual basis.

Industrial Investment and Associated Trends

7.14 During January-November 2000, 2,789 Industrial Entrepreneurs Memoranda (IEMs) and 192 Letters of Intent (LOIs) were filed, with proposed investment intentions of Rs. 69,814 & 961 crore respectively. Despite increase in the number of IEMs, the volume of investment

committed therein was lower than the previous year (Table 7.5).

7.15 FDI during January-November 2000, has shown an upward trend and FDI proposals, worth Rs. 32,843 crore were approved, compared to Rs. 26,652 crore in January-November, 1999. The total number of Foreign Technology Collaborations (FTCs) and FDI proposals approved, till November 2000, were 6,816 and 11,874 respectively (Table 7.6). While cumulative foreign investment approved till November 2000 was Rs. 242,601 crore, the actual inflow of foreign investment was Rs. 85,381 crore, constituting 35.2 per cent of the approvals. The inflow to approval ratio increased to 47.0 per cent in January-November 2000, compared to 43.7 per cent in January-November, 1999.

7.16 Capital goods production has been on the decline since December 1999. The growth rate of capital goods production decelerated from 12.6 per cent in 1998-99 to 6.9 per cent in 1999-00. The growth rate of import of capital goods has also been negative since 1996-97 except for 1998-99 when it recorded a marginal increase by 1.9 per cent. The capital goods imports in terms of US \$ declined by

TABLE 7.6

Total Foreign Technology Agreements and Foreign Direct Investment Approvals

Year	No. of FTCs Approved	No. of FDIs Approved	Amount Approved (Rs.Crore)	Actual Inflow (Rs.Crore)
1991	661	289	534	351
1992	828	692	3888	675
1993	691	785	8859	1787
1994	792	1062	14187	3289
1995	982	1355	32072	6820
1996	744	1559	36147	10389
1997	660	1665	54891	16425
1998	595	1191	30814	13340
1999	498	1726	28367	16868
2000*	365	1550	32843	15436
(1999)*	461	1556	26652	11634
Total	6816	11874	242601\$	85381

* Upto November.
\$ Includes 86 proposals for GDR/FCCB involving Rs. 39409 crore.
Note : Totals may not tally because of rounding off on an annual basis.

17.6 per cent in 1996-97, by 10.4 per cent in 1997-98, by 29.7 per cent in 1999-00 and further by 15.1 per cent in 2000-01 (April-October).

7.17 Aggregate sanctions by All India financial Institutions (AIFIs) increased by 26.4 per cent (103,749 crore) during 1999-2000. This was higher than the 8.5 per cent increase recorded in 1998-99. Disbursement too, had a higher

increase of 19.2 per cent in 1999-00, as against 8.7 per cent during 1998-99. In the first half of the current fiscal (April-September 2000) sanctions increased by 18.6 per cent higher than 10.8 per cent growth in the corresponding period of last year. Disbursements too increased by 21.6 per cent in April-September 2000, as against 18.5 per cent during the corresponding period of last year.