

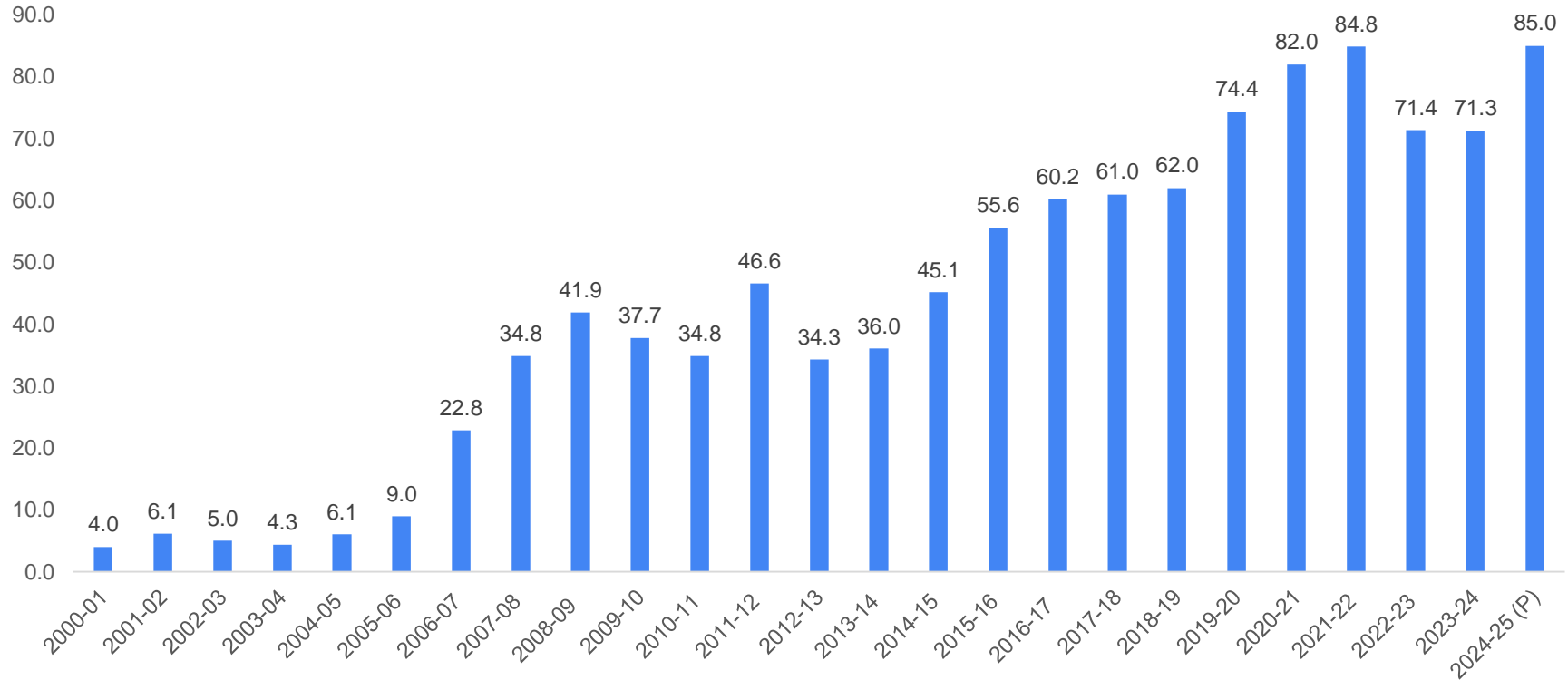


**FDI from USD 70 Billion to
USD 100 Billion in the country**

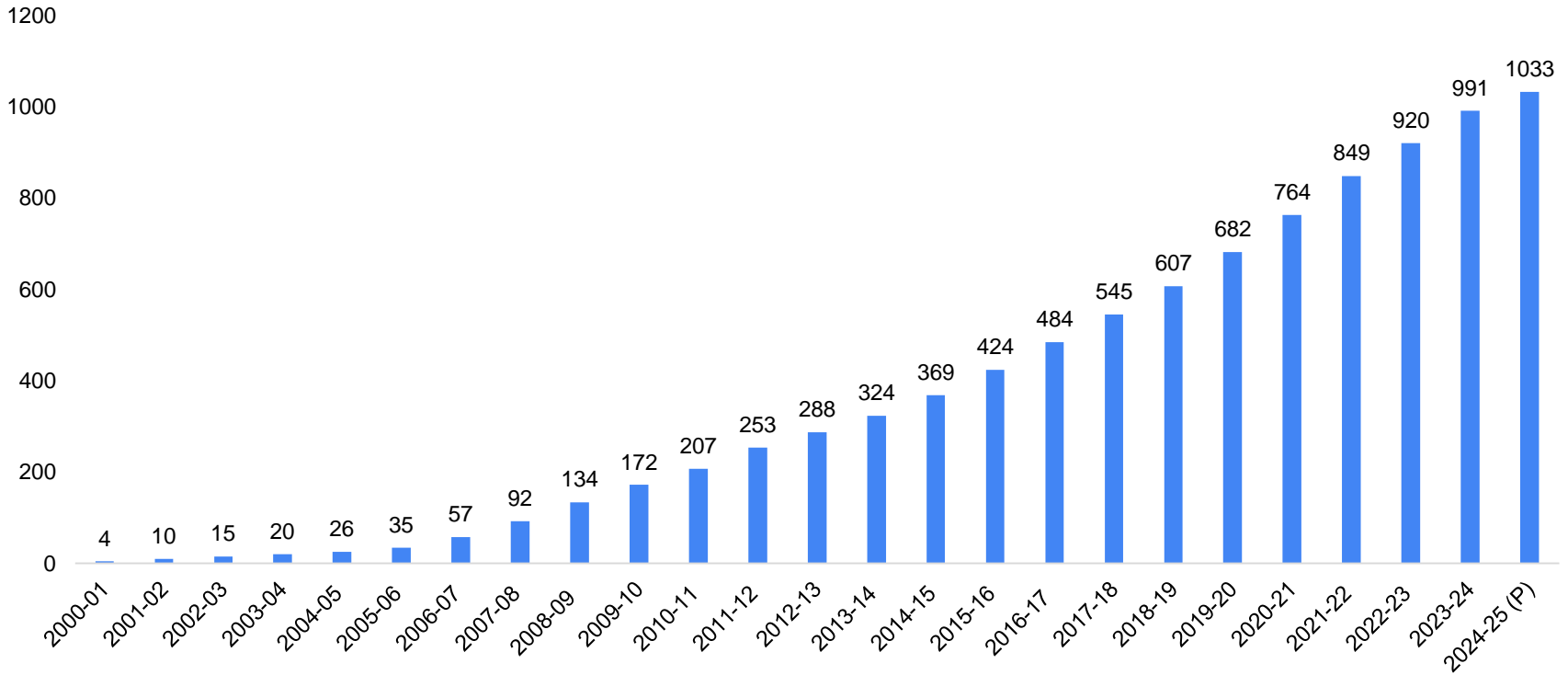
Milestone in India's FDI

- India has achieved a remarkable milestone in its economic journey, with gross foreign direct investment (FDI) inflows reaching an impressive USD1 trillion since April 2000.
- The landmark achievement was bolstered by a nearly 26% rise in FDI to USD 42.1 billion during the first half of the current fiscal year.
- Such growth reflects India's growing appeal as a global investment destination, driven by a proactive policy framework, a dynamic business environment, and increasing international competitiveness.
- FDI has played a transformative role in India's development by providing substantial non-debt financial resources, fostering technology transfers, and creating employment opportunities.
- Initiatives like "Make in India," liberalised sectoral policies, and the Goods and Services Tax (GST) have enhanced investor confidence, while competitive labour costs and strategic incentives continue to attract multinational corporations.

Annual Flows in FDI



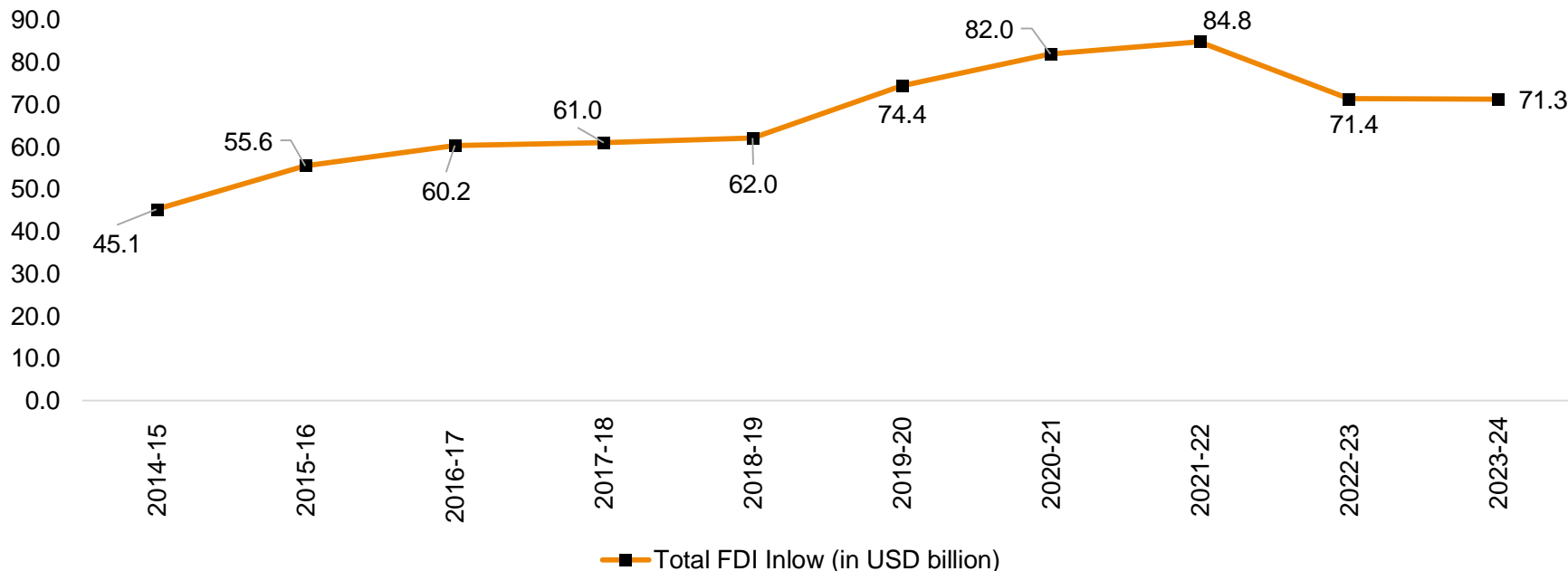
Cumulative FDI (2000-2024) (USD Billion)



Source: PHD Research Bureau compiled from DPIIT, Government of India.
FY 2024-25 (upto Sept. 24) (P)

FDI grows robust since Make in India

Since 2014, India has attracted a cumulative FDI inflow of USD 667.4 billion (2014-24), registering an increase of 119% over the preceding decade (2004-14). This investment inflow spans 31 States and 57 sectors, driving growth across diverse industries.



FDI grows robust in post covid years

FDI inflows in India have increased by 15% from the pre-COVID (average) to the post-COVID (average), increasing from USD 65.8 billion to USD 75.8 billion, respectively.

Years	FDI (in USD Billion)
2017-18	61.0
2018-19	62.0
2019-20	74.4
Pre-Covid (Average)	65.8
2021-22	84.8
2022-23	71.4
2023-24	71.3
Post Covid (Average)	75.8
Growth of FDI from pre-covid and post-covid period (%)	15.3

FDI Enablers



S.no.	Key enablers	Description
1.	Strong GDP growth	India's GDP growth has shown remarkable resilience, with an average growth rate of around 8% from 2021-2024. Despite geopolitical conflicts and global fragmentation issues, the Indian economy is on a strong, stable, and resilient footing.
2.	Robust capital market	The Indian capital markets are growing robustly. The BSE Sensex exhibited remarkable growth, soaring from 4018 in January 2001 to 78265 in January 2025 (closing value of the index as of first working day of the respective year), marking a growth rate of over 1800% over the past 25 years. In the recent year 2024, the Indian stock market has witnessed an a significant milestone by surpassing 85000 mark (September 2024) and crossing a market value of USD 5 trillion, placing it among the top 5 markets in terms of market capitalization.
3.	High foreign exchange reserves	India became the fourth country to achieve the highest foreign exchange reserves globally, reaching USD 704.8 billion as of the week ending September 27, according to Reserve Bank of India (RBI) data. India's strong stance despite geopolitical uncertainties, prudent policy measures and vigilant monetary policy stance, have led the FOREX to grow steady over USD 600 billion.
4.	Resilient external sector	Various dynamic reforms undertaken by the Government has bolstered India's trade trajectory. Since India opened its markets in 1991, there has been an exponential rise in the country's foreign trade. India's exports increased by 107%, from USD 375 billion in 2010-11 to USD 778 billion in 2023-24. Supported by robust services exports and strong remittances, Current account deficit is expected to be under 1.5% of GDP for FY 2024-25.

Contd.



5.	Adequate fiscal management	Indian is on a strong footing with its tax and non-tax revenues showing buoyant performance. The fiscal deficit is estimated at 4.9% of GDP for 2024-25, and the government aims to reduce it to 4.5 percent of GDP (FY 2025-26), keeping on the path of fiscal consolidation.
6.	Strong consumer demand	India is a long-term growth story driven by robust and resilient domestic consumption demand. The government is actively undertaking measures to boost the economy, particularly through the manufacturing sector. The robust kharif foodgrain production and good rabi prospects, coupled with an expected pickup in industrial activity and sustained buoyancy in services augur well for private consumption.
7.	Competitiveness and Innovation	The World Competitive Index 2024 indicates that India has ascended three ranks to 40th place, improving from 43rd in 2021. Additionally, India has been classified as the 48th most innovative country among the leading 50 nations, securing the 40th position out of 132 economies in the Global Innovation Index 2023. This is a remarkable improvement from its 81st position in 2015.
8.	Global investment standing	According to the World Investment Report 2023, India ranked as the third largest recipient of greenfield projects, with a total of 1,008 project announcements. Additionally, the country experienced a 64% increase in international project finance deals, positioning it as the second largest recipient of such deals globally. These figures highlight India's rising significance in the realm of global investment.
9.	Improved business environment	India made remarkable progress in improving its business environment, climbing from 142nd in 2014 to 63rd in the World Bank's Doing Business Report (DBR) 2020, published in October 2019 before its discontinuation. This 79-rank jump over five years reflects the government's sustained efforts to simplify regulations, reduce bureaucratic hurdles, and create a more business-friendly environment, significantly boosting investor confidence.

Key drivers



- **Further enhance ease of doing business** - A lot has been undertaken in the ease of doing business, we improved from 142 in 2014 to 63 in 2020. However, Ease of doing business has to be percolated at the factory level. Further reduction in compliance and implementation at the State level would go a long way to enhance the ease of doing business in the country.
- **Reduce cost of doing business** - Reduce costs of doing business including costs of capital, costs of power, costs of logistics, costs of land and costs of compliances would go a long way to enhance the business in the country.
- **Ease of investment** - Single Window clearances, awareness about India's dynamic policy environment. India opportunity roadshows at domestic and global level, exchange of delegations between potential countries would go a long way to enhance ease of investment.
- **Ease of exports** – Lesser human interface, reduced congestions at the ports, improved logistics infrastructure, easier finance to exporters, pre and post shipment equalization for service exporters, strengthened connectivity of MSMEs with global value chains, marketing supports to MSMEs to foreign countries would go al long way to enhance Ease of exports in the country.
- **Ease of living** – State of the Art Infrastructure in tier II and Tier III state, improvement in the education facilitates, health facilities and law an order will enhance the ease of living in the country.