

GOVERNMENT MEASURES INCREASE FDI INFLOWS IN THE COUNTRY;

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Foreign Capital, Foreign Trade & BOP

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 as India has attracted total FDI inflow of US\$ 72.12 billion during April to January, 2021. It is the highest ever for the first ten months of a financial year and 15% higher as compared to the first ten months of 2019-20 (US\$ 62.72 billion).

The trends show that the FDI equity inflow grew by 28% in the first ten months of F.Y. 2020-21 (US\$ 54.18 billion) compared to the year ago period (US\$ 42.34 billion). In terms of top investor countries, 'Singapore' is at the apex with 30.28% of the total FDI Equity inflow followed by U.S.A (24.28%) and UAE (7.31%) for the first ten months of the current financial year 2020-21.

Japan has been leading the list of investor countries to invest in India with 29.09% of the total FDI Equity inflows during January, 2021, followed by Singapore (25.46%) and the U.S.A. (12.06%).

The Computer Software & Hardware has emerged as the top sector during the first ten months of F.Y. 2020-21 with 45.81% of the total FDI Equity inflow followed by Construction (Infrastructure) Activities (13.37%) and Services Sector (7.80%) respectively.

As per the trends shown during the month of January, 2021, the consultancy services emerged as the top sector with 21.80% of the total FDI Equity inflow followed by Computer Software & Hardware (15.96%) and Service Sector (13.64%).

These trends in India's Foreign Direct Investment are an endorsement of its status as a preferred investment destination amongst global investors

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