

FDI INFLOWS IN INDIA

P. Mohamed Idris

Research Scholar, BSMED, Bharathiar University, Coimbatore

Abstract

There are some of the countries that they are attracting the FDI in India. Among so many countries the topic has covered only major five countries which is contributing huge some amount in India has selectively undertaken. The Mauritius route is a channel used by foreign investors to invest India. It is the main provider of FDI to India and also preferred jurisdiction for Indian investments. It is one of the small countries making huge Investments in India. Singapore became the top source of FDI into. It is replaced Mauritius to become the number one source of FDI. This was revealed by the FDI data for March 2014 of (DIPP) Department of Industrial Policy and promotion Board. FDI from UK to India registered significant growth in last few years due to many incentives that have been given by the government of India. The increased flow of FDI from UK to India has helped in giving a major boost to the country's economy. Foreign investments add a great deal to India's economy. The continuous inflow of foreign direct investment (FDI), which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy. Economic relations between India and Japan have vast potential growth given in Asian Economies, especially in India. The objective of the study is to analyze the Foreign Direct Investment inflows by the top five countries in India.

Keywords: FDI, Mauritius route, DIPP, Asian Economics, WTO, RBI, UNCTAD

Methodology of the Study

This study is based on secondary data, which covers journals, magazines, newspapers, periodicals, and reports. The required data have been collected from various sources i.e. World Investment Reports, Asian Development Bank's Reports, various Bulletins of Reserve Bank of India, publications from Ministry of Commerce, Govt. of India, U.S. Department of State and from websites of World Bank, IMF, WTO, RBI, UNCTAD, EXIM Bank.

FDI Inflows by Top Five Countries

FDI Inflows in India from Mauritius

The Mauritius route is a channel used by foreign investors to invest India. It is the main provider of FDI to India and also preferred jurisdiction for Indian investments. It is one of the small countries making huge Investments in India. the below table clearly shows that the trend analysis for FDI inflows in Mauritius. Among all the year in the year 2009-2010 is the lowest FDI inflows that is it tends to 1346.1 and trend value is 4137.92 times, the highest FDI inflows in the year 2011 to 2012 is it 5765.4 and trend value is 5045.54 times.

Trend Analysis for FDI Inflows in India from Mauritius

The below table 1 represents that trend analysis for FDI inflows in India from Mauritius from the year 2004 to 2013.

Table 1: Trend Analysis for FDI Inflows in Mauritius

Year (2003-2004 to 2012-2013)	FDI Inflows in India from Mauritius Country (Amt in US million \$)	Trend analysis (in times)
2003-2004	514.1	1415.06
2004-2005	1144.1	1868.87
2005-2006	2875.9	2322.68
2006-2007	4482.3	2776.49
2007-2008	5079.4	3230.3
2008-2009	4548.5	3684.11
2009-2010	1346.1	4137.92
2010-2011	4671.0	4591.73
2011-2012	5765.4	5045.54
2012-2013	2476.2	5499.35
Trend Equation $y = 3230.3 + 453.81 X$		
For 2019-2020 $y = 5095.2$		

Source: DIPP -fact Sheet: India_ January_2011& India_ February_2012

FDI inflows in India from Singapore

Singapore became the top source of FDI into. It is replaced Mauritius to become the number one source of FDI. This was revealed by the FDI data for March 2014 of (DIPP) Department of Industrial Policy and promotion Board. Among all the years in the year 2003-2004 and in the year 2007-2008 the trend has been decreased and increasing stage.

Trend Analysis towards FDI Inflows in India from Singapore

The below table 2 represents the Trend analysis for FDI inflows in India from Singapore from the year 2004 to 2013.

Table 2: Trend Analysis towards FDI Inflows in India from Singapore

Year (2003-2004 to 2012-2013)	FDI inflows in India from Singapore (amt in US million \$)	Trend Value (in times)
2003-2004	82.2	105.71
2004-2005	121.8	421.33
2005-2006	266.2	736.95
2006-2007	1231.9	1052.57
2007-2008	1572.7	1368.19
2008-2009	874.8	1683.81
2009-2010	493.4	1999.43
2010-2011	2471.2	2315.05
2011-2012	1259.4	2630.67
2012-2013	2152.1	2946.29
Trend equation $y = 1052.57 + 315.62 x$		
For 2019-2020 $y = 5155.63$		

Source: DIPP -fact Sheet: India_ November_2011& India_ December_2012

FDI Inflows in India from UK

FDI from UK to India registered significant growth in last few years due to many incentives that have been given by the government of India. Among all the years 2003-2004 and 2009-2010 has been decreased and in increasing stage.

Trend Analysis towards FDI Inflows in India from UK

The below table 3 represents FDI inflows in India from UK from the year 2004 to 2013.

Table 3: Trend Analysis for FDI Inflows in India from UK

Year (2003-2004 to 2012-2013)	FDI inflows in India from UK (Amt in US million \$)	Trend value (in times)
2003-2004	45.8	216.95
2004-2005	116.4	246.65
2005-2006	838.9	276.35
2006-2007	469.0	306.05
2007-2008	384.0	335.75
2008-2009	230.8	365.45
2009-2010	1263.2	395.15
2010-2011	364.2	424.85
2011-2012	579.7	454.55
2012-2013	202.4	484.25
Trend Equation $y = 335.75 + 29.70 x$		
For 2019-2020 $y = 692.15$		

Source: DIPP -fact Sheet: India_september_2011& India_october_2012

FDI Inflows in India from United States

Foreign investments add a great deal to India's economy. The continuous inflow of foreign direct investment (FDI), which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy. Among all the years 2004-2005 and 2008-2009 it has been decreased and increasing stage.

Trend Analysis towards FDI Inflows in India from US

The below table 4 represents FDI inflows in India from US from the year 2004 to 2013.

Table 4: Trend analysis for FDI inflows in India from US

Year (2003-2004 to 2012-2013)	FDI inflows in India from US (Amt in US million \$)	Trend value (in times)
2003-2004	305.5	280.38
2004-2005	221.0	324.51
2005-2006	386.1	368.64
2006-2007	437.7	412.77
2007-2008	800.2	456.9
2008-2009	858.2	501.03
2009-2010	294.4	545.16
2010-2011	534.7	589.29
2011-2012	303.3	633.42
2012-2013	428.0	677.55
Trend equation $y = 456.9 + 44.13 x$		
For 2019-2020 $y = 5155.63$		

Source: DIPP -fact Sheet: India_January_2012& India_february_2013

FDI Inflows in India from Japan

Economic relations between India and Japan have vast potential growth given in Asian Economies. Japan's interest in India is increasing due to variety of reasons including India's huge and growing market and its resources especially the human resources. Among all the years 2003-2004 and 2010-2011 has been decreased and increasing stage.

Trend analysis for FDI inflows in India from Japan

The below table 5 represents FDI inflows in India from US from the year 2004 to 2013.

Table 5: Trend Analysis for FDI Inflows in India from Japan

Year (2003-2004 to 2012-2013)	FDI inflows in India from Japan (Amt in US million \$)	Trend value (in times)
2003-2004	57.5	-181.9
2004-2005	93.5	-17.85
2005-2006	38.2	146.2
2006-2007	333.6	310.25
2007-2008	188.9	474.3
2008-2009	548.2	638.35
2009-2010	233.0	802.4
2010-2011	1408.9	966.45
2011-2012	1224.3	1130.5
2012-2013	617.3	1294.55
Trend equation $y = 474.3 + 164.05x$		
For 2019 to 2020 $y=2442.9$		

Source: DIPP -fact Sheet: India_ April_ 2013.

Conclusion

The above study has clearly depicts that the FDI inflows by major countries in India. Among so many countries major five countries have covered in this study. Mauritius has become first because DTAA agreement has passed. And Singapore has become the second investor in India because India has provide the investment benefits.Uk, USA and Japan has entered in to India because Technological upgradation entering in to India. As per the study the major countries have invested in India due to technological development in India, and in some years it has been increased or decreased.

References

1. Francis Cherunilam, "International Business Environment", Himalaya Publishing House. 2009.
2. Suresh Bedi, "Business Environment", Excel Books ISBN. 2004.
3. Dr. Brajaballav pal (2013), FDI in multi brand retailing: Opportunities and threats for rural India, "Innovative Journal of Business and Management" pp. 131 -136
4. www.businessportal.india.in
5. www.rbibulletin.in
6. www.investmentpromotionboard.in