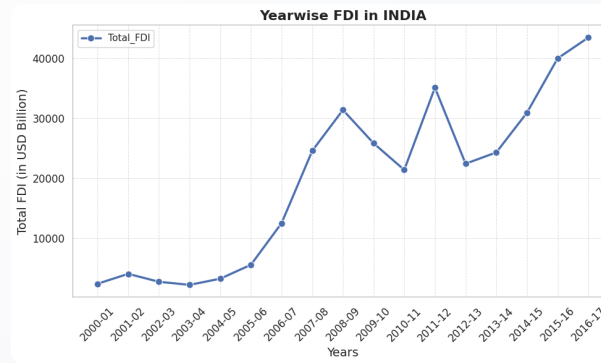




# Foreign Direct Investment in India: 2000-01 to 2016-17

This presentation analyzes Foreign Direct Investment (FDI) data for India from 2000-01 to 2016-17, providing insights into sector-wise and year-wise investment trends, key metrics, and relationships between attributes. We'll explore the overall FDI trend, identify top sectors, examine year-over-year growth rates, and discuss key factors influencing FDI in India.

 by Abhi Pawar



# Overview of Total FDI Trends

1

## Overall Upward Trend

FDI has generally increased over the 17-year period, indicating a positive investment climate in India.

2

## Rapid Growth Phase

A sharp increase in FDI was observed from 2005-06 to 2008-09, suggesting a period of significant economic expansion and investor confidence.

3

## Global Financial Crisis Impact

A dip in FDI is visible in 2009-10 and 2010-11, likely due to the global financial crisis, highlighting the sensitivity of FDI to global economic conditions.

4

## Recovery and New Peak

FDI recovered and reached new heights in 2016-17, demonstrating India's resilience and continued attractiveness to foreign investors.

# Sector-wise Investment Analysis



## Services Sector Dominance

The services sector, including financial, banking, insurance, and outsourcing, has received the highest FDI, indicating a strong foreign interest in India's service industry.



## Technology Focus

Computer Software & Hardware and Telecommunications are in the top 3, highlighting the importance of India's tech industry to foreign investors.



## Infrastructure Importance

Construction Development and Automobile Industry feature prominently, indicating a focus on infrastructure and manufacturing, essential for India's economic growth.

# Year-wise Investment Analysis

## 1 Volatile Growth

FDI growth rates have been highly volatile, ranging from -36% to 125%, reflecting the dynamic nature of India's economy and the influence of external factors.

## 2 Peak Growth Periods

The highest growth rates were observed in 2005-06 (72%), 2006-07 (125%), and 2007-08 (97%), indicating periods of strong economic expansion and investor confidence.

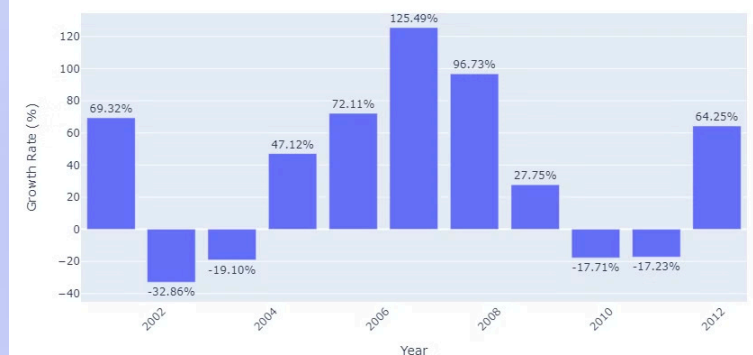
## 3 Global Financial Crisis Impact

Negative growth rates in 2009-10 and 2010-11 coincide with the global financial crisis, demonstrating the impact of global economic events on FDI.

## 4 Recent Stabilization

Growth rates have been positive but more moderate in recent years (2013-14 to 2016-17), suggesting a more stable and sustainable investment environment.

Year-over-Year Growth Rates of FDI in India



# Key Metrics and Factors

## Total Annual FDI Inflow

A key metric for measuring the overall attractiveness of India to foreign investors.

## Sector-wise FDI Distribution

Provides insights into the specific industries attracting foreign investment and the focus of investor interest.

## Year-over-Year Growth Rates

Indicates the dynamism and volatility of FDI flows, reflecting changes in investor sentiment and economic conditions.

## Global Economic Conditions

Global economic events, such as the 2008 financial crisis, significantly impact FDI flows, highlighting the interconnectedness of global economies.

