

# Analyzing Foreign Direct Investment (FDI) for Business Strategy

A Case Study



# Introduction:

*Foreign Direct Investment (FDI) plays a pivotal role in the global economy, fostering international collaborations and driving economic growth.*

*This case study delves into an analysis of FDI data, employing Tableau for visual insights.*

*The objective is to guide business decisions by identifying sectors that prove most beneficial for collaboration.*



# Understanding FDI:

*FDI involves a corporation from one country making an investment into a corporation of another country.*

*Unlike indirect investments, FDI requires control over various aspects, such as technology and management.*

*Large firms typically engage in FDI, seeking to establish a significant presence in foreign jurisdictions.*



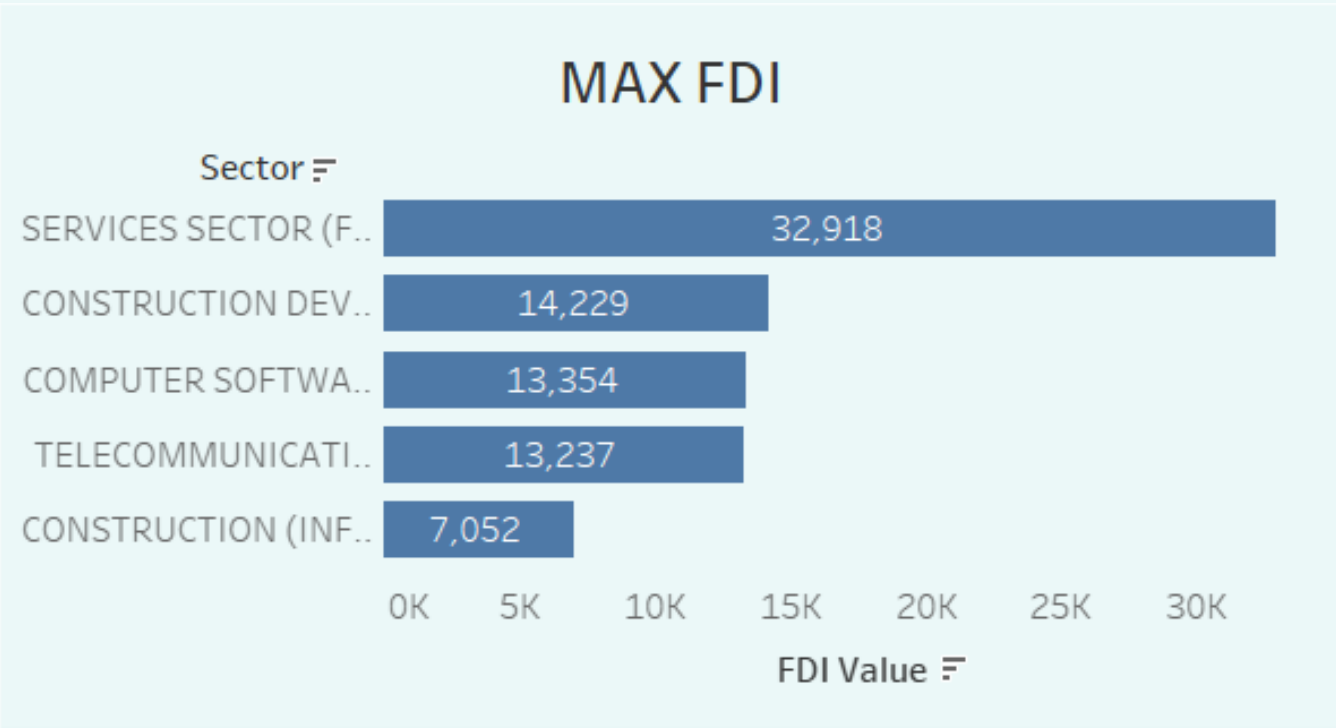
## *Key Analytical Objectives:*

- a) Which sector receives the maximum direct funding for a given year?*
- b) Which sector receives the minimum direct funding for a given year?*
- c) Is there any trend of overall foreign direct investment*
- d) In what fashion can the sectors be grouped for comparison?*
- e) Which sectors reported high growth in FDI in last 5 years?*
- f) Which sectors reported lowest growth in FDI in last 5 years?*
- g) Which sectors reported the most variation overall?*
- h) What is the proportion of each sector in FDI?*
- i) Are there some specific clusters that are present here?*
- j) What is the forecast for next year?*

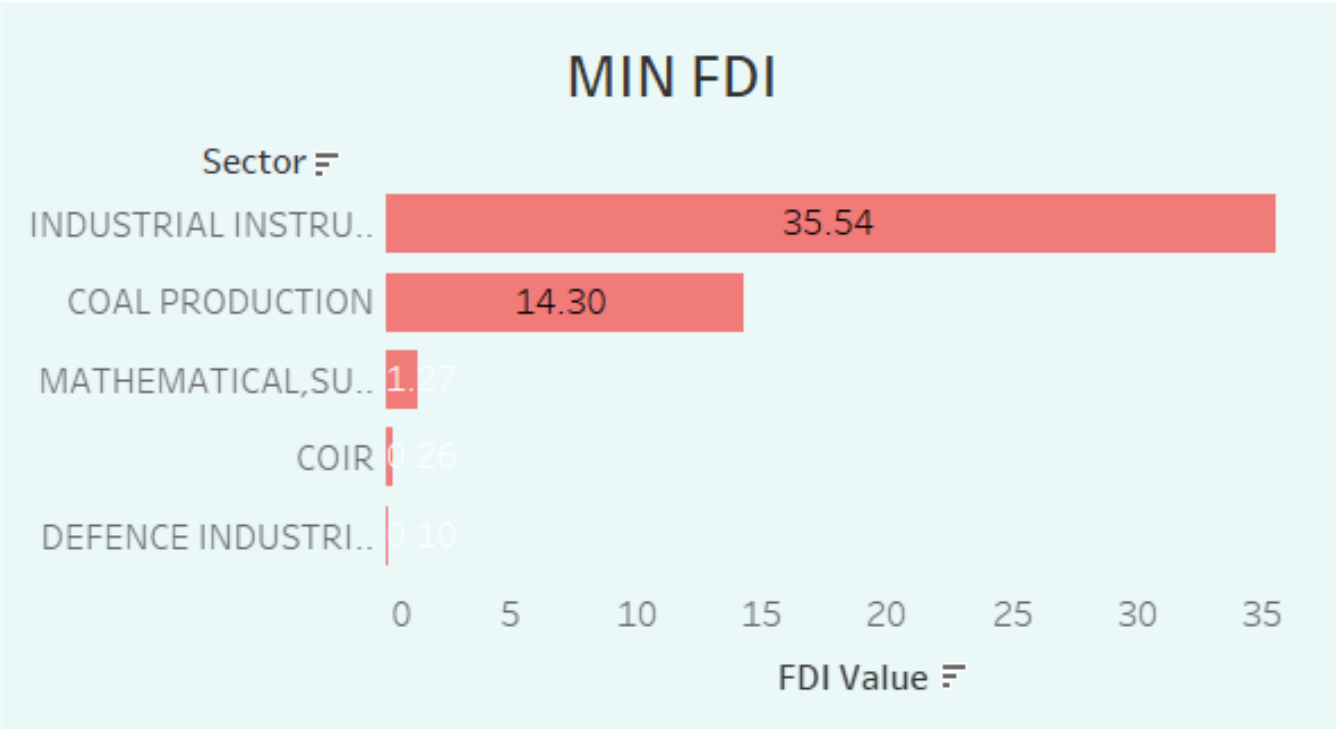
# Maximum and Minimum FDI:

The analysis begins by identifying the sectors that attract the maximum and minimum direct funding for each year. This insight helps pinpoint lucrative sectors for potential collaboration.

Sectors Recieving the Max Direct Funding		
Sector	₹	
SERVICES SECTOR (Fin.,Banking,Insurance,Non Fin/Business,Outsourcing,R&D,Courier,Tech. Testing and Analysis, Other)	32,918	
CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	14,229	
COMPUTER SOFTWARE & HARDWARE	13,354	
TELECOMMUNICATIONS	13,237	
CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	7,052	



Sectors Recieving the Min Direct Funding		
Sector	₹	
INDUSTRIAL INSTRUMENTS	35.54	
COAL PRODUCTION	14.30	
MATHEMATICAL,SURVEYING AND DRAWING INSTRUMENTS	1.27	
COIR	0.26	
DEFENCE INDUSTRIES	0.10	





# Sector Grouping & Variation:

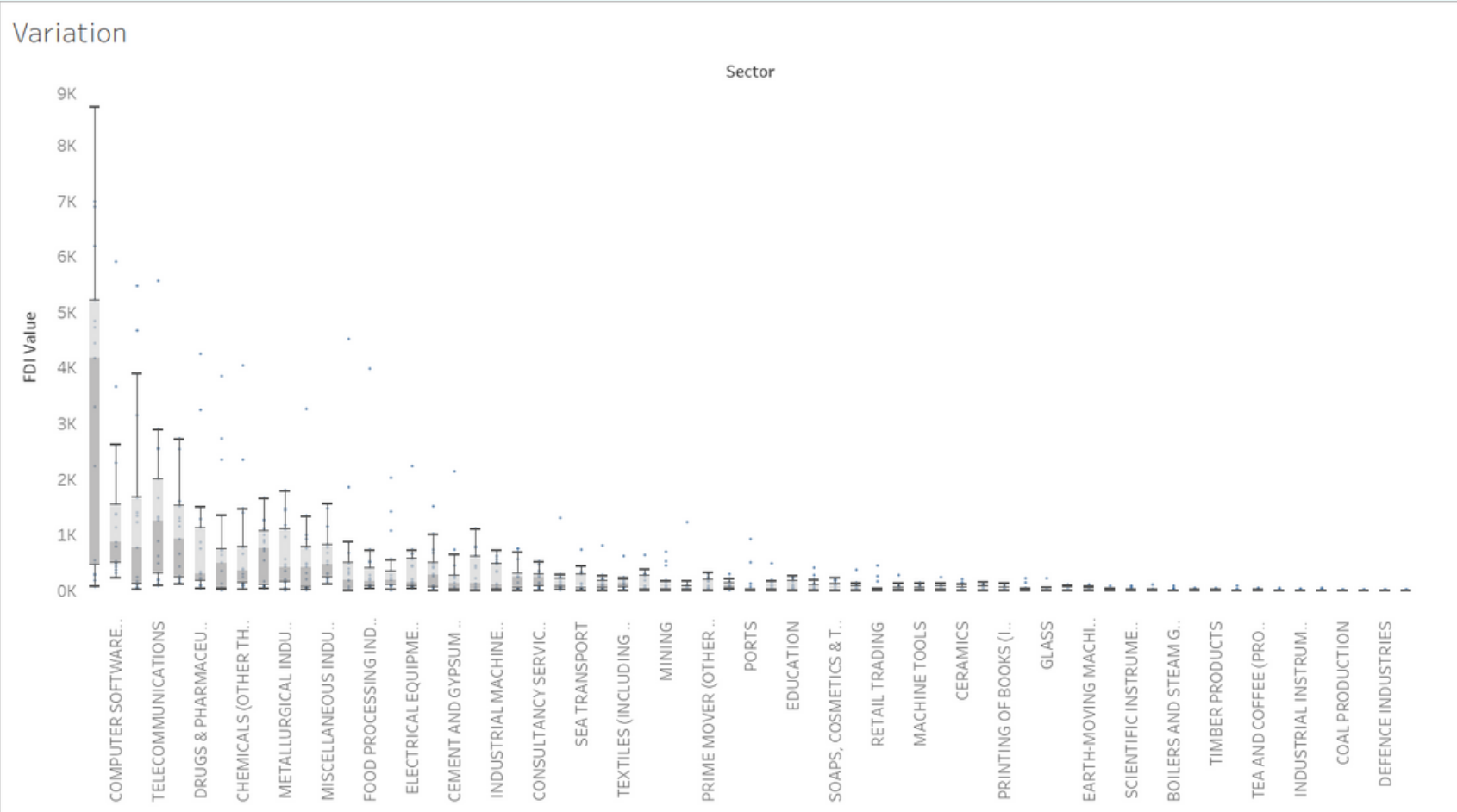
Organizing sectors based on shared characteristics facilitates meaningful comparisons, offering valuable insights for decision-making.

In this categorization, sectors are differentiated into two groups:

those marked in red have not witnessed substantial Foreign Direct Investment (FDI) over the 17-year period, falling below the established baseline of 1000.

Sectors depicted in blue have attracted FDI amounts surpassing our predefined baseline.

This classification aids in identifying sectors that may require additional attention or strategic considerations for further exploration and investment.



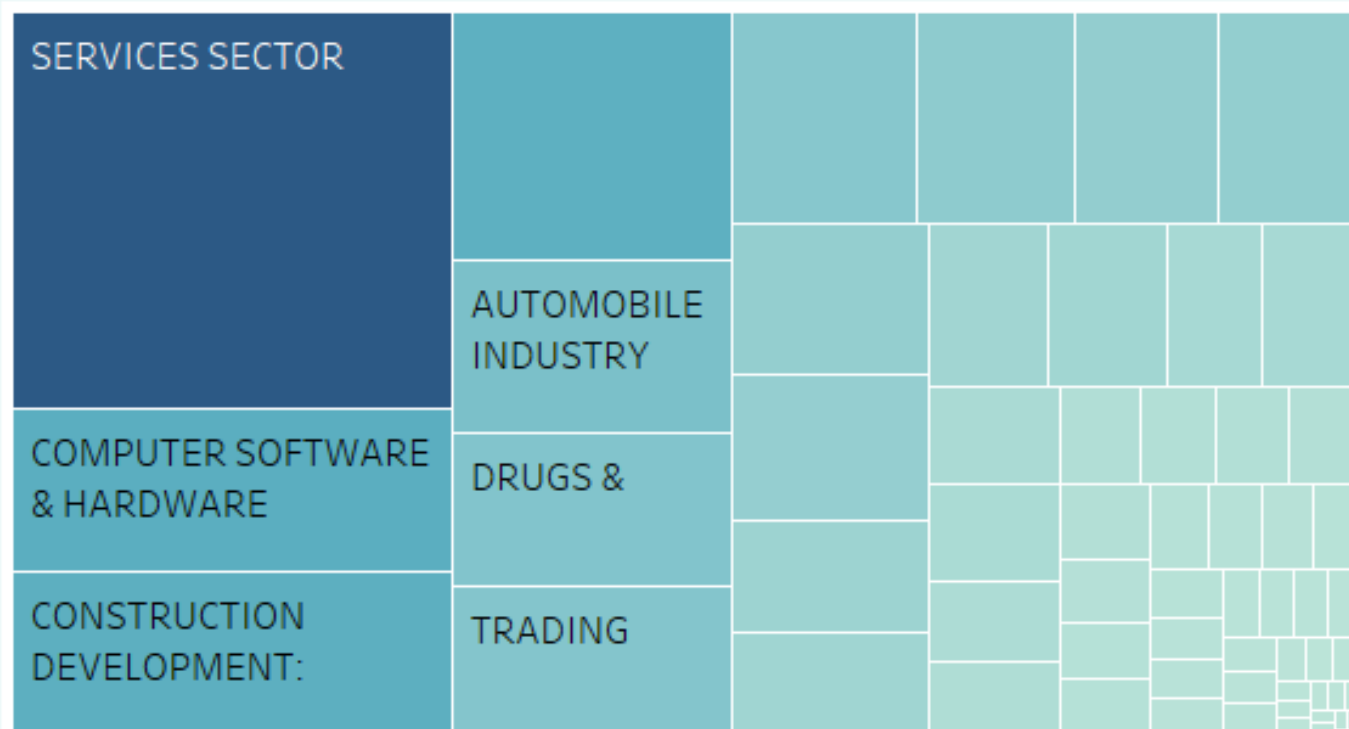
Exploring sectors with the most variation in FDI provides insights into dynamic industries.

Understanding the factors contributing to this variation is essential for risk management.

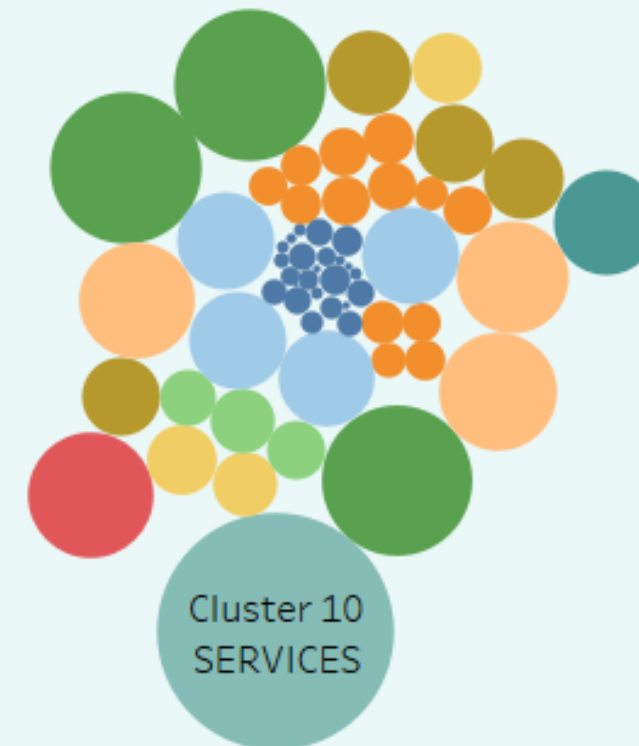
Groups	
Sector	
AGRICULTURAL MACHINERY	449
AGRICULTURE SERVICES	1,921
AIR TRANSPORT (INCLUDING AIR FREIGH..	1,014
AUTOMOBILE INDUSTRY	16,674
BOILERS AND STEAM GENERATING PLAN..	195
CEMENT AND GYPSUM PRODUCTS	5,239
CERAMICS	760
CHEMICALS (OTHER THAN FERTILIZERS)	13,293
COAL PRODUCTION	28
COIR	4
COMMERCIAL, OFFICE & HOUSEHOLD EQ..	353
COMPUTER SOFTWARE & HARDWARE	24,669
CONSTRUCTION (INFRASTRUCTURE) ACT..	9,817
CONSTRUCTION DEVELOPMENT: Townsh..	24,293
CONSULTANCY SERVICES	3,618
DEFENCE INDUSTRIES	5
DIAMOND,GOLD ORNAMENTS	896
DRUGS & PHARMACEUTICALS	14,707
DYE-STUFFS	88
EARTH-MOVING MACHINERY	389
EDUCATION	1,416
ELECTRICAL EQUIPMENTS	6,567
ELECTRONICS	1,720
FERMENTATION INDUSTRIES	2,488
FERTILIZERS	566
FOOD PROCESSING INDUSTRIES	7,543
GLASS	551
GLUE AND GELATIN	128
HOSPITAL & DIAGNOSTIC CENTRES	4,339
HOTEL & TOURISM	10,143
INDUSTRIAL INSTRUMENTS	76
INDUSTRIAL MACHINERY	4,394

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## Proportion of FDI



## Clusters



### Sector

- ☒ (All)
- ☒ AGRICULTURAL MACHI...
- ☒ AGRICULTURE SERVICES
- ☒ AIR TRANSPORT (INCL...
- ☒ AUTOMOBILE INDUSTRY
- ☒ BOILERS AND STEAM ...
- ☒ CEMENT AND GYPSUM...
- ☒ CERAMICS
- ☒ CHEMICALS (OTHER T...
- ☒ COAL PRODUCTION
- ☒ COIR
- ☒ COMMERCIAL, OFFICE ...
- ☒ COMPUTER SOFTWARE...
- ☒ CONSTRUCTION (INFR...
- ☒ CONSTRUCTION DEVE

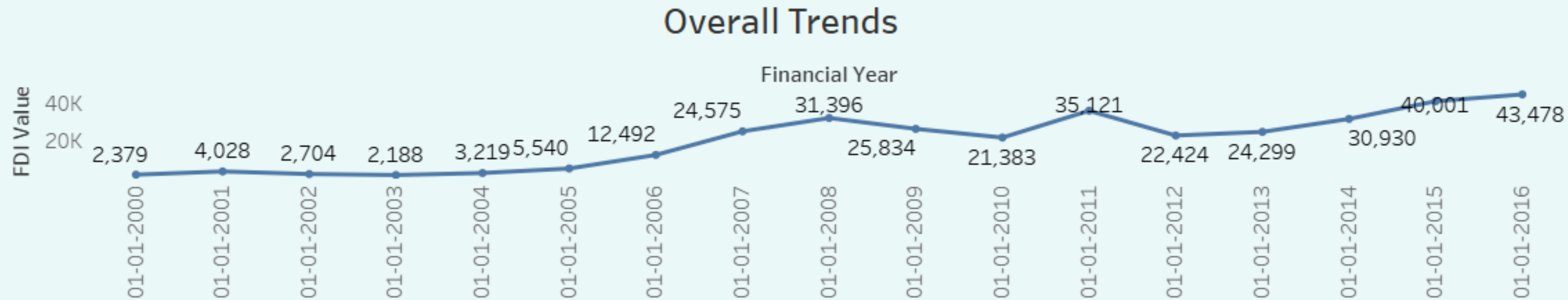
## Trend Forecast



### Clusters

- Cluster 1
- Cluster 2
- Cluster 3
- Cluster 4
- Cluster 5
- Cluster 6
- Cluster 7
- Cluster 8
- Cluster 9
- Cluster 10
- Cluster 11

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## Highest Growth

Sector	Financial Year					
	2011	2012	2013	2014	2015	2016
TELECOMMUNICATIO..	-84.8%	330.1%	121.5%	-54.3%	320.1%	
COMPUTER SOFTWARE & HARDWARE	-39.0%	131.8%	103.9%	157.2%	-38.2%	
SERVICES SECTOR (Fin., Banking, Insurance, No..	-7.3%	-54.0%	99.7%	55.1%	26.0%	
AUTOMOBILE INDUSTRY	66.6%	-1.3%	79.6%	-7.3%	-36.3%	
CONSTRUCTION DEVELOPMENT: Town..	-57.6%	-8.0%	-37.3%	-85.4%	-6.6%	

## Highest Decline

Sector	Financial Year					
	2011	2012	2013	2014	2015	2016
DEFENCE INDUSTRIES		-88.8%	100.0%	-90.2%	25.0%	-100.0%
PHOTOGRAPHIC RAW FILM ..				-100.0%		
MATHEMATICAL, SURVEYI..			-100.0%			
COIR		-72.7%	260.0%	151.9%	-100.0%	
COAL PRODUCTION				-100.0%		

### Sector

- ☒ (All)
- ☒ AGRICULTURAL MACHI...
- ☒ AGRICULTURE SERVICES
- ☒ AIR TRANSPORT (INCL...
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- ☒ EDUCATION
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- ☒ ELECTRONICS
- ☒ FERMENTATION INDU...
- ☒ FERTILIZERS
- ☒ FOOD PROCESSING IN...