

Report: Foreign Direct Investment in India Analysis



Introduction

Foreign Direct Investment (FDI) is when a company or individual invests directly in businesses outside their home country.

In India, FDI has played a significant role in the country's economic growth. It has driven development in sectors like technology, manufacturing, and retail, helping to modernize the infrastructure.

Overview of the data

Importing the dataset

```
fdi = pd.read_csv("C:\\Users\\Vedansh Chauhan\\Documents\\I2\\Project 5\\FDI data.csv")
fdi.head(n=4)
```

	Sector	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
0	METALLURGICAL INDUSTRIES	22.69	14.14	36.61	8.11	200.38	149.13	169.94	1175.75	959.94	419.88	1098.14	1786.14	1466.23	567.63	359.34	456.31	1440.18
1	MINING	1.32	6.52	10.06	23.48	9.92	7.40	6.62	444.36	34.16	174.40	79.51	142.65	57.89	12.73	684.39	520.67	55.75
2	POWER	89.42	757.44	59.11	27.09	43.37	72.69	157.15	988.68	907.66	1271.79	1271.77	1652.38	535.68	1066.08	707.04	868.80	1112.98
3	NON-CONVENTIONAL ENERGY	0.00	0.00	1.70	4.14	1.27	1.35	2.44	58.82	125.88	622.52	214.40	452.17	1106.52	414.25	615.95	776.51	783.57

DATA DICTIONARY

Serial No.	Column Name	Explanation
1	Sector	The segment of the economy in which foreign companies invested. For Example: Coal Production.
2	The year interval columns	The rest of the columns represent the year interval wise amount of direct foreign investment in an unspecified unit (perhaps millions or billions).

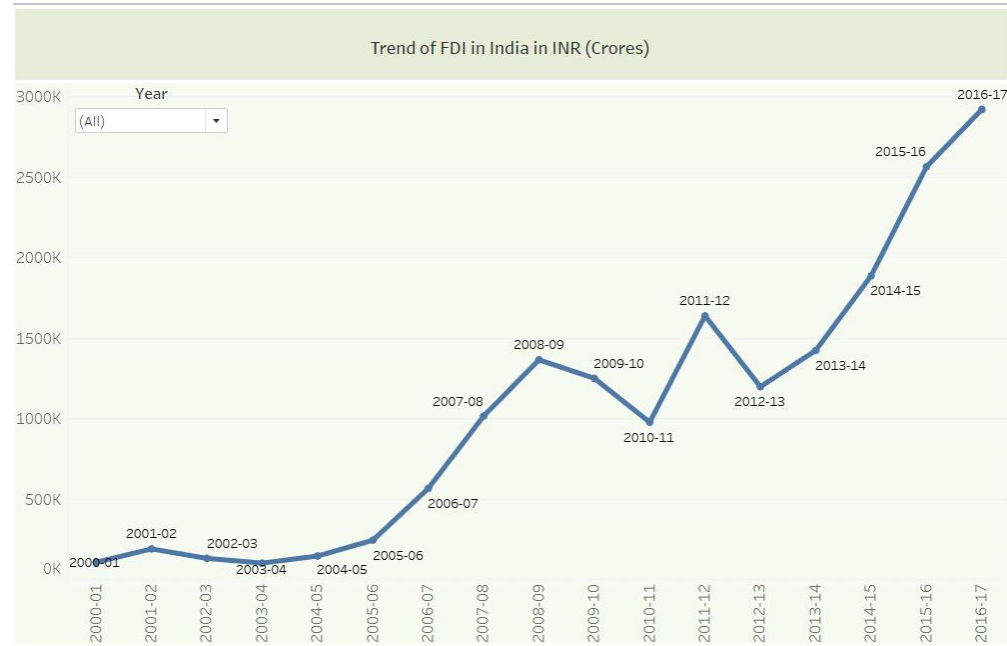
General Statistics of the Data

Total Inflow in INR (Crores)	Total Inflow in USD (Millions)
₹17,734,737.44	\$331,990.99

Trend of FDI in India

The overall upward trend in the country's Foreign Direct Investment (FDI) over the years indicates an increasing confidence among international investors in the country's economic stability and potential.

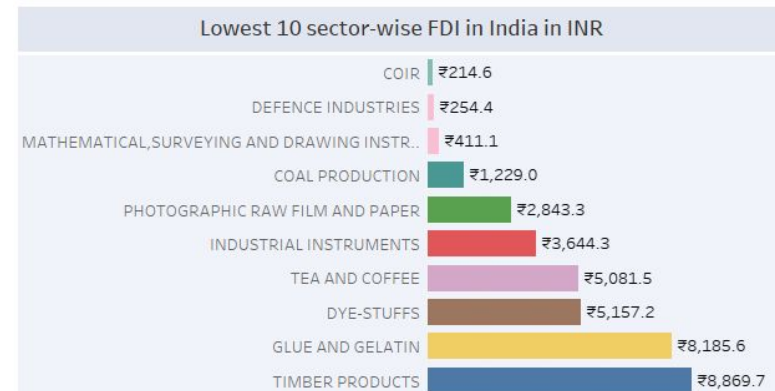
This increase reflects improved investor sentiment and favorable business conditions.



Best and worst performing sectors with reference to FDI

The Service Sector along with Computer Software & Hardware and others experienced the highest amount of FDIs.

Meanwhile, COIR along with Defence Industries and others experienced the lowest amount of FDIs.



Sectors With No Investments

There have been sectors which received no investments but over the years, this count of such sectors has decreased which is a positive sign for the future of FDIs in the country.

Sectors such as Coal Production, Defence Industries etc have experienced the most number of years with no investments.

SECTORS WITH NO INVESTMENT BY YEARS:		Year
AGRICULTURAL MACHINERY		2004-
AIR TRANSPORT (INCLUDING AIR FREIGHT)		2000-01, 2001-
BOILERS AND STEAM GENERATING PLANTS		2000-01, 2001-02, 2002-03, 2005-06, 2008-
COAL PRODUCTION	2000-01, 2001-02, 2002-03, 2004-05, 2009-10, 2010-11, 2011-12, 2012-13, 2014-15, 2015-16, 2016-	
COIR		2000-01, 2001-02, 2002-03, 2003-04, 2008-09, 2015-16, 2016-
CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES		2000-01, 2001-02, 2002-03, 2003-04, 2004-
DEFENCE INDUSTRIES	2000-01, 2001-02, 2002-03, 2003-04, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2016-	
DYE-STUFFS		2002-03, 2005-06, 2006-07, 2012-13, 2013-
EARTH-MOVING MACHINERY		2000-
EDUCATION		2000-01, 2001-02, 2002-
FERTILIZERS		2000-01, 2001-
GLUE AND GELATIN		2000-01, 2003-04, 2004-05, 2005-06, 2006-07, 2008-09, 2012-
HOSPITAL & DIAGNOSTIC CENTRES		2000-
INDUSTRIAL INSTRUMENTS		2006-
MATHEMATICAL,SURVEYING AND DRAWING INSTRUMENTS	2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2008-09, 2009-10, 2010-11, 2011-12, 2013-2014-15, 2015-16, 2016-	
NON-CONVENTIONAL ENERGY		2000-01, 2001-
PHOTOGRAPHIC RAW FILM AND PAPER		2000-01, 2001-02, 2005-06, 2009-10, 2011-12, 2012-13, 2013-14, 2015-16, 2016-
PORTS		2000-01, 2006-07, 2011-12, 2012-13, 2015-16, 2016-
PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)		2000-01, 2001-02, 2002-03, 2003-
PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)		2000-01, 2001-02, 2003-
RAILWAY RELATED COMPONENTS		2000-01, 2001-
RETAIL TRADING		2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-
SCIENTIFIC INSTRUMENTS		2007-08, 2009-
SOAPS, COSMETICS & TOILET PREPARATIONS		2000-01, 2001-02, 2002-03, 2003-
SUGAR		2000-01, 2001-02, 2003-
TEA AND COFFEE (PROCESSING & WAREHOUSING COFFEE & RUBBER)		2002-
TIMBER PRODUCTS		2000-01, 2006-
VEGETABLE OILS AND VANASPATHI		2000-01, 2001-02, 2002-

Tableau Dashboard

Foreign Direct Investments in India Analysis (2000-17)

Total Inflow in INR (Crores)

₹17,734,737.44

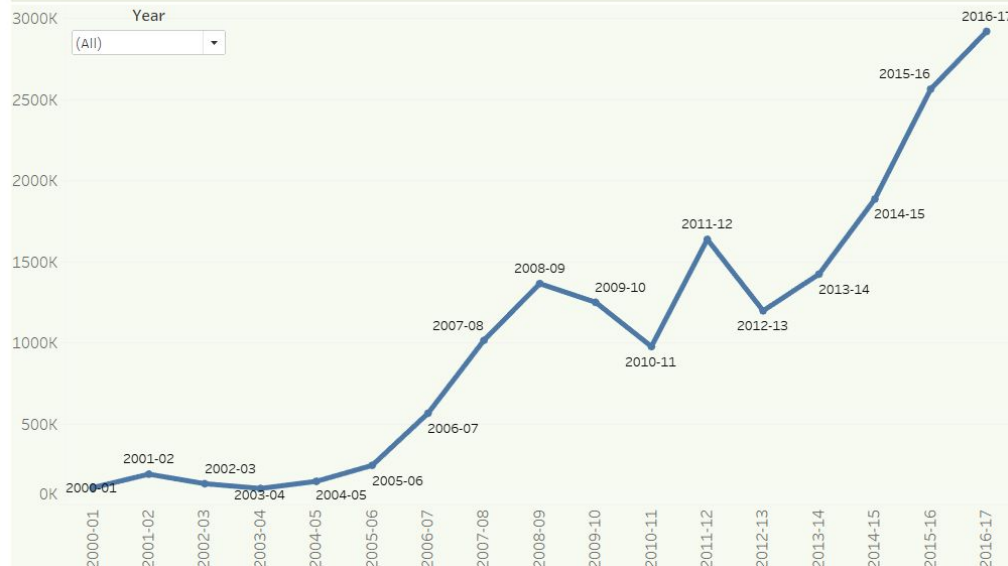
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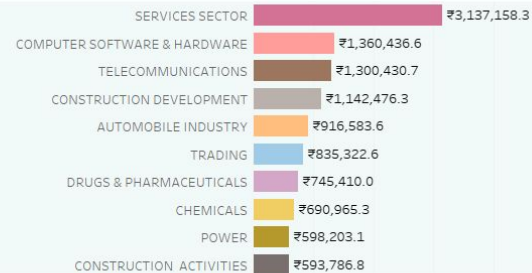
Number of Sectors

63

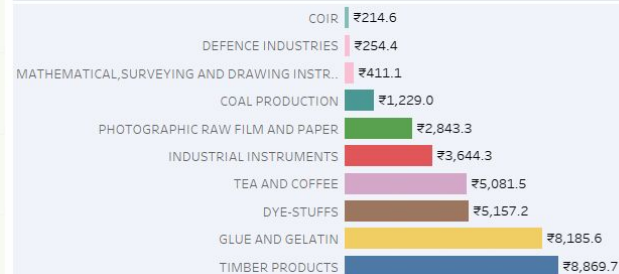
Trend of FDI in India in INR (Crores)



Top 10 sector-wise FDI in India in INR



Lowest 10 sector-wise FDI in India in INR



Conclusion and Insights

- The inflow of Foreign Direct Investments was distributed across 63 sectors.
- The Service Sector was the leading contributor to FDI during this period.
- The COIR sector was the least contributor to FDI.
- Over the years, the number of sectors with no investment has reduced.
- There has been an overall upward trend in the country's Foreign Direct Investment over the years.
- There have been numerous cases of no investments for different sectors.

Recommendations:

- Evaluate the least contributing sectors to identify potential improvements or policy changes that could enhance their FDI contribution.
- Provide incentives to investors to encourage their interest in and investment in these underperforming sectors.

GitHub Link for the Jupyter Notebook and Tableau Dashboard

[GitHub Link](#)

THANK YOU!

Prepared by: Vedansh Chauhan