

FDI into India grows by a moderate 3% in 2017-18

According to the statistics released by the Department of Industrial Policy & Promotion, Government of India, the country received USD 44,857 million in foreign equity inflows during the last fiscal, April 2017 – March 2018, as compared to USD 43,478 million in 2016-17, registering a growth of about 3%.

Cumulative Foreign Direct Investment (FDI) inflows received during the post liberalization period i.e. 1991-2018, amounted to USD 391,455 million. From the year 2000 up to 2002, investments into India grew 65%. However, they declined during the subsequent two years from 2002 to 2004. From 2004 to 2006, India once again experienced increasing investments, growing 47% in 2004-05 and 72% in 2005-06 respectively. The year 2006-07 was an exceptional year with a 125% growth in FDI inflows. The subsequent year was again very good, where investment inflows gained 97%, followed by an increase of close to 28% during 2008-09. During the year of the financial crisis, 2009-10, FDI suffered a setback with inflows declining by about 18% over the previous year. During 2010-11, the decline in FDI continued with a 17% drop to USD 21,383 million. However, in the 2011-12 fiscal, investments once again surged to USD 35,121 posting a growth of 64%. In the year 2012-13, FDI inflows into the subcontinent amounted to USD 22,423 million, registering a decline of 36%. In 2013-14, despite the difficult economic situation, the country received USD 24,299 million posting an increase of 8%. FDI into India grew by an impressive 27% during the financial year 2014-15. India's pro-growth business policies contributed to making this possible and in 2015-16, year, FDI grew by 29%, amounting to USD 40,001 million. In 2016-17, FDI in India grew by 9% and in 2017-18, continued its modest growth to increase by about 3%, from USD 43,478 million to USD 44,857 million.

Financial Year (April-March)	Amount	% Change over Previous Year
August 1991- March 2000	14,485	
2000-2001	2463	
2001-2002	4065	+65
2002-2003	2705	-33
2003-2004	2188	-19
2004-2005	3219	+47
2005-2006	5540	+72
2006-2007	12,492	+125
2007-2008	24,575	+97
2008-2009	31,396	+28
2009-2010	25,834	-18
2010-2011	21,383	-17
2011-2012	35,121	+64
2012-2013	22,423	-36
2013-2014	24,299	+8
2014-2015	30,931	+27
2015-2016	40,001	+29
2016-2017	43,478	+9
2017-2018	44,857	+3
Total since liberalization	391,455	

Figures include only equity inflows without 'Re-invested earnings' and 'Other Capital'.

Source: Department of Industrial Policy & Promotion, Govt. of India

Country-wise Foreign Direct Investment cumulative inflows since 2000 (Table 2)

With the biggest chunk of equity inflows into India since liberalization (33.85%), Mauritius remains the top investing country for India, during the period from April 2000 to March 2018. Investments from the country amounted to USD 127,578 million during this period.

Singapore has been the second largest investor for India, from April 2000 to March 2018, with investments totaling USD 66,771 million, and a share of 17.72% of total investment inflows. Japan (third with USD 27,286 million and 7.24% of total inflows), United Kingdom (fourth with USD 25,438 million and 6.75% of total inflows), Netherlands (fifth with USD 23,482 million and 6.23% of total inflows), USA (sixth with USD 22,417 million and 5.95% of total inflows), **Germany (seventh with USD 10,845 million and 2.88% of total inflows)**, Cyprus (eighth with USD 9573 million and 2.54% of total inflows), France (ninth with USD 6237 million and 1.66% of total inflows) and UAE (tenth with USD 5754 million and 1.53% of total inflows), all maintained the same positions as compared to the last fiscal, in terms of being the top ten countries investing in India.

The top five investing countries accounted for 71.79% of total investments into India from April 2000 – March 2018, while the top ten accounted for nearly 86.35% of total foreign investment inflows into India, during this period.

Germany, which was the seventh largest investor for India, with investments amounting to USD 10,845 million, had a percentage share of 2.88, of the total investment inflows into India, since April 2000.

Rank	Country	FDI Inflows April 2000 – March 2018 (in USD million)	% Share of Total Inflows
1	Mauritius	127,578	33.85
2	Singapore	66,771	17.72
3	Japan	27,286	7.24
4	United Kingdom	25,438	6.75
5	Netherlands	23,482	6.23
6	USA	22,417	5.95
7	Germany	10,845	2.88
8	Cyprus	9573	2.54
9	France	6237	1.66
10	UAE	5754	1.53
	Others	51,467	13.66
	Total	376848	100

Source: Department of Industrial Policy & Promotion, Govt. of India

Country-wise Foreign Direct Investment inflows in FY 2017-18 (Table 3)

Mauritius, which ranked first in the last fiscal as the top investing country in India, retained its position with an FDI of USD 15,941 million in 2017-18, an increase of 1.35%, over the previous year.

Singapore, the second most important investor country in 2017-18, retained its position and showed a significant increase of 39.82% in investments in India, touching USD 12,180 million and a share of 27.15% of total inflows.

Netherlands and USA, both moved one position up from the previous fiscal and in 2017-18, Netherlands was the third (USD 2800 million and 6.24% of total

Rank (w.r.t. Inflows in April 2017–March 2018)	Country	2015–2016 (Apr.–Mar.)	2016–2017 (Apr.–Mar.)	2017–2018 (Apr.–Mar.)	% Change over Previous Year	Share of FDI Inflows in 2017–2018 (%)
1	Mauritius	8355	15,728	15,941	+1.35	35.54
2	Singapore	13,692	8711	12,180	+39.82	27.15
5	Japan	2614	4709	1610	-65.81	3.59
8	United Kingdom	898	1483	847	-42.89	1.89
3	Netherlands	2643	3367	2800	-16.84	6.24
4	USA	4192	2379	2095	-11.94	4.67
6	Germany	986	1069	1146	+7.2	2.55
10	Cyprus	508	604	417	-30.96	0.93
9	France	598	614	511	-16.78	1.14
7	UAE	985	675	1050	+55.56	2.34
	Others	4530	4139	6260	+51.24	13.96
	Total	40,001	43,478	44,857	+3.17	100

Source: Department of Industrial Policy & Promotion, Govt. of India

inflows) and USA was the fourth (USD 2095 million and 4.67% of total inflows) biggest investing country in India. Japan, on the other hand, moved down two spots and was the fifth (USD 1610 million and 3.59% of total inflows) among the top ten investing countries in India, in 2017–18.

Germany moved one position up and was the sixth (USD 1146 million and 2.55% of total inflows) most important investing country in India in 2017–18, followed by UAE, which also moved up one position and was seventh (USD 1050 million and 2.34% of total inflows) and United Kingdom, which moved down two positions to be the eighth (USD 847 million and 1.89% of total inflows) biggest investing country in India in 2017–18.

France and Cyprus retained their positions as compared to the previous fiscal and were the ninth (USD 511 million and 1.14% of total inflows) and tenth (USD 417 million and 0.93% of total inflows) biggest investing countries in India in 2017–18, respectively.

Top ten sectors attracting highest FDI equity inflows (Table 4)

Since the year 2000, the Services sector (including financial and non-financial services) has been the biggest foreign investment earner (USD 66,185 million) for India, accounting for a share of 18% of the total inflows. Computer software and hardware has retained its position as the second most important sector, with foreign investment inflows amounting to USD 30,823 million and an 8% share in the total inflows from April 2000 to March 2018. Telecommunications and Construction development which includes townships, housing, built-up infrastructure, interchanged their positions as compared to the previous fiscal. In 2017–18, Telecommunications was the third most important sector with investments to the tune of USD 30,158 million and a share of 8% of the total inflows. Construction development was fourth with investments worth USD 24,833 million and a 7% share of the total inflows from April 2000 to March 2018. In the fifth and sixth position were Automobile Industry and Trading with investments amounting to USD 18,763 million (5% share of total FDI from April 2000–March 2018) and USD 18,559 million (5% share of total FDI from April 2000–March 2018) respectively. Drugs and pharmaceuticals was seventh (USD 15,717 million and 4% share of total FDI from April 2000–March 2018) and Chemicals (other than Fertilizers) was eighth (USD 14,601 million and 4% share of total FDI from April 2000–March 2018). Trading and Drugs and pharmaceuticals interchanged their positions, while Chemicals and Power retained their positions as compared to the previous fiscal. Power sector was the ninth most important sector attracting FDI inflows, with USD 13,210 million and 4% share of the total inflows from April 2000–March 2018. Infrastructure activities was a new entrant to the list and was tenth with an investment of USD 12,547 million and 3% share of the total investment inflows, from April 2000–March 2018.

During the fiscal 2017–18, the Services sector (including financial and non-financial services) once again was the top category with investments to the tune of USD 6709 million with a decline of 22.74% over the previous year. Telecommunications (second with USD 6212 million and 11.65% growth) and Computer software and hardware (third with USD 6153 million and 68.48% growth) retained their positions, in 2017–18. The Trading sector retained its fourth position with investments of

Rank (w.r.t. Inflows from April '00 – March '18)	Sector	April '15–March '16	April '16–March '17	April '17–March '18	Rank April '17–March '18	% Change over Previous Year	Cumulative Inflows April '00 – March '18	Cumulative Inflows as % of Total Inflows
1	*Services sector	6889	8684	6709	1	-22.74	66,185	18
2	Computer software and hardware	5904	3652	6153	3	+68.48	30,823	8
3	Telecommunications: Radio paging, Cellular mobile, Basic telephone services	1324	5564	6212	2	+11.65	30,158	8
4	Construction development: Townships, Housing, Built-up infrastructure	113	105	540	10	+414.29	24,833	7
5	Automobile industry	2527	1609	2090	6	+29.89	18,763	5
6	Trading	3845	2338	4348	4	+85.97	18,559	5
7	Drugs and pharmaceuticals	754	857	1010	9	+17.85	15,717	4
8	Chemicals (other than fertilizers)	1470	1393	1308	8	-6.10	14,601	4
9	Power	869	1113	1621	7	+45.64	13,210	4
10	Construction (Infrastructure) activities	4511	1861	2730	5	+46.70	12,547	3

NOTE: FDI sectoral data has been revalidated in line with that of the RBI, which reflects minor changes in the FDI figures (increase/decrease) as compared to the earlier published sectoral data. *Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Technical Testing and Analysis

Source: Department of Industrial Policy & Promotion, Govt. of India

USD 4348 million and a significant growth of 85.97%. Infrastructure activities was a new entrant to the list and was fifth, with an investment of USD 2730 million and growth of 46.7% in 2017-18. The Automobile industry sector moved down one position again, and was sixth on the list with investments of USD 2090 million and a growth 29.89%. In 2017-18, Power (USD 1621 million and 45.64% growth) moved up one position to be the seventh most important sector for investments and Chemicals (other than Fertilizers) moved down one position to be eighth (USD 1308 million and a decline of 6.10%) on the list. In 2017-18, Drugs and Pharmaceuticals sector was ninth on the list with investments of USD 1010 million and a 17.85% increase over the foreign investments in this sector in the previous fiscal and Construction Development sector was tenth, with investments of USD 540 million and a stupendous growth of 414.29% as compared to the previous fiscal.

Top ten regions of India attracting foreign investments (Table 5)

From April 2000-March 2018, Maharashtra including Dadra Et Nagar Haveli, Daman Et Diu attracted maximum foreign direct investments (USD 115,706 million) accounting for 30.69% of all investment inflows into India since then. It is thus the number one location for foreign investments. Delhi region including Uttar Pradesh and Haryana is the second most preferred location for investments, with investments of USD 75,693 million and 20.08% share of total inflows since April 2000. The third and fourth positions were occupied by Karnataka (USD 30,949 million with 8.21% of total cumulative inflows) and Tamil Nadu including Pondicherry (USD 27,235 million with 7.22% of total cumulative inflows) respectively, who interchanged their positions as compared to the previous fiscal. Gujarat ranked fifth with investments of USD 18,743 million and a 4.97% share.

In the 2017-18 fiscal, Maharashtra, Dadra Et Nagar Haveli, Daman Et Diu emerged as the top most popular region for foreign investments, though

it saw a decline in the investment amount. In 2017-18, it garnered foreign investments worth USD 13,423 million, with a decline of 31.7% compared to the previous fiscal. Karnataka, with a significant growth of 302.2% in foreign investments in 2017-18, garnered investments worth USD 8575 million. Delhi, Uttar Pradesh and Haryana moved down one position to come third on the list, with investments worth USD 7656 million and a growth of 30.12% compared to the previous fiscal. Tamil Nadu and Pondicherry retained its fourth position, with an investment of USD 3475 million, a growth of 56.67% over the previous fiscal. Gujarat moved down two positions to be fifth on the list with foreign investments of USD 2091 million and a 37.9% decrease in 2017-18. With investments to the tune of USD 1246 million and a decrease of 43.23% over the previous fiscal, Andhra Pradesh moved down one position to emerge as the sixth most popular destination for foreign investment in 2017-18. A new addition to the list of top ten regions attracting foreign investment in 2017-18, Kolkata, at the seventh position, garnered investments worth USD 218 million, which was a significant increase of 336%, compared to the previous fiscal. Kerala, Lakshadweep moved down one position to be the eighth most preferred investment destination with an investment of USD 208 million and a decline of 54.19% over the previous fiscal. Rajasthan too, moved down one position and was ninth, with investment of USD 117 million and a 29.09% decline in investments, in 2017-18. Experiencing a surge in investments, Chandigarh, Punjab, Haryana, Himachal Pradesh, was a new entrant to the top ten, at the tenth position, with investments of USD 108 million in 2017-18, an increase of 1700% as compared to the previous fiscal. In spite of not being among the top ten regions attracting foreign investments, Uttar Pradesh and Uttaranchal saw an increase of 1025% in foreign investments and Orissa saw an increase of 441.67% in foreign investments, in 2017-18. The top ten regions accounted for 82.75% of total investments worth USD 44,857 million in 2017-18 and the top five accounted for 78.52%.

Table 5 Top fifteen regions in India attracting foreign investments
(in USD million)

Rank Apr.'00 -Mar.'18	RBI's Regional Office	States Covered	Apr.'15-Mar.'16	Apr.'16-Mar.'17	Apr.'17-Mar.'18	% Change over Previous Year	Rank Apr.'17-Mar.'18	Cumulative Inflows Apr.'00 - Mar.'17	Cumulative Inflows as % of Total Inflows
1	Mumbai	Maharashtra, Dadra Et Nagar Haveli, Daman Et Diu	9511	19,654	13,423	-31.7	1	115,706	30.69
2	New Delhi	Delhi, part of Uttar Pradesh and Haryana	12,743	5884	7656	+30.12	3	75,693	20.08
3	Bengaluru	Karnataka	4121	2132	8575	+302.2	2	30,949	8.21
4	Chennai	Tamil Nadu, Pondicherry	4528	2218	3475	+56.67	4	27,235	7.22
5	Ahmedabad	Gujarat	2244	3367	2091	-37.90	5	18,743	4.97
6	Hyderabad	Andhra Pradesh	1556	2195	1246	-43.23	6	15,012	3.98
7	Kolkata	West Bengal, Sikkim, Andaman Et Nicobar Islands	955	50	218	+336	7	4203	1.11
8	Kochi	Kerala, Lakshadweep	90	454	208	-54.19	8	1963	0.52
9	Jaipur	Rajasthan	50	165	117	-29.09	9	1597	0.42
10	Chandigarh	Chandigarh, Punjab, Haryana, Himachal Pradesh	27	6	108	+1700	10	1472	0.39
11	Bhopal	Madhya Pradesh, Chhattisgarh	80	76	28	-63.16	14	1400	0.37
12	Panaji	Goa	18	83	43	-48.19	13	967	0.26
13	Kanpur	Uttar Pradesh, Uttaranchal	80	8	90	+1025	11	660	0.18
14	Bhubaneswar	Orissa	6	12	65	+441.67	12	481	0.13
15	Patna	Bihar, Jharkhand	43	10	10	0	15	113	0.03
	Others*		3949	7164	7504	+4.75		80,775	21.43
	Total		40,001	43,478	44,857	+3.17		376,969	100

*Others include Guwahati (Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura), Jammu (Jammu Et Kashmir), and other regions not indicated

Source: Department of Industrial Policy & Promotion, Govt. of India

Table 6

Statement on sector-wise FDI equity inflows from April 2000 to March 2018

Sr. No.	Sector	FDI Inflows (in USD million)	% Of Total Inflows
1	*Services Sector	66,185.07	17.56
2	Computer Software and Hardware	30,822.68	8.18
3	Telecommunications	30,157.88	8.00
4	Construction Development: Townships, Housing, Built-Up Infrastructure and Construction-Development Projects	1.34	0.04
5	Automobile Industry	24,832.65	6.59
6	Trading	18,763.43	4.98
7	Drugs and Pharmaceuticals	18,558.99	4.92
8	Chemicals (other than Fertilizers)	15,716.85	4.17
9	Power	14,600.99	3.87
10	Construction (Infrastructure) Activities	13,210.13	3.51
11	Hotel and Tourism	12,547.16	3.33
12	Metallurgical Industries	11,275.43	2.99
13	Food Processing Industries	10,702.29	2.84
14	Information and Broadcasting (including Print Media)	8447.81	2.24
15	Electrical Equipment	7132.37	1.89
16	Petroleum and Natural Gas	7056.14	1.87
17	Non-Conventional Energy	6880.35	1.83
18	Cement and Gypsum Products	6385.97	1.69
19	Hospital and Diagnostic Centres	5258.66	1.40
20	Industrial Machinery	5047.58	1.34
21	Consultancy Services	4856.69	1.29
22	Sea Transport	4377.39	1.16
23	Miscellaneous Mechanical and Engineering Industries	3764.05	1.00
24	Textiles (including Dyed, Printed)	3419.76	0.91
25	Rubber Goods	2925.87	0.78
26	Fermentation Industries	2739.22	0.73
27	Mining	2526.30	0.67
28	Agriculture Services	2308.26	0.61
29	Electronics	2030.93	0.54
30	Prime Mover (other than Electrical Generators)	1916.87	0.51
31	Education	1897.22	0.50
32	Medical and Surgical Appliances	1701.95	0.45
33	Air Transport (including Air Freight)	1664.07	0.44
34	Ports	1642.97	0.44
35	Paper and Pulp (including Paper Products)	1637.30	0.43
36	Soaps, Cosmetics and Toilet Preparations	1362.60	0.36
37	Retail Trading	1212.34	0.32
38	Diamond, Gold Ornaments	1128.99	0.30
39	Machine Tools	907.02	0.24
40	Railway- related Components	897.09	0.24
41	Printing Of Books (including Litho-Printing Industry)	863.05	0.23
42	Ceramics	810.24	0.22
43	Vegetable Oils and Vanaspati	782.63	0.21
44	Glass	622.38	0.17
45	Fertilizers	592.37	0.16
46	Agricultural Machinery	466.38	0.12
47	Earth-Moving Machinery	418.57	0.11
48	Commercial, Office and Household Equipment	374.44	0.10
49	Boilers and Steam Generating Plants	263.28	0.07

Table 6 Contd.

Statement on sector-wise FDI equity inflows from April 2000 to March 2018

Sr. No.	Sector	FDI Inflows (in USD million)	% Of Total Inflows
50	Scientific Instruments	260.46	0.07
51	Sugar	212.34	0.06
52	Leather, Leather Goods and Pickers	189.21	0.05
53	Timber Products	167.60	0.04
54	Glue and Gelatin	132.15	0.04
55	Tea and Coffee (Processing and Warehousing Coffee and Rubber)	131.24	0.03
56	Dye-Stuffs	88.40	0.02
57	Industrial Instruments	78.41	0.02
58	Photographic Raw Film and Paper	67.29	0.02
59	Coal Production	27.73	0.01
60	Mathematical, Surveying and Drawing Instruments	7.98	0.00
61	Defence Industries	5.13	0.00
62	Coir	4.07	0.00
63	Miscellaneous Industries	10,442.19	2.77
	Sub Total	376,847.81	
64	RBI's- NRI Schemes (2000-2002)	121.33	
	Grand Total	376,969.14	

NOTE:

i) *Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Tech. Testing Analysis

ii) FDI inflows data re-classified, as per segregation of data from April 2000 onwards

iii) Percentage of inflows worked out in terms of USD and the above amount of inflows received through FIPB/SIA route RBI's automatic route and acquisition of existing shares only

iv) FDI Sectoral data has been revalidated / reconciled in line with the RBI, which reflects minor changes in the FDI figures (increase/decrease) as compared to the earlier published sectoral data

Source: Department of Industrial Policy Et Promotion, Govt. of India