

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 214**

TO BE ANSWERED ON TUESDAY, DECEMBER 05, 2023

FDI equity inflow to India

214. Shri Deepender Singh Hooda:

Will the Minister of Finance be pleased to state:

- (a) the sector-wise details of FDI equity inflow to India during the past five years;
- (b) whether there has been a considerable decline in FDI inflows from April-September 2021 to April-September 2023, if so, the reasons therefor;
- (c) the details of steps taken by Government;
- (d) whether Government is aware that service sector receives the highest FDI share; and
- (e) if so, whether Government has plans to increase FDI in the manufacturing sector in the country, if so, the details thereof?

ANSWER

MINISTER OF STATE (FINANCE)
(SHRI PANKAJ CHAUDHARY)

- (a) The sector-wise details of Foreign Direct Investment (FDI) equity inflow to India for the past five financial years are at Annexure-I.
- (b) Details of the total FDI inflow and FDI equity inflow reported from April to September, 2021 to April to September, 2023 are as under:

S.No.	Period	FDI Inflow (in US\$ billion)	FDI Equity Inflow (in US\$ billion)
1	April-September 2021	42.52	31.15
2	April-September, 2022	39.37	26.91
3	April-September, 2023	33.12	20.49

Source: Reserve Bank of India

The FDI inflow into a country depends on a host of factors such as availability of natural resources, macro-economic stability, investment decision of foreign investors, global investment climate and central bank interest rates. FDI inflow have also been impacted by threat of global recession, economic crisis due to Russia-Ukraine conflict, global protectionist measures and decline of real GDP growth rates of Singapore, USA and UK which are the major source countries for FDI.

- (c) To attract more FDI, Government has put in place an investor friendly FDI policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. Further, the policy on FDI is reviewed on an ongoing basis, to ensure that India remains an attractive and investor friendly destination. FDI policy provisions have been progressively liberalized and simplified across various sectors. In the recent past, reforms in the FDI Policy have been undertaken in sectors such as Defence, Insurance, Petroleum & Natural Gas and Telecom.
- (d) Service Sector (Financial, Banking, Insurance, Non-Financial/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other) is among the top 5 sectors to receive FDI equity Inflow. The financial year-wise & sector-wise detail which includes the sector namely 'Service Sector' for the last five years (April 2018–March 2023) is placed at Annexure I.
- (e) The Government has inked provisions in FDI Policy with respect to manufacturing sector quoted below;

"5.2.5.1 Subject to the provisions of the FDI policy, foreign investment in 'manufacturing' sector is under automatic route. Manufacturing activities may be either self-manufacturing by the investee entity or contract manufacturing in India through a legally tenable contract, whether on Principal to Principal or Principal to Agent basis. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval."

**FINANCIAL YEAR-WISE & SECTOR-WISE FDI EQUITY INFLOW
FROM APRIL 2018 TO MARCH 2023**

(Amount in USD million)

SI No	Sector	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative FDI equity inflow
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	COMPUTER SOFTWARE & HARDWARE	6,415.21	7,673.32	26,144.69	14,461.35	9,394.22	64,088.79
2	SERVICES SECTOR (Fin., Banking, Insurance, Non Fin/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other)	9,146.14	7,852.95	5,060.22	7,131.44	8,706.93	37,897.68
3	TRADING	4,462.13	4,573.82	2,608.22	4,537.59	4,792.28	20,974.04
4	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	2,258.00	2,041.72	7,874.54	3,247.51	1,703.40	17,125.17
5	AUTOMOBILE INDUSTRY	2,623.22	2,824.03	1,637.44	6,993.55	1,902.21	15,980.45
6	TELECOMMUNICATIONS	2,667.91	4,445.16	392.11	668.14	712.95	8,886.27
7	NON-CONVENTIONAL ENERGY	1,446.16	1,393.39	797.21	1,600.93	2,499.99	7,737.68
8	EDUCATION	776.73	766.15	1,250.37	3,228.68	1,443.24	7,465.17
9	CHEMICALS (OTHER THAN FERTILIZERS)	1,980.99	1,057.51	847.07	965.78	1,850.01	6,701.36
10	METALLURGICAL INDUSTRIES	598.84	2,100.65	1,340.47	2,272.35	218.59	6,530.90
11	DRUGS & PHARMACEUTICALS	265.97	517.79	1,490.49	1,414.24	2,058.42	5,746.91
12	HOTEL & TOURISM	1,075.75	2,937.79	368.96	729.08	328.04	5,439.62
13	ELECTRICAL EQUIPMENTS	976.5	572.01	1,411.95	683.7	909.11	4,553.27
14	CONSULTANCY SERVICES	410.61	1,046.80	938.44	1,150.40	605.43	4,151.68
15	HOSPITAL & DIAGNOSTIC CENTRES	1,044.61	634.73	501.16	697.5	809.6	3,687.60
16	FOOD PROCESSING INDUSTRIES	628.24	904.7	393.41	709.71	895.84	3,531.90
17	POWER	1,105.64	672.16	373.63	525.66	697.92	3,375.01
18	RETAIL TRADING	442.83	471.84	1,338.07	497.13	506.71	3,256.58
19	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	1,252.36	823.4	313.89	152.27	465.61	3,007.53
20	MISCELLANEOUS INDUSTRIES	454.04	839	767.52	492.91	409.94	2,963.41

SI No	Sector	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative FDI equity inflow
21	ELECTRONICS	451.88	422.37	375.31	417	539.98	2,206.54
22	AIR TRANSPORT (INCLUDING AIR FREIGHT)	190.64	918.3	204.1	584.83	215.73	2,113.60
23	FERMENTATION INDUSTRIES	149.49	313.67	84.77	869.52	307.22	1,724.67
24	SEA TRANSPORT	279.25	198.58	294.2	393.81	529.8	1,695.64
25	INDUSTRIAL MACHINERY	338.18	424.63	253.33	320.66	260.88	1,597.68
26	CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	213.15	616.54	422.09	124.99	146.62	1,523.39
27	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	549.8	374.3	81.21	316.95	76.37	1,398.63
28	TEXTILES (INCLUDING DYED, PRINTED)	198.14	323.52	298.67	247.75	154.72	1,222.80
29	AGRICULTURAL MACHINERY	5.78	102.31	142.59	268.73	742.06	1,261.47
30	PETROLEUM & NATURAL GAS	149.26	805.76	102.77	56.41	107.55	1,221.75
31	MEDICAL AND SURGICAL APPLIANCES	156.72	308.71	68.91	208.05	397.2	1,139.59
32	MINING	224.16	199.23	168.77	344.61	167.15	1,103.92
33	SOAPS, COSMETICS & TOILET PREPARATIONS	154.09	99.05	103.53	548.89	111.57	1,017.13
34	AGRICULTURE SERVICES	88.96	52.28	117.14	258.47	450.7	967.55
35	MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES	162.67	54.36	64.1	411.17	103.58	795.88
36	RUBBER GOODS	184.07	81.21	265.94	70.73	160.17	762.12
37	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	244.92	85.35	279.97	25.08	115.26	750.58
38	GLASS	35.38	23.97	42.36	588.22	58.07	748.00
39	RAILWAY RELATED COMPONENTS	72.19	138.32	119.64	1.26	2.83	334.24
40	PAPER AND PULP (INCLUDING PAPER PRODUCTS)	38	49.96	22.42	158.48	27.23	296.09
41	VEGETABLE OILS AND VANASPATI	116.22	79.97	44.97	5.85	15.74	262.75
42	CEMENT AND GYPSUM PRODUCTS	17.61	5.1	3.78	204.41	1.89	232.79
43	EARTH-MOVING MACHINERY	34.16	14.08	39.39	60.6	33.2	181.43
44	MACHINE TOOLS	44.93	28.83	20.91	31.23	42.95	168.85
45	CERAMICS	58.09	2.77	20.61	1.34	83.24	166.05

SI No	Sector	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative FDI equity inflow
46	FERTILIZERS	86.73	9.12	17.89	6.07	9.34	129.15
48	SCIENTIFIC INSTRUMENTS	3.15	23.23	9.42	7.57	70.33	113.70
47	DIAMOND, GOLD ORNAMENTS	29.15	18.87	13.83	22.22	25.5	109.57
49	TEA AND COFFEE (PROCESSING & WAREHOUSING COFFEE & RUBBER)	13.64	6.88	8.65	3.09	71.22	103.48
50	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	11.78	2.65	47.25	17.24	20.07	98.99
51	TIMBER PRODUCTS	7.75	12.62	5.89	20.45	22.24	68.95
52	LEATHER, LEATHER GOODS AND PICKERS	4.52	12.6	8.89	7.15	33.11	66.27
53	SUGAR	1.1	0.46	24.94	0.55	6.05	33.10
54	GLUE AND GELATIN	13.29	2.76	0.74	4.56	9.6	30.95
55	DYE-STUFFS	1.52	5.14	4.44	2.94	1.15	15.19
56	INDUSTRIAL INSTRUMENTS	1.62	8.32	0.7	0.11	0	10.75
57	DEFENCE INDUSTRIES	2.18	2.2	0.63	2.36	3.27	10.64
58	BOILERS AND STEAM GENERATING PLANTS	0.01	0.08	0.9	0	0	0.99
	Grand Total	44,366.03	49,977.05	59,635.54	58,773.27	46,034.05	2,58,785.94
