

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO. 872
ANSWERED ON 03.12.2024

Net FDI inflow

872. **Shri Shaktisinh Gohil:**
Smt. Ranjeet Ranjan:

Will the Minister of **Finance** be pleased to state:

- (a) country-wise and sector-wise details of net Foreign Direct Investment (FDI) inflows over the past five years;
- (b) whether the Government has assessed the impact of new tax regulations on FDI inflows;
- (c) if so, the details thereof and if not, the reasons therefor; and
- (d) the measures Government is taking to further simplify tax compliance for startups and foreign investors to foster a more conducive investment environment?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) : The net Foreign Direct Investment (FDI) inflows during last five years is given in table below, however, data on country-wise and sector-wise net FDI inflows is not maintained.

Year	Net FDI (US\$ billion)
2019-20	43.0
2020-21	44.0
2021-22	38.6
2022-23	28.0
2023-24	10.1

Source: RBI.

(b) to (d): FDI inflows into a country depend on a host of factors such as availability of natural resources, macro-economic stability, investment decision of foreign investors, global investment climate, central bank interest rates and tax regulations among others. To promote FDI, the government has put in place an investor friendly policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. Further, to simplify tax compliance for startups and foreign investors, the Income Tax Act, 1961 has been amended in 2024 to abolish angel tax and to reduce income tax rate chargeable on income of a foreign company.
