

48% growth in FDI equity inflows after MAKE in India

1. The growth in FDI has been significant after the launch of Make in India initiatives in September 2014, with 48 percent increase in FDI equity inflows during October 2014 to April 2015 over the corresponding period last year. In 2014-15, country witnessed unprecedented growth of 717 percent, to US \$ 40.92 billion of Investment by Foreign Institutional Investors (FIIs). The FDI inflow under the approval route saw a growth of 87% during 2014-15 with inflow of US\$ 2.22 billion despite more sectors having been liberalized during this period and with more than 90 percent of FDI being on automatic route. These indicators showcases remarkable pace of approval being accorded by the government and confidence of investors in the resurgent India.
2. The increased inflow of Foreign Direct Investment (FDI) in India especially in a climate of contracting worldwide investments indicates the faith that overseas investors have imposed in the country's economy and the reforms initiated by the Government towards ease of doing business. The Make in India initiatives of the Government and its outreach to all investors have made a positive investment climate for India which is evidenced in the results for the last financial year especially the second half.
3. The FDI inflow during the financial year 2014-15 was spread across the sectors evidencing the fact of positive eco-system of investment opportunities which India is now providing- Services Sector (US\$ 3.2 billion), Telecommunication (US\$2.8 billion), Trading (US\$ 2.7 billion), Automobile Industry (US\$ 2.5 billion), Computer Software & Hardware (US\$ 2.2 billion), Drugs & Pharmaceuticals (US\$1.5 billion) and Construction (Infra) activities (US\$ 0.75 billion).
4. Government amended the FDI policy to further enable a positive investment climate and sync it with the vision and focus areas of the present Government such as affordable housing, smart cities, financial inclusion and reforms in railway infrastructure. The Construction Development Sector was allowed easy exit norms with rationalized area restrictions and due emphasis on affordable housing. The FDI cap in insurance and pension sector has been raised to 49 per cent. 100 per cent FDI has been allowed in railway infrastructure (excluding operations) and also in the medical devices sector. Further the definition of NRI was expanded to include OCI cardholders as well as PIO cardholders. NRIs investment under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment made by residents, thereby giving flexibility to NRIs to invest in India.
5. The Foreign Policy Magazine in its present analysis on a vast number of parameters has rated India as the No.1 destination in the world. Frost & Sullivan, a US based agency has on number of indicators selected the Make in India initiative as the best initiative to drive manufacturing.
6. India stands committed to have a FDI policy and regime which is investor friendly and also promotes investment leading to increased manufacturing, job creation and overall economic growth of the country.
