

# DIP IN FDI GROWTH

FDI inflow growth takes a hit after robust growth in the first two years of the current regime.  
By RAMESH CHAKRAPANI

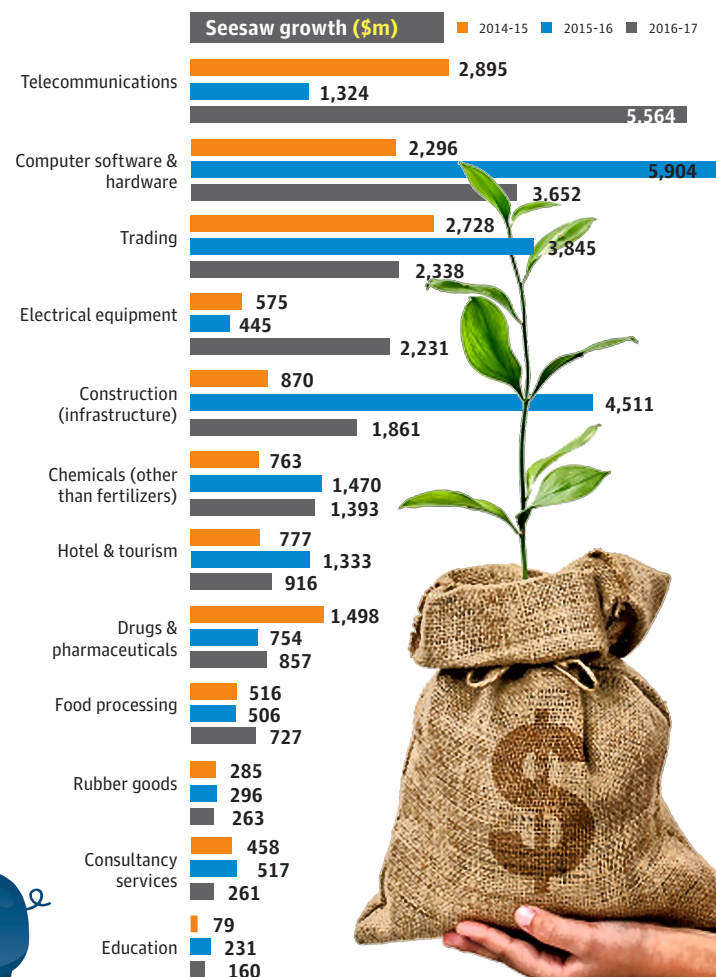
Foreign direct investment (FDI) in the country hit an all-time high of \$43,478.27 million in the 2016-17 fiscal year, growing 8.7 per cent from the previous year, according to statistics from the government portal, [www.data.gov.in](http://www.data.gov.in).

However, the growth was a steep fall from the 29.3 per cent (2015-16) and 27.3 per cent (2014-15) achieved in the first two years of the current dispensation at the Centre.

The top FDI magnets that attracted investment of \$1 billion and above in the year gone by were the services sector (including finance, banking and insurance), which saw the top inflow of \$8,684.07 million, followed by telecommunications (\$5,563.69 million), computer software & hardware (\$3,651.71 million), trading (\$2,338.40 million) and electrical equipment (\$2,230.69 million).

A cursory look at the numbers for the past three years shows that inflows have been steadily rising in services, metallurgical industries, information and broadcasting, power, non-conventional energy and hospitals and diagnostic centres, while there has been a downward trend in investment in sectors such as mining, automobiles, industrial machinery, fertilizers and construction development.

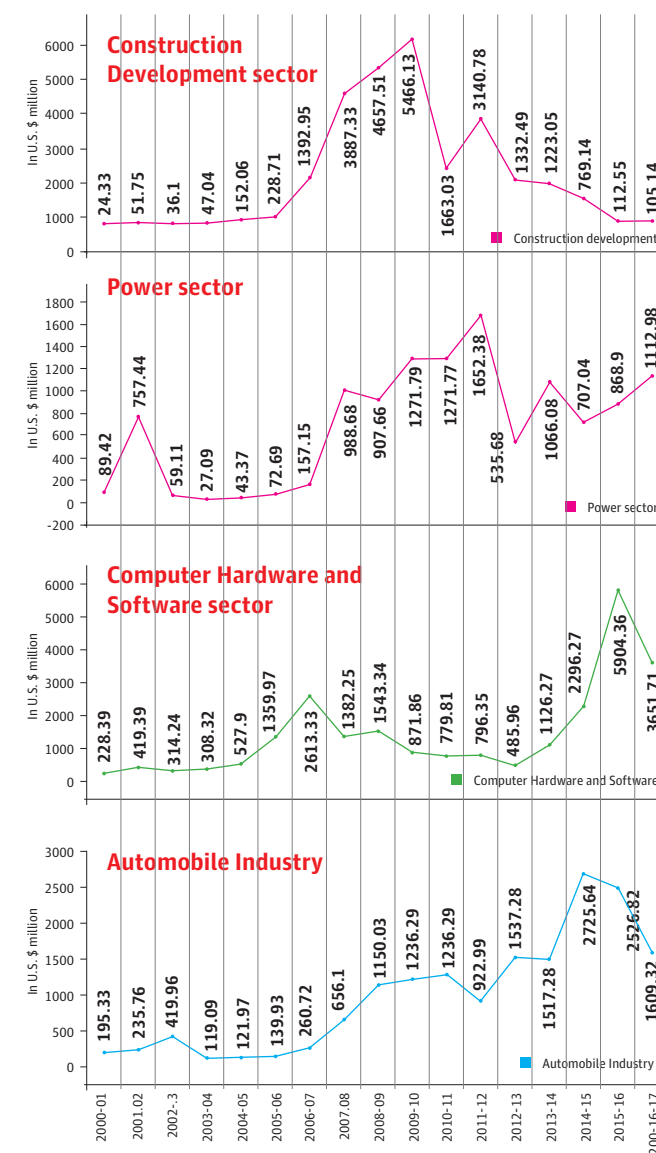
There has been seesaw growth in sectors such as telecommunications, computer software and hardware, trading, hotels and tourism, drugs and pharmaceuticals and food processing.



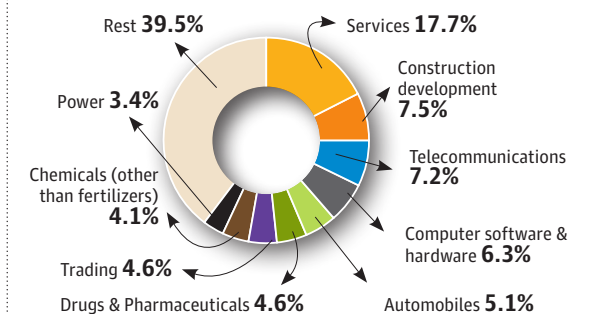
Growing sectors (\$m)			
Sector	2014-15	2015-16	2016-17
Grand total	30,930.5	40,000.98	43,478.27
Services sector	4,443.26	6,889.46	8,684.07
Metallurgical industries	359.34	456.31	1,440.18
I&B (including print media)	254.96	1,009.34	1,516.68
Power	707.04	868.8	1,112.98
Non-conventional energy	615.95	776.51	783.57
Hospital & diagnostic centres	567.85	742.35	747.38
Sea transport	333.22	429.3	735.06
Textiles (including dyed and printed)	197.42	230.13	618.95
Medical and surgical appliances	145.93	173.26	479.71
Retail trading	168.72	262.24	450.94

SOURCE: WWW.DATA.GOV.IN

## FDI Equity inflows 2000-01 to 2016-17

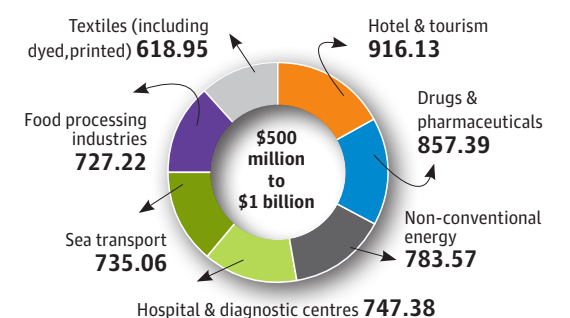
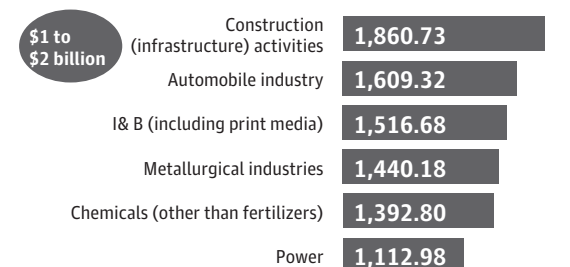
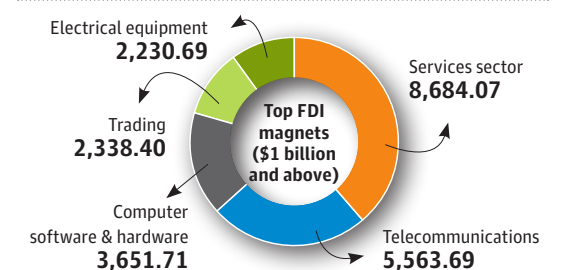


## Key contributors to FDI inflows in past decade (%)



## FDI inflow in 2016-17 (\$m)

Total inflow in all sectors **43,478.27**



Falling sectors (\$m)			
Sector	2014-15	2015-16	2016-17
Mining	684.39	520.67	55.75
Automobiles	2725.64	2526.82	1609.32
Industrial machinery	716.79	568.26	329.3
Fertilizers	225.32	20.93	0.89
Construction development*	769.14	112.55	105.14
Miscellaneous industries	765.88	668.77	296.4

SOURCE: WWW.DATA.GOV.IN