

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

RAJYA SABHA

**UNSTARRED QUESTION NO. 1647.
TO BE ANSWERED ON FRIDAY, THE 13TH FEBRUARY, 2026.**

FDI INFLOWS TO INDIA

1647. SHRI SAKET GOKHALE:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) the year-wise Foreign Direct Investment (FDI) equity inflows in USD from 2020 to 2025;
- (b) the primary reasons for FDI falling to a five-year low in the manufacturing sector;
- (c) the list of top five sectors that saw a contraction in foreign investment during 2025; and
- (d) the steps taken to address the "regulatory uncertainty" cited by global investors as a deterrent?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a): The financial year-wise data of FDI equity inflow reported from FY 2019-20 to FY 2024-2025 is at **Annexure-I**.
- (b): FDI equity inflows in the manufacturing sector have increased from USD 17.12 billion in FY 2019-20 to USD 19.04 billion in FY 2024-25 registering a growth of 11.23%.
- (c): FDI inflows has grown from USD 71.30 billion in FY 2023-24 to USD 80.62 billion in F.Y 2024-25 marking an increase of 13%. Further, FDI Data by sectors fluctuate year to year basis as FDI inflows are private business decisions and depend on a host of domestic and global factors such as global geopolitical developments, monetary and macroeconomic conditions in investor countries, and at the domestic country level, on the availability of natural resources, market size, infrastructure, and the general investment climate.
- (d): The Government reviews the FDI policies on an ongoing basis and makes changes from time to time, to ensure that India remains an attractive & investor-friendly destination. The Government of India is continuously engaged in removing regulatory barriers, streamlining processes, developing infrastructure, bettering logistics and improving the business environment through its various initiatives at the central government and in collaboration with the state governments. Various reforms have been undertaken across multiple sectors to liberalise FDI norms which has strengthened investor sentiment. For instance, between 2014 and 2019, FDI caps in the Defence, Insurance, and Pension sectors, and liberalising policies for Construction, Civil Aviation, and Single Brand Retail Trading have been increased. From 2019 to 2024, notable measures included allowing 100% FDI under the automatic route in coal mining, contract manufacturing, and insurance intermediaries.

The Government of India released Business Reforms Action Plan (BRAP) 2024 rankings and Logistics Ease Across Different States (LEADS) 2024 report to inter-alia communicate to potential investors examples of positive business ecosystem as well as logistics performance undertaken by various States and UTs. The Regulatory Compliance Burden (RCB) initiative has resulted in over 42,000 compliance reductions, under 670 acts nationwide. Through the Jan Vishwas (Amendment of Provisions) Act, 2023, the Government has decriminalised 183 provisions across 42 Central Acts from 19 Ministries/Departments.

The Government also provides an enabling environment for industrial development through policy interventions and initiatives such as Make in India, Start-up India, PM GatiShakti, National Industrial Corridor Programme, PLI schemes, Indian Footwear and Leather Development Programme, National Single Window System (NSWS), India Industrial Land Bank and Project Monitoring Group (PMG).

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. The GST reforms were also carried out in September 2025. These reforms streamline tax structures, reduce rates, promote entrepreneurship, job creation and affordable living.

Further, a simplified GST structure with reduced rates across key sectors such as leather, footwear, paper, textiles, handicrafts, toys, packaging, and logistics is expected to support existing businesses, encourage startups, and ease compliance for traders. By lowering GST slabs to 5% on several goods and rationalising rates in transport and allied sectors, the reforms aim to reduce costs for consumers, ease compliance for traders and enhance competitiveness for Indian businesses.

The Government aims for attracting FDI inflows by leveraging the Free Trade Agreements (FTAs). Government has signed sixteen (16) Free Trade Agreements (FTAs) and six (06) Preferential Trade Agreements (PTAs). The Government has also recently concluded FTA negotiations with the European Union.

ANNEXURE-I

**ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE RAJYA SABHA
UNSTARRED QUESTION NO. 1647 FOR ANSWER ON 13.02.2026.**

**STATEMENT ON FINANCIAL YEAR WISE FDI EQUITY INFLOW FROM F.Y
2019-20 TO F.Y 2024-25**

Sr. No.	Financial Year	FDI Equity Inflow (In USD Million)
1	2	3
1	2019-20	49,977.05
2	2020-21	59,635.54
3	2021-22	58,773.27
4	2022-23	46,034.05
5	2023-24	44,423.35
6	2024-25	50,017.90

Note-Total FDI inflow includes equity inflow, equity capital of unincorporated bodies, re-invested earnings, and other capital. Sector/State/Country-wise details are maintained only for equity component of FDI inflow.
