

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 558**

**TO BE ANSWERED ON MONDAY, JULY 24, 2023**

**FDI EQUITY INFLOW**

**558. SHRI T.N. PRATHAPAN:  
DR. A. CHELLAKUMAR:  
SHRI K. MURALEEDHARAN:  
SHRI VINCENT H. PALA:  
SHRI KUMBAKUDI SUDHAKARAN:  
ADV. ADOOR PRAKASH:**

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

- (a) the sector-wise details of FDI equity inflow to India during the last five years;**
- (b) whether there has been a 14 per cent decline in Foreign Direct Investment (FDI) inflows from April-September 2021 to April-September 2022, from \$31.15 billion to \$26.91 billion and if so, the reasons therefor;**
- (c) the steps taken or likely to be taken by the Government to attract foreign investment in major industrial sectors, especially in renewable energy;**
- (d) whether the Government has taken note that the service sector receives the highest FDI share; and**
- (e) if so, whether the Government has any plan to increase FDI in the manufacturing sector in the country and if so, the details thereof?**

**ANSWER**

**MINISTER OF STATE (FINANCE)  
(SHRI PANKAJ CHAUDHARY)**

- (a) The sector-wise details of FDI equity inflow to India during the last five years are at Annexure I.**
- (b) Details of the FDI inflow and FDI equity inflow reported during the period April to September, 2021 and April to September, 2022 is as under:**

<b>(Amount in USD billion)</b>			
<b>S. No.</b>	<b>Period</b>	<b>FDI Inflow</b>	<b>FDI Equity Inflow</b>
<b>1</b>	April- September, 2021	42.52	31.15
<b>2</b>	April- September, 2022	39.37	26.91
	Growth	- 7%	- 14%

Source: DPIIT, MoC&I

The Foreign Direct Investment 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. 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. There is no specific entry with respect to renewable energy sector in the extant FDI Policy. However, FDI is permitted up to 100% on the automatic route in sectors such as renewable energy, subject to applicable laws/rules/regulations; security and other conditionalities.
- (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 II.
- (e) The Government has inked provisions in FDI Policy with respect to manufacturing 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.”

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SECTOR-WISE FDI EQUITY INFLOW							
FROM April 2018 TO March 2023							
Sr.No.	Sector	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative FDI Equity Inflow
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	AGRICULTURAL MACHINERY	5.78	102.31	142.59	268.73	742.06	1,261.48
2	AGRICULTURE SERVICES	88.96	52.28	117.14	258.47	450.7	967.56
3	AIR TRANSPORT (INCLUDING AIR FREIGHT)	190.64	918.3	204.1	584.83	215.73	2,113.59
4	AUTOMOBILE INDUSTRY	2,623.22	2,824.03	1,637.44	6,993.55	1,902.21	15,980.45
5	BOILERS AND STEAM GENERATING PLANTS	0.01	0.08	0.9	-	-	0.99
6	CEMENT AND GYPSUM PRODUCTS	17.61	5.1	3.78	204.41	1.89	232.8
7	CERAMICS	58.09	2.77	20.61	1.34	83.24	166.05
8	CHEMICALS (OTHER THAN FERTILIZERS)	1,980.99	1,057.51	847.07	965.78	1,850.01	6,701.36
9	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	11.78	2.65	47.25	17.24	20.07	99
10	COMPUTER SOFTWARE & HARDWARE	6,415.21	7,673.32	26,144.69	14,461.35	9,394.22	64,088.79
11	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	2,258.00	2,041.72	7,874.54	3,247.51	1,703.40	17,125.17
12	CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	213.15	616.54	422.09	124.99	146.62	1,523.39
13	CONSULTANCY SERVICES	410.61	1,046.80	938.44	1,150.40	605.43	4,151.69
14	DEFENCE INDUSTRIES	2.18	2.2	0.63	2.36	3.27	10.66
15	DIAMOND, GOLD ORNAMENTS	29.15	18.87	13.83	22.22	25.5	109.56
16	DRUGS & PHARMACEUTICALS	265.97	517.79	1,490.49	1,414.24	2,058.42	5,746.91
17	DYE-STUFFS	1.52	5.14	4.44	2.94	1.15	15.2
18	EARTH-MOVING MACHINERY	34.16	14.08	39.39	60.6	33.2	181.42
19	EDUCATION	776.73	766.15	1,250.37	3,228.68	1,443.24	7,465.16
20	ELECTRICAL EQUIPMENTS	976.5	572.01	1,411.95	683.7	909.11	4,553.26
21	ELECTRONICS	451.88	422.37	375.31	417	539.98	2,206.54

22	FERMENTATION INDUSTRIES	149.49	313.67	84.77	869.52	307.22	1,724.67
23	FERTILIZERS	86.73	9.12	17.89	6.07	9.34	129.15
24	FOOD PROCESSING INDUSTRIES	628.24	904.7	393.41	709.71	895.84	3,531.90
25	GLASS	35.38	23.97	42.36	588.22	58.07	748
26	GLUE AND GELATIN	13.29	2.76	0.74	4.56	9.6	30.95
27	HOSPITAL & DIAGNOSTIC CENTRES	1,044.61	634.73	501.16	697.5	809.6	3,687.61
28	HOTEL & TOURISM	1,075.75	2,937.79	368.96	729.08	328.04	5,439.61
29	INDUSTRIAL INSTRUMENTS	1.62	8.32	0.7	0.11	-	10.75
30	INDUSTRIAL MACHINERY	338.18	424.63	253.33	320.66	260.88	1,597.68
31	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	1,252.36	823.4	313.89	152.27	465.61	3,007.54
32	LEATHER, LEATHER GOODS AND PICKERS	4.52	12.6	8.89	7.15	33.11	66.27
33	MACHINE TOOLS	44.93	28.83	20.91	31.23	42.95	168.85
34	MEDICAL AND SURGICAL APPLIANCES	156.72	308.71	68.91	208.05	397.2	1,139.59
35	METALLURGICAL INDUSTRIES	598.84	2,100.65	1,340.47	2,272.35	218.59	6,530.90
36	MINING	224.16	199.23	168.77	344.61	167.15	1,103.91
37	MISCELLANEOUS INDUSTRIES	454.04	839	767.52	492.91	409.94	2,963.40
38	MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES	162.67	54.36	64.1	411.17	103.58	795.89
39	NON-CONVENTIONAL ENERGY	1,446.16	1,393.39	797.21	1,600.93	2,499.99	7,737.67
40	PAPER AND PULP (INCLUDING PAPER PRODUCTS)	38	49.96	22.42	158.48	27.23	296.08
41	PETROLEUM & NATURAL GAS	149.26	805.76	102.77	56.41	107.55	1,221.75
42	POWER	1,105.64	672.16	373.63	525.66	697.92	3,375.01
43	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	244.92	85.35	279.97	25.08	115.26	750.57
44	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	549.8	374.3	81.21	316.95	76.37	1,398.63
45	RAILWAY RELATED COMPONENTS	72.19	138.32	119.64	1.26	2.83	334.24
46	RETAIL TRADING	442.83	471.84	1,338.07	497.13	506.71	3,256.58
47	RUBBER GOODS	184.07	81.21	265.94	70.73	160.17	762.12
48	SCIENTIFIC INSTRUMENTS	3.15	23.23	9.42	7.57	70.33	113.7

49	SEA TRANSPORT	279.25	198.58	294.2	393.81	529.8	1,695.65
50	SERVICES SECTOR (Financial., Banking, Insurance, Non Financial/ 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
51	SOAPS, COSMETICS & TOILET PREPARATIONS	154.09	99.05	103.53	548.89	111.57	1,017.13
52	SUGAR	1.1	0.46	24.94	0.55	6.05	33.1
53	TEA AND COFFEE (PROCESSING & WAREHOUSING COFFEE & RUBBER)	13.64	6.88	8.65	3.09	71.22	103.48
54	TELECOMMUNICATIONS	2,667.91	4,445.16	392.11	668.14	712.95	8,886.27
55	TEXTILES (INCLUDING DYED,PRINTED)	198.14	323.52	298.67	247.75	154.72	1,222.80
56	TIMBER PRODUCTS	7.75	12.62	5.89	20.45	22.24	68.94
57	TRADING	4,462.13	4,573.82	2,608.22	4,537.59	4,792.28	20,974.05
58	VEGETABLE OILS AND VANASPATI	116.22	79.97	44.97	5.85	15.74	262.75
	Total:	44,366.03	49,977.05	59,635.54	58,773.27	46,034.05	2,58,785.94

\*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.

FINANCIAL YEAR WISE FDI EQUITY INFLOW							
FROM April 2018 TO March 2023							
Sr.No.	Sector	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative FDI Equity Inflow
1	2	3	4	5	6	7	8
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 (Financial, Banking, Insurance, Non-Financial/ 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	20,974.05
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	7,737.67
8	EDUCATION	776.73	766.15	1,250.37	3,228.68	1,443.24	7,465.16
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	5,439.61
13	ELECTRICAL EQUIPMENTS	976.50	572.01	1,411.95	683.70	909.11	4,553.26
14	CONSULTANCY SERVICES	410.61	1,046.80	938.44	1,150.40	605.43	4,151.69
15	HOSPITAL & DIAGNOSTIC CENTRES	1,044.61	634.73	501.16	697.50	809.60	3,687.61
16	FOOD PROCESSING INDUSTRIES	628.24	904.70	393.41	709.71	895.84	3,531.90
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19	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	1,252.36	823.40	313.89	152.27	465.61	3,007.54
20	MISCELLANEOUS INDUSTRIES	454.04	839.00	767.52	492.91	409.94	2,963.40
21	ELECTRONICS	451.88	422.37	375.31	417.00	539.98	2,206.54
22	AIR TRANSPORT (INCLUDING AIR FREIGHT)	190.64	918.30	204.10	584.83	215.73	2,113.59
23	FERMENTATION INDUSTRIES	149.49	313.67	84.77	869.52	307.22	1,724.67

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31	MEDICAL AND SURGICAL APPLIANCES	156.72	308.71	68.91	208.05	397.20	1,139.59
32	MINING	224.16	199.23	168.77	344.61	167.15	1,103.91
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50	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	11.78	2.65	47.25	17.24	20.07	99.00
51	TIMBER PRODUCTS	7.75	12.62	5.89	20.45	22.24	68.94
52	LEATHER, LEATHER GOODS AND PICKERS	4.52	12.60	8.89	7.15	33.11	66.27
53	SUGAR	1.10	0.46	24.94	0.55	6.05	33.10
54	GLUE AND GELATIN	13.29	2.76	0.74	4.56	9.60	30.95
55	DYE-STUFFS	1.52	5.14	4.44	2.94	1.15	15.20
56	INDUSTRIAL INSTRUMENTS	1.62	8.32	0.70	0.11	-	10.75
57	DEFENCE INDUSTRIES	2.18	2.20	0.63	2.36	3.27	10.66
58	BOILERS AND STEAM GENERATING PLANTS	0.01	0.08	0.90	-	-	0.99
	Total:	44,366.03	49,977.05	59,635.54	58,773.27	46,034.05	2,58,785.94

\*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.