

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 2588
TO BE ANSWERED ON MONDAY, MARCH 17, 2025

Investment Destination

2588. Shri Prabhakar Reddy Vemireddy:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that the country has become the 5th most attractive investment destination in the world as per PwC;
- (b) if so, the details thereof;
- (c) the manner in which the Government is planning to consolidate this position looking at earlier slippages from 4th in 2020 to 5th in 2022 and 9th in 2023;
- (d) the details of policy interventions and administrative measures to take this rank further; and
- (e) the extent to which the additional capital expenditure and domestic demand is helpful in this regard?

ANSWER

MINISTER OF STATE (FINANCE)
(SHRI PANKAJ CHAUDHARY)

- (a) to (d) Yes Sir, as per PwC 27th Annual Global CEO Survey, India has become the 5th most attractive investment destination in the world. However, private institutions, rating agencies and other global bodies publish their own in-house research on Indian Economy from time to time, which are based on specific assumptions, often differing from one another and do not represent the view of the Government of India. Government has taken various steps to boost domestic and foreign investment in India. Make in India, Start-up India, PM GatiShakti, National Industrial Corridor Programme, Production Linked Incentive (PLI) Scheme, promoting Ease of Doing Business (EoDB) and reducing compliance

burden, National Single Window System (NSWS), India Industrial Land Bank, Project Monitoring Group (PMG), liberalization of FDI policy are some of the major initiatives undertaken by Government to boost industrial activity and thus investments into the country. 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. More than 90% of the FDI inflow is received under the automatic route. India continues to open up its economy to global investors by raising FDI limits, removing regulatory barriers, developing infrastructure and improving business environment. For instance, the Union Budget 2025 announced for the further increase of FDI sectoral cap for the insurance sector from 74% to 100%. The Government always strives to attract more FDI by removing regulatory barriers, streamlining processes, developing infrastructure, bettering logistics and improving the business environment by enhancing the Ease of Doing Business (EoDB).

(e) Capital expenditure and strong domestic demand significantly enhance investment attractiveness of a country. Among others, infrastructure spending reduces business costs and improves productivity, which helps in attracting more investments. In this regard as per Budget 2025 the total capital expenditure is estimated at INR 10.18 lakh crore in RE 2024-25 as against INR 9.49 lakh crore in actuals of FY 2023-24. Further multiple initiatives have been taken to boost domestic demand including taxation measures, thereby boosting domestic consumption, savings and investments.
