

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO. 2628

TO BE ANSWERED ON MONDAY, THE 9TH MARCH, 2026

Decline in Net Foreign Direct Investment Inflows

2628. Shri Abhishek Banerjee:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note that net Foreign Direct Investment (FDI) as a percentage of GDP has declined in recent years despite high reported GDP growth, if so, the details thereof;
- (b) the details of net FDI inflows as a percentage of GDP during the last five years, year-wise; and
- (c) whether the Government has conducted any comparative assessment of India's FDI performance vis-à-vis peer economies in Asia, if so, the details thereof?

ANSWER

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

(a) to (c): Foreign Direct Investment (FDI) is considered as a major source of non-debt financial resource for economic growth. Gross FDI flows into India have grown consistently over the last more than a decade. FDI infuses long term sustainable capital in the economy and contributes towards technology transfer, development of strategic sectors, greater innovation, competition and employment creation amongst other benefits. Gross FDI inflows have increased from over USD 34 billion in 2012-13 to over USD 80 billion in 2024-25. Total FDI inflow reported during the first half of FY 2025-26 (USD 50.36 billion) has increased by 16% compared to year ago period (USD 43.37 billion). It is the highest ever for 1st half of a Financial Year.

The recent trend in net FDI inflows is associated with increased repatriation/disinvestment and rising Overseas Direct Investment (ODI) outflows. The ODI outflow on account of liberalized ODI rules notified in 2022 is helping Indian entities to enhance their business footprints abroad enabling them to compete in the global market, adding to the strength of Indian economy in long run. The increasing trend of repatriation indicates that India is not only attracting foreign capital but also delivering strong returns, which enhances its reputation as a reliable investment destination. Net FDI inflows as a percentage of GDP is appended below:

Financial Year	Net FDI as % of GDP
2020-21	1.64
2021-22	1.22
2022-23	0.86
2023-24	0.29
2024-25	0.03

Source: Reserve Bank of India

As per the World Investment Report 2025 of UNCTAD, global FDI inflows declined by 11% in 2024 compared to 2023. Asia remained the top recipient region, despite an overall decline of 3% and 29% drop in flows to China. However, FDI inflows into India experienced a small decline of 2% during the same period.
