"Global Growth and Sustainability: The Impact of Foreign Direct Investment on India's Service Sector"

P. Nandeeswara Rao

nandeeswara.rao@jainuniversity.ac.in

Socrates Shahrour

s.socrates@jainuniversity.ac.in

Riya Das

Jain University

Bangalore

riyadasriya206@gmail.com

Abstract

This study highlights the vital role that foreign direct investment (FDI) plays in economic growth and sustainability by analysing its effects on India's service sector from 2006 to 2024. As the greatest contributor to GDP, the service industry has drawn significant foreign direct investment, particularly in the areas of computer, financial, and communication services. Using secondary data from the World Bank and the Reserve Bank of India, the research applies advanced econometric techniques—including non-linear GDP squared terms and interaction effects of imports and exports—to analyse the influence of key macroeconomic factors on FDI inflows. The results show that GDP and FDI have a U-shaped relationship, with the effects of investment growing stronger as the economy develops. While inflation has no discernible effect, trade openness greatly encourages foreign direct investment. 84% of the variation in FDI can be explained by the robust econometric model (adjusted R2 = 0.84). A dramatic drop in FDI beyond 2020 highlights the need for robust policy frameworks and vulnerabilities. According to the study, foreign direct investment (FDI) is a key factor in the service sector's sustained expansion in India. It suggests measures to strengthen sectoral inclusion, guarantee regulatory uniformity, and facilitate trade to maintain and improve this. These tactics, which complement the conference's subject of global growth and sustainability, are crucial to preserving India's appeal to international investors and advancing sustainable development.

Keywords: *Foreign Direct Investment, Service Sector. Indian Economy, Economic Growth, Sustainability.*

Introduction

The international economic order has been radically transformed in the past few decades, with a deepening of globalization, liberalization, and technological progress rewriting the script on the movement of capital across borders. At the core of this change is Foreign Direct Investment (FDI) — a potent tool for economic growth, structural change, and global economic integration. FDI is not the transfer of funds; rather, it is accompanied by the transfer of technology, innovation, management capabilities, market access to the world, and jobs creation. In developing economies, FDI is mostly touted as a vital column for sustainable development. Among these economies, India is a major recipient and beneficiary of FDI, especially since the period of post-liberalization that commenced in 1991.

The Indian economy, characterized as a mix of traditional and contemporary sectors, has gone from strength to strength in the last three decades. A crucial element of this transition has been its service industry — a broad term for a variety of industries such as telecommunication, information technology (IT) and IT-enabled services (ITeS), financial services, insurance, education, healthcare, tourism, logistics, retail, and real estate. The industry has witnessed record expansion and today is the single largest contributor of the Indian Gross Domestic Product (GDP), contributing over 50% of the country's economic output. It further contributes significantly to foreign exchange earnings and employment generation, particularly in urban areas.

The development path of the Indian service sector has been inextricably associated with the growing inflow of FDI. With its cheap skilled workforce, growing digital infrastructure, and huge domestic market, India is now a destination for foreign investors in services. Since the early 2000s, the nation has experienced steady FDI inflows into major service segments — specifically telecommunications, banking and finance, information technology, and real estate. These developments have been triggered by forward-looking reforms initiated by the Government of India, such as the opening of FDI policies in different service sectors, streamlining of the approval process through the automatic route, and adoption of investor-friendlier programs like Digital India, Startup India, and Make in India, and Smart Cities Mission.

India's position in the World Bank's Ease of Doing Business ranking improved impressively in the last decade, again reflecting the nation's focus on building a foreign investment-friendly environment. The government's initiative also involved easing sectorial limits, allowing 100% FDI in several services under the auto route, and streamlining processes via digitization and e-governance portals. Interestingly, services have attracted the maximum amount of FDI inflows into India over several consecutive years, ahead of manufacturing and primary sectors. These investments have helped in the up gradation of infrastructure, modernization in service delivery, and a more globally competitive services sector.

Despite the increase in FDI and its seeming complementarity to national development objectives, there is still much controversy around the real effect of FDI on macroeconomic performance, especially in the service sector. While there are some authors and policymakers on both sides who claim that FDI has conclusively contributed to economic growth, employment generation, and technological progress, others raise issues regarding unbalanced development, preponderance of a handful of urban agglomerations, crowding out of local firms, and weak linkages with the rest of the economy. The scholarly literature offers mixed empirical evidence, often varying according to the country, industry, time frame, and methodological approach employed.

Further complicating matters is the heterogeneous composition of the service sector itself, consisting of both capital-intensive, high-productivity subsectors (e.g., finance, IT, telecommunications) and low-productivity labour-intensive ones (e.g., education, personal services, retail). Hence, the macroeconomic effects of FDI are bound to differ widely across service subsectors, rendering blanket conclusions challenging. Furthermore, policy reforms and regulatory quality differ across sectors, impacting the productivity and effectiveness of FDI in each sector.

Another significant element that needs more scrutiny is the interplay between FDI and other macroeconomic variables. FDI, for example, can be driven by and drive trade patterns, including imports and exports. Inward FDI tends to trigger increased imports of capital goods, intermediate goods, and technology, particularly during the initial period of investment. In the long run, though, these flows can generate greater productivity and competitiveness and thus boost exports. Equally, the FDI-GDP relationship may not be linear, as the payoff from FDI may see diminishing returns at higher incomes, or non-linear turning points based on absorptive capacity. In addition, inflation and exchange rate stability are also important determinants in influencing FDI flows and their impact on the economy.

The modern global setting has added new factors to the FDI mix. The COVID-19 pandemic, for instance, severely impacted world supply chains, trade, and investment flows. Though the decline in FDI was experienced by some nations, India recorded a historic surge in FDI inflows during pandemic years, especially in digital services and e-commerce. The pandemic showed the strength of India's services sector in going digital, making it even more appealing to foreign investors. Yet these positives were not spread evenly across service subsectors, and whether the long-term sustainability of FDI-driven growth in services is guaranteed is unclear.

Current geopolitical events — including the decoupling of supply chains, rising protectionist attitudes, and new regional trade accords — are also reconfiguring the strategic choices of multinational companies. In this new landscape, India has a chance to rebalance itself as the top global services hub. Yet to do so successfully, it needs to comprehend the macroeconomic linkage between FDI in services and macroeconomic outcomes, underpinned by strong empirical research.

The question is particularly important for policymakers, economists, investors, and other interested parties who seek to maximize the gains from FDI. Having an awareness of such intricate interlinkages can enable the formulation of more effective policies, the selection of high-impact subsectors, and the maximization of employment generation, innovation, digital penetration, and regional balance among the long-term objectives for which FDI may contribute besides short-term growth. The research also adds value to scholarly work with the provision of a targeted, data-driven, and methodologically stringent examination of the role of FDI in determining the service sector-driven growth trajectory of India.
In summary, though the flow of FDI into India's services sector is immense in its potential, the actualization of such potential necessitates a more in-depth, evidence-driven comprehension of its macroeconomic implications. This paper seeks to address this void by studying systematically the multifaceted influence of FDI on the Indian economy through the service sector, with the aid of cutting-edge quantitative tools and with insights being both theoretically sound and policy oriented.

Research Objective

To study how Foreign Direct Investment (FDI) in the service sector affects the Indian Economy

To study the contribution of FDI towards various sectors under Service Sector.

The current research seeks to examine empirically how major macroeconomic indicators influence Foreign Direct Investment (FDI) flows to the Indian service industry. For this purpose, a quantitative research design has been utilized, based on secondary data and econometric analysis using regression analysis.

Literature Review

Kukaj & Ahmeti (2016); Devajit (2012); Liu (2008); Sauli (2017); Bosworth & Collins (2008); Tidd & Bessant (2018) designed a study entitled "Impact of Foreign Direct Investment on Indian Economy – Service Sector" to examine how FDI contributes to the growth of the Indian service sector by initiating technology transfer, employment generation, infrastructure development, and overall economic growth. These studies also analyze the pros and cons of FDI. The research methodology used included the research uses theoretical analyses, secondary data examination, and case studies of India's service industries such as banking and IT. The research relies on economic data including GDP, FDI inflows, and employment rates.

Areej Aftab Siddiqui and Shahid Ahmed undertook a study called "Foreign Direct Investment: Its Impact on Sectorial Development of Indian Economy" to evaluate the contribution of Foreign Direct Investment (FDI) towards growth in various sectors of the Indian economy and analyze the reverse causality—how sectorial growth affects FDI inflows. The emphasis is placed on whether FDI fuels output growth in industries such as services, telecom, chemicals, metallurgy, pharmaceuticals, automobiles, and tourism.

T. Vasanthi and S. Aarthi carried out research named "Impact of Foreign Direct Investment on Indian Economy" for analyzing how Foreign Direct Investment (FDI) serves as an engine of economic development in India by encouraging domestic investment, enhancing human capital formation, facilitating technology transfer, and improving employment generation and foreign trade. The results indicate that the study finds that FDI is a significant driver of India's GDP growth, foreign exchange reserves, and employment. Industry areas like technology, automobile, and infrastructure have been the biggest beneficiaries. The article recognizes that while India's policy reforms have ushered in FDI, more relaxation of rules and stable policies are needed in efforts to sustain flows and to ensure that foreign investment aids inclusive economic development rather than corporate bottom lines.
Arthi Pentkar and Dr. P. Raj Mohan have carried out a study called "A Study on Role of Foreign Direct Investment on Indian Economic Growth with Special Reference to Service Sector" to discuss the contribution of Foreign Direct Investment (FDI) to the economic development of India focusing on the service sector. It examines the interrelationships of FDI with key economic metrics such as GDP, exports, and imports, and identifies the determinants of the FDI inflows.

Areej Aftab Siddiqui, Shahid Ahmed undertook a study entitled "Impact of Foreign Direct Investment on Sectorial Growth of Indian Economy" with an objective to analyse The study is to analyse the effects of Foreign Direct Investment (FDI) on sectorial growth (measured by gross output) of Indian economy and vice versa in the key sectors such as services, telecom, chemical, metallurgy, pharmaceuticals, automobiles, and tourism between 2001 and 2014. The results identify that Sectorial growth has a positive but relatively weak impact on FDI inflow. FDI, however, does not have a strong impact on sectorial growth in the Indian economy. Exports, human capital, and institutional quality exert a larger and important impact on growth and FDI. Diversifying efforts of FDI attraction from the service sector towards sustainable and balanced economic growth is advised by the study.

Dr. Ahmad Khalid Khan, Dr. Syed Mohammad Faisal, Dr. Syed Mohammad Akmal carried out a study named "Foreign Direct Investment (Influx) from Various Countries and Its Impact on Economic Development in India: A Detailed Study in Service Sector" to explore the trend and impact of Foreign Direct Investment (FDI) inflow in India's services sector and its contribution towards overall economic growth. It aims to understand the cause of FDI by multinational corporations and evaluate the impact of FDI on economic growth, technological transfer, employment creation, and foreign trade.

Gonopodia Dinesh, Dinesh Kumar Choudhury, Tarun Khandelwal carried out research entitled "Analysis of Foreign Direct Investment in Indian Services Sector" to determinants of FDI in the service sector of India and examine the long-run relationship between FDI and some important macroeconomic variables such as GDP, exchange rate, infrastructure expenditure, inflation, and stock market performance. The research uncovers that GDP growth, infrastructure spending, and performance of the stock market all have a positive relation with FDI flows, while inflation and exchange rate volatility negatively impact FDI. It establishes that strong macroeconomic fundamentals and increased spending on infrastructure are behind attracting higher flows of FDI into India's services sector.

Kharat Rahul Sadashiva carried out research "Foreign Direct Investment Dynamics and Economic Growth in the Case of India" to analyse the role of Foreign Direct Investment (FDI) towards India's economic growth with specific reference to its contribution to GDP growth, employment generation, technology transfer, and infrastructure development. It aims to examine how FDI contributes to structural change and inclusive development in India. The results show that FDI has contributed significantly towards the development of India's GDP, the creation of jobs, technological improvement, and the development of infrastructure.

Dr. Jasbir Singh, Ms. Sumita Chadha, Dr. Anupama Sharma conducted a study entitled "Role of Foreign Direct Investment in India: An Analytical Study" to analyse the role of Foreign Direct Investment (FDI) in bridging gaps between savings and investments in India. It has attempted to evaluate trends in Foreign Direct Investment (FDI) and Foreign Institutional Investments (FIIs) and the impact on the quality, product availability, and overall economic development during the post-reform period.

Rajesh Kumar had carried out a study entitled "Foreign Direct Investment in Indian Service Sector: A Study of Post Liberalization" to analyse FDI flows in the Indian service sector between 1991 and 2010 and analyse the relationship between the growth of the service sector and the economic development of India. It seeks to determine the way that FDI has influenced the production, productivity, and employment of the post-liberalization era.

Dr. P. Selvamani has carried out a study called "Foreign Direct Investment in Indian Service Sector" to investigate the FDI inflows of India's service sector, examine the benefits and the economic impacts of FDI, and identify significant determinants influencing the FDI flows into India.

Dr. Shikha Singh (2019) carried out research named "Foreign Direct Investment (FDI) Inflows in India: A Review" to analyse trends, sectorial trends, and policy changes in FDI inflows in India from 2000-2018, and assess the positive spillover effect of FDI on the economy. The research methodology used was Sectorial analysis using secondary data; trend analysis of FDI inflow; policy change and sectorial effect analysis. The results identify that India turned into a top FDI destination post-2014 due to the correct policies.

Dr. S.M. Tariq Zafar, Prof. Waleed Hmedat, Syed Ashfaq Ahmed (2017) have carried out a study named "An Analytical Study on Foreign Direct Investment (FDI) and its Relative Impact on Indian Economy" to explore To analyse the effect of FDI policy changes (2015-16) on India's economic growth and sectorial development. The research method used was Analysis of sector-wise and overall FDI trends from 2011 to 2016, descriptive interpretation of trends and policy effects. It is shown by the findings that FDI inflow rose with liberalized policies and reforms, boosting economic integration, sectorial expansion, infrastructure, and employment. The availability of resources, skilled labour, and policy framework of India maintained its appeal for FDI N.

Prasanna (2010) carried out a study called "Foreign Direct Investment and Export Performance in India" to explore the relationship between FDI inflows and export performance of India, with an emphasis on manufactured exports. The research methodology used included Empirical analysis on the basis of export and FDI inflow data after post-1991 reforms, with emphasis on the manufacturing industry. The result shows that FDI positively affected India's export performance, especially in manufactured exports. FDI brought in capital, technology, know-how, and exposure to international markets, which resulted in competitiveness and value-added exports. There was mixed evidence regarding export spillovers from different countries.

B. Pranitha (2017) carried out research on "Foreign Direct Investment in Service Sector in India - A Study" to examine the role and movement of FDI in India's service sector, keeping in view its contribution to economic growth and development.

The approach used included Review of FDI inflows in service sub-sectors; examination of trends using secondary data and literature. The results confirm that FDI in India's services sector was a major contributor to GDP growth, jobs, and technological upgradation. Liberalization policies and market potential made FDI in services such as IT, finance, and telecommunication inward, with beneficial economic spillovers.

M. Tamilselvan and Manikandan carried out research "A Study on Impact of Foreign Direct Investment on Gross Domestic Production in India" to analyse the contribution of foreign direct investment (FDI) to India's gross domestic production (GDP) and analyse the cause-and-effect relationship between FDI and GDP from 1991–2014. The research has used secondary data furnished by the Reserve Bank of India for a period of 23 years (1991–2014) and has used simple linear regression analysis. Diagnostic tests such as Breusch-Godfrey serial correlation LM test, White's heteroskedasticity test, and Jarque-Bera normality test were conducted to validate the OLS assumptions. The results show that the study finds that FDI contributes significantly towards enhancing GDP in India to the tune of around 77% GDP growth. The regression was significant, and there was no heteroskedasticity but normally distributed residuals with serial correlation present.

Anil Duggal carried out a study "Foreign Direct Investment in India" to examine the trends and pattern of foreign direct investment in India during 2005-2017. The findings show that the study shows that the majority of the FDI flows were made under the RBI automatic route (64.98%). The growth rates of FDI inflows fluctuated between the period 2005–2017, with the years 2005–2010 registering high flows and consistent growth during the period 2010–2017.

Niti Bhasin undertook a study "Determinants of Foreign Direct Investment in India's Service Sector" to identify the key determinants of FDI inflows to India's services sector and analyze whether FDI in services is efficiency-seeking. The Ordinary least squares regression was utilized using annual data from the years 1991 to 2010. The study examined the role of GDP, GDP per capita, trade openness, openness to FDI, and skilled labour availability on services FDI inflows

Research Gap

While existing studies (e.g., Bhasin, 2015; Chodisetty & Babu, 2022; Saxena & Khurana, 2019) confirm FDI's positive impact on economic growth, they mostly focus on specific sectors or use basic methods. There is limited research on the combined effect of FDI on India's overall service sector using advanced econometric models that include interaction and non-linear terms. Given recent structural and policy changes in India, updated analysis using sophisticated models and recent data is needed to better understand FDI's true impact on the service sector.

Data Collection

The study relies solely on secondary data gathered from sound and authoritative sources. Statistics for FDI inflows (dependent variable) have been drawn from the Reserve Bank of India (RBI), where consistency and accuracy are guaranteed to correspond with official figures. Statistics for the independent variables — that is, Inflation, Gross Domestic Product (GDP), Exports, and Imports — have been drawn from the World Bank database. To capture non-linear impact of economic growth on FDI, the square of GDP (GDP^2) is also included as an explanatory variable. The sample period 2006 to 2024 has been chosen to accommodate both short-run fluctuations and long-run trends in FDI inflows into the service sector.

Econometric Model

To analyze the interrelationship between FDI and the chosen macroeconomic indicators, the following econometric model has been specified:

$FDI = \beta 1 + \beta 2 \cdot Inflation + \beta 3 \cdot GDP + \beta 4 \cdot GDP2 + \beta 5 \cdot (Imports \times Exports) + \varepsilon$

Where:

FDI = Foreign Direct Investment inflows into the service sector (in corresponding units)

Inflation = Inflation rate (annual %)

GDP= Gross Domestic Product (in constant prices)

GDP^2 = Square of GDP to account for non-linear impacts

Imports × Exports= Interaction term of imports and exports to account for the joint impact of trade on FDI

$\beta_1 . \beta_5$= Estimation parameters

ε = Error

Analytical Approach: The research uses regression analysis in order to estimate the model parameters and determine the significance and strength of variables' relationships. The regression analysis was conducted using E-Views software, a popular econometric package that allows for efficient estimation, diagnostics, and interpretation of results.

Data Analysis and Findings

FOREIGN DIRECT INVESTMENT FLOWS TO INDIA (US $ million)

COUNTRY	YEAR	Computer Services	Financial Services	Communication Services	Business services	Miscellaneous Services	Education, Research & Development	Restaurants and Hotels
INDIA	2006	824	1,330	423	2,425	298	43	153
INDIA	2007	1,035	3,850	66	1,158	1,901	156	280

ISBN code 978-93-83302-74-1

INDIA	2008	1,647	4,430	2,067	643	1,458	243	343
INDIA	2009	866	2,206	1,852	1,554	888	91	671
INDIA	2010	843	1,353	1,228	569	509	56	218
INDIA	2011	736	2,603	1,458	1,590	801	103	870
INDIA	2012	247	2,760	92	643	552	150	3,129
INDIA	2013	934	1,026	1,256	521	941	107	361
INDIA	2014	2,154	3,075	1,075	680	586	131	686
INDIA	2015	4,319	3,547	2,638	3,031	1,022	394	889
INDIA	2016	1,937	3,732	5,876	2,684	1,816	205	430
INDIA	2017	3,173	4,070	8,809	3,005	835	347	452
INDIA	2018	3,453	6,372	5,365	2,597	1,226	736	749
INDIA	2019	4,104	4,326	6,838	3,684	443	528	2,546
INDIA	2020	23,050	2,728	2,314	1,750	671	963	278
INDIA	2021	9	4.7	6.4	2.5	1	3.6	0.7
INDIA	2022	5.6	6.8	4.5	2	1.2	1.9	0.2
INDIA	2023	4.9	4.4	3.7	2.6	1.9	0.6	0.4
INDIA	2024	4	7.8	5	2.5	1.8	0.7	1.3

ISBN code 978-93-83302-74-1

Source: RBI

Table 1: *"Foreign Direct Investment (FDI) Flows to India (US \$ million)"* gives an overall picture of India's major service sector sub-sectors' annual FDI inflows during the time 2006 to 2024. The data is broken down by year and covers the size of FDI attraction in seven large service sectors: Computer Services, Financial Services, Communication Services, Business Services, Miscellaneous Services, Education, Research & Development, and Restaurants and Hotels. The figures are FDI sizes in millions of US dollars and indicate trends and changes in foreign investor interest among different service segments.

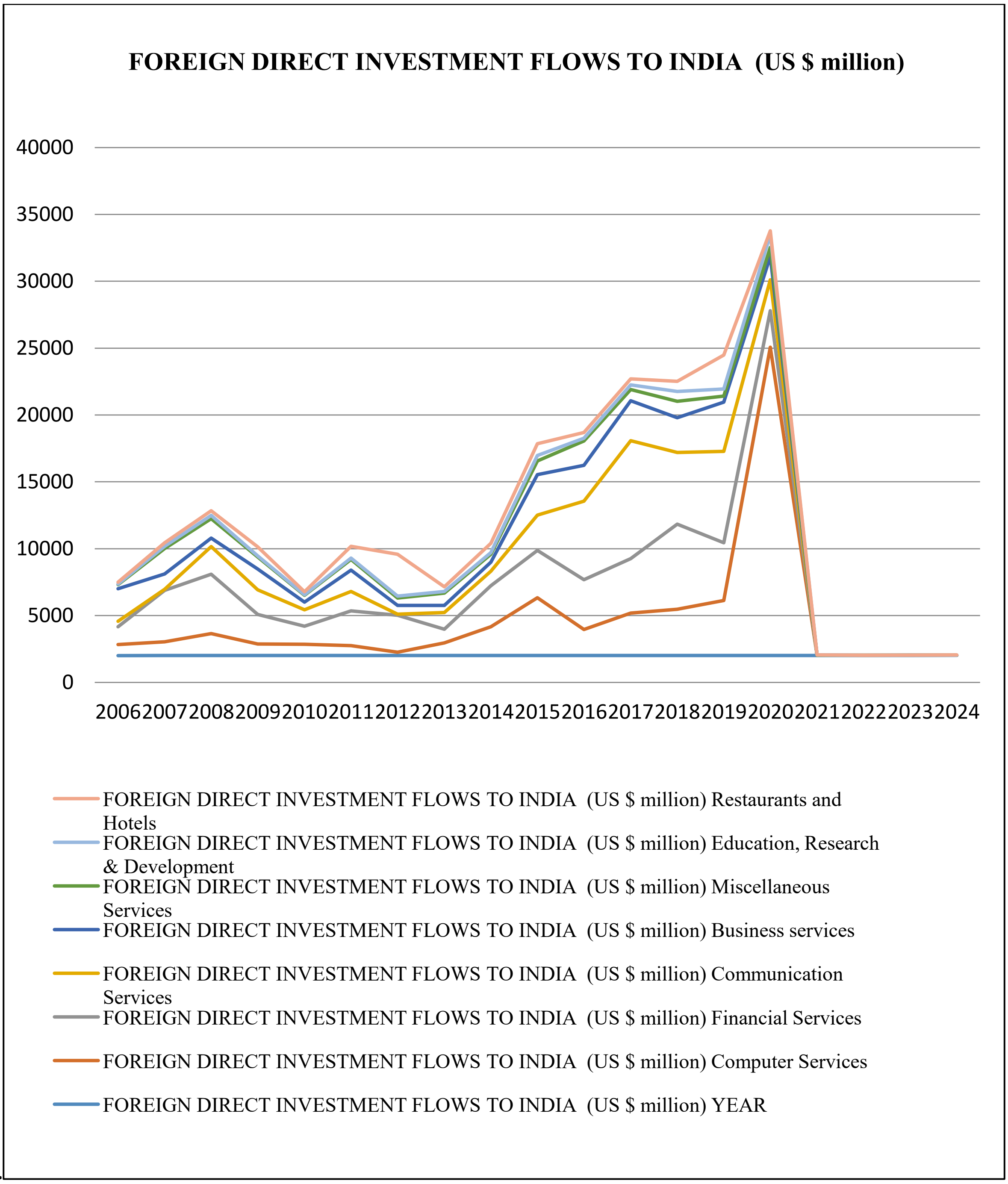
From the data, it is evident that Computer Services and Financial Services consistently attracted significant FDI inflows, with Computer Services peaking sharply in 2020 at $23,050 million, suggesting a surge in digital investment and technology-driven interest during the pandemic period. Communication Services also exhibit significant growth year after year, with significant peaks in 2016 ($5,876 million) and 2017 ($8,809 million), which are probably due to telecom sector liberalization and growing demand for digital connectivity. Business Services, though more subdued, have fairly consistent inflows during the entire period, reflecting consistent international demand for India's business and professional services.

In comparison, Miscellaneous Services and Education, Research & Development have relatively less and more volatile investments, but even they witness sporadic spikes (e.g., Education reaching $963 million in 2020). The Restaurants and Hotels sector also shows a sporadic trend with a sudden spike in 2012 at $3,129 million, potentially due to a short-term tourism or hospitality industry-related boom, followed by a steep drop in subsequent years.

Interestingly, FDI figures for 2021-2024 register a sudden fall across sectors, with many of the entries recorded in decimals, perhaps indicating massive declines in real investment, alterations in reporting methodology, or placeholder figures for recent years. Overall, the table indicates the manner in which FDI in India's service sector has changed, presenting sectorial trends as well as larger economic factors affecting foreign investment over nearly two decades.

Trends of Foreign Direct Investment (FDI) Flows into India's Service Industry (2006–2024)

This graph provides a graphical representation of the trends of Foreign Direct Investment (FDI) inflow into India in major service industry segments during the period from 2006 through 2024, expressed in US$ million. It records yearly FDI garnered in seven different areas of service: Computer Services, Financial Services, Communication Services, Business Services, Miscellaneous Services, Education, Research & Development, and Restaurants and Hotels. The number helps to bring into perspective the changing scenario of foreign investment in India's service sector, reflecting areas of consistent growth, spikes, and subsequent dip over the last couple of years. This analysis of trends places each sub-sector's role in foreign capital attraction in context and mirrors larger economic, technological, and policy-related trends during the period under examination.



Source: Author's Calculation

The line graph named "Foreign Direct Investment Flows to India (US $ million)" shows the pattern of FDI inflows into different service sector groups during the period 2006 to 2024. It provides information for seven sectors: Computer Services, Financial Services, Communication Services, Business Services, Miscellaneous Services, Education, Research & Development, and Restaurants and Hotels. The graph

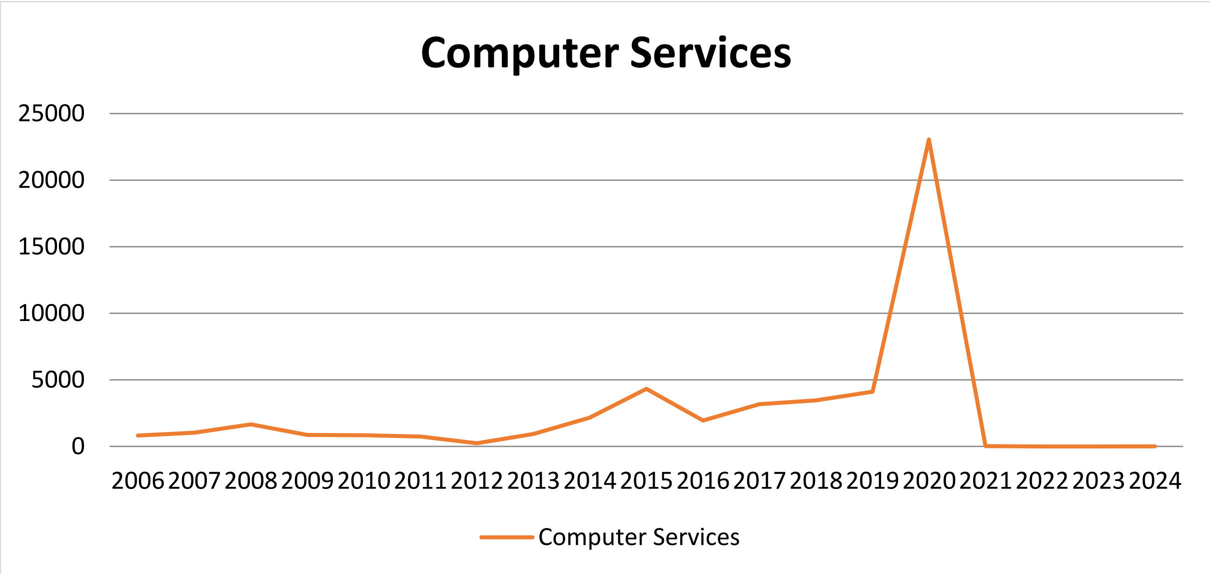
ISBN code 978-93-83302-74-1

indicates a definite upward trend in FDI inflows in most sectors starting from 2006, with a steep growth starting around 2013, reaching a peak between 2018 and 2020.

Computer Services, Financial Services, and Communication Services lead the chart, especially in 2020, when FDI was highest across various sectors—presumably due to growing digitization and economic reforms. A sharp drop, however, can be seen across all sectors post-2020, with values plummeting significantly in 2021 and continuing low till 2024. This sharp decline could be due to the economic effect of the COVID-19 pandemic, global investment withdrawal, or incomplete/revised filing for the recent years.

In general, the graph gives a pictorial view of sector-wise trends in investments and serves to illustrate both the increasing dominance of India's services sector in foreign investment attraction and the volatility that can emerge because of changes in the world economy.

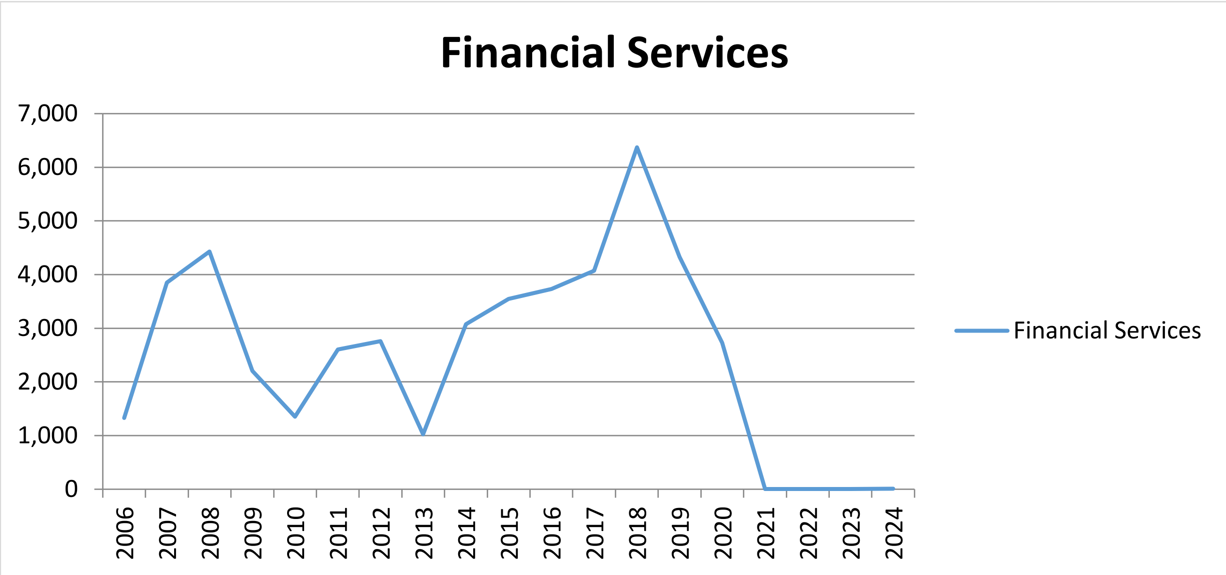
Trends in Foreign Direct Investment in Computer Services (2006–2024)



The FDI inflow to the computer services industry in India showed a relatively steady and modest trend from 2006 up to about 2018, with inflows in most years usually being less than \\$5,000 million. During this time, there was steady though slow growth—indicating unbroken foreign investor confidence in India's software and IT services sector. The sector had an unprecedented surge in 2020, with the FDI inflow rising to more than \\$25,000 million. This sudden surge was most likely a result of global digital transition accelerated by the COVID-19 pandemic, driving up demand for IT infrastructure, cloud services, and remote work solutions. Even with this record amount of inflow, FDI then sharply fell to near-zero levels in 2021 and leveled off during 2024. This decline could be due to the one-off character of pandemic-led investments, market adjustment, or possible regulatory or reporting reclassifications. The stagnation after 2020 represents a dramatic change in foreign investor sentiment towards this industry.

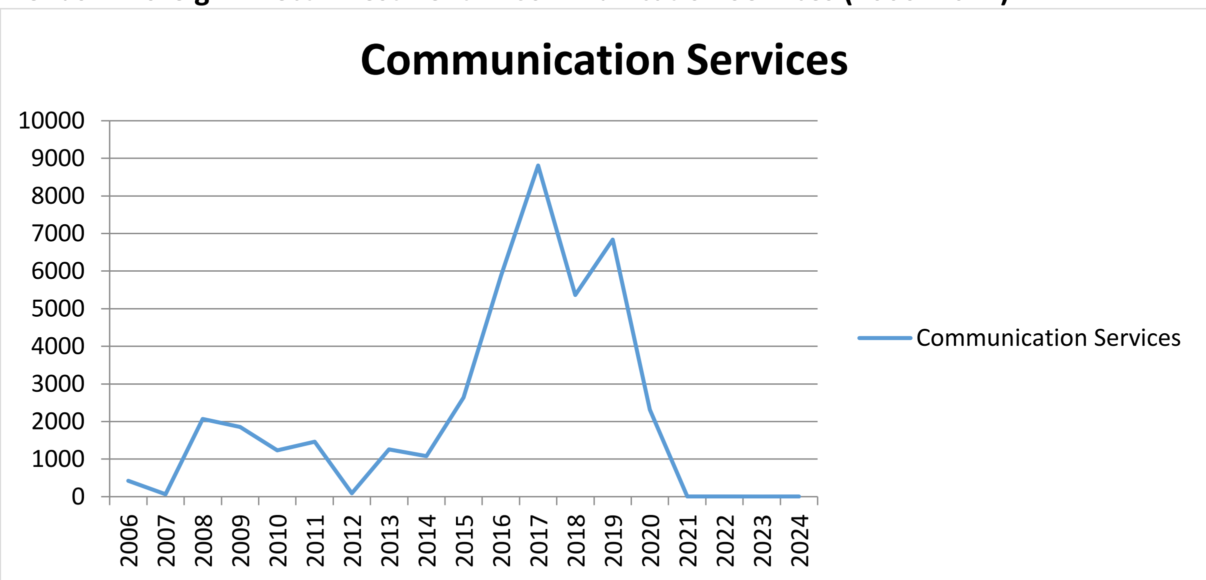
ISBN code 978-93-83302-74-1

Trends in Foreign Direct Investment in Financial Services (2006–2024)



The FDI inflow in the financial services industry in India followed a trend of fluctuation from 2006 to 2020, with distinct peaks and troughs. Beginning modestly at \\$1,500 million in 2006, the sector recorded a steep hike by 2008 to around \\$4,500 million. Yet, such expansion was not uniform, with the succeeding years realizing declines and spotty recoveries. The biggest surge came in 2018, when the industry recorded its largest FDI inflow of more than \\$6,000 million, perhaps because of rising liberalization and fintech penetration. Post-2019, FDI fell drastically, falling to almost zero levels by 2021 and flat thereafter, most probably due to the financial uncertainties caused by the COVID-19 pandemic and changes in policy.

Trends in Foreign Direct Investment in Communication Services (2006–2024)



FDI in communication services was highly volatile over the period. From a low level in 2006, FDI increased gradually over time and touched a record high in 2017 with inflows of over \\$8,500

ISBN code 978-93-83302-74-1

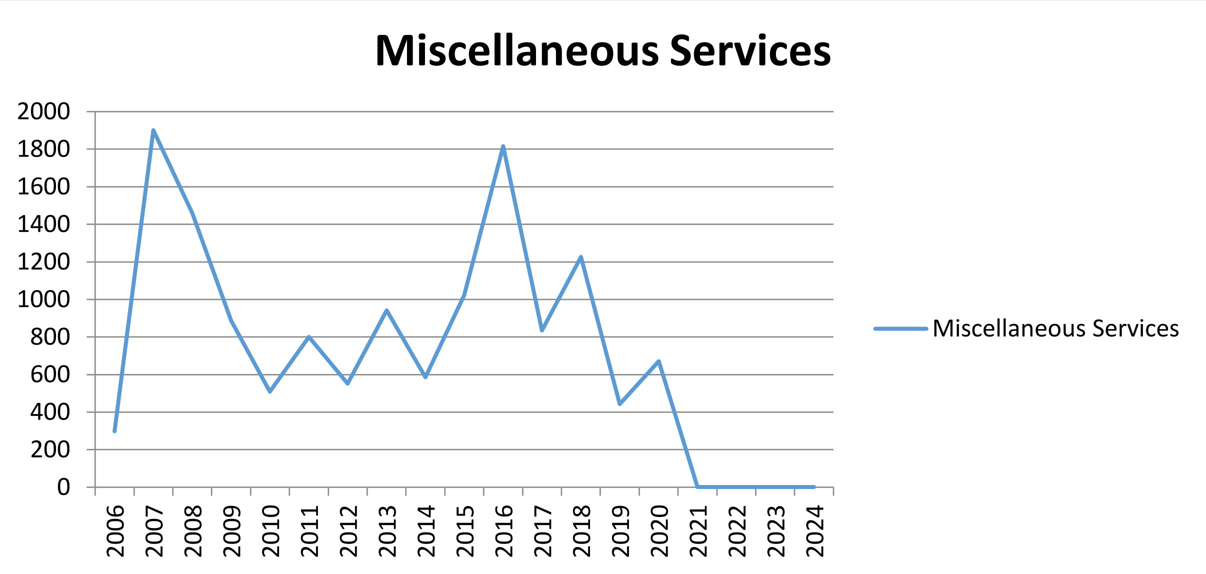
million—most probably due to fast expansion of telecom and digital penetration in India. Following this peak, inflows reduced but again went through a rise in 2019. But since 2020, investment in this sector cut dramatically to near zero and remained stagnant until 2024. The dramatic fall could be due to regulatory bottlenecks, market saturation, or decreased foreign interest with shifting telecom dynamics.

Trends in Foreign Direct Investment in Business Services (2006–2024)

The business services sector witnessed erratic investment patterns during the entire span. It started with a high inflow in 2006 of approximately $2,400 million, fluctuating in the following years with several highs and lows. The big upturn was in 2015, reaching a high of over $3,500 million in 2019. This could be an indication of more outsourcing and back-office service needs. But, post-2020, the FDI fell steeply to zero levels and remained flat, either indicating the change in investor interest or the lasting impact of the pandemic on global business service models.

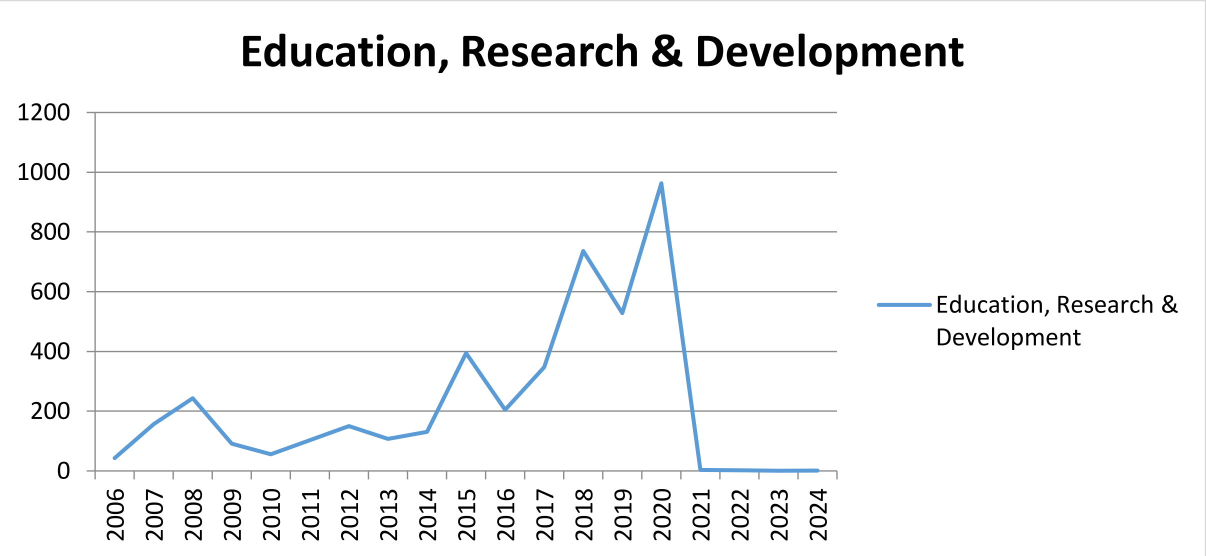
ISBN code 978-93-83302-74-1

Trends in Foreign Direct Investment in Miscellaneous Services (2006–2024)



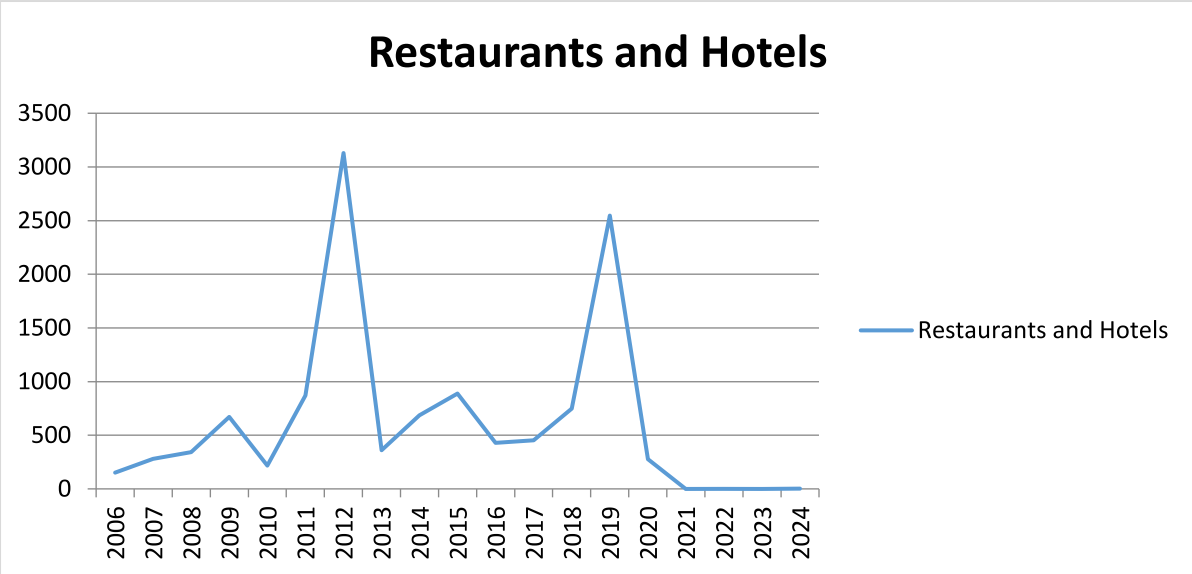
FDI in miscellaneous services increased sharply in the initial years, especially in 2007, with the inflows approaching $1,900 million. The sector, however, observed a downtrend in the following years, with the occasional turnaround. The other significant surge was in 2016, with investments exceeding $1,800 million. However, from 2020 onwards, this sector also witnessed a total disappearance of FDI flows, with no revival witnessed till 2024. This shift may reflect reclassification of service segments or reduced clarity in sectorial investment prospects

Trends in Foreign Direct Investment in Education, Research & Development (2006–2024)



FDI in the education, research, and development sector has been quite low during the period of observation. The industry experienced steady increases, with minor spikes in 2008 and 2015. A moderate peak was experienced in 2020, at nearly \\$1,000 million, possibly indicating foreign interest in India's expanding ed-tech industry and innovation programs. Nevertheless, as in most sectors, FDI in education collapsed in 2021 and remained almost flat since, indicating hesitation or reconsideration of foreign investment priorities following the COVID outbreak.

Trends in Foreign Direct Investment in Restaurants and Hotel (2006–2024)



The FDI pattern in the hotels and restaurants industry was characterized by steep swings. Early years witnessed a slow growth, culminating in a major surge during 2012 when the investment crossed $3,000 million, possibly on account of tourism expansion and relaxation of FDI policies in hospitality sectors. This came after a dramatic decline and another significant upsurge in 2019. The industry, however, experienced a swift decline after 2020 and stayed close to inactive until 2024. This dramatic decline aligns with the effect of the COVID-19 pandemic on travel, tourism, and hospitality worldwide.

Comprehensive overview of key macroeconomic indicators for India from 2006 to 2024

Table 1 gives a broad overview of major macroeconomic indicators for India between 2006 and 2024, viz., Foreign Direct Investment (FDI), exports, imports, inflation, and Gross Domestic Product (GDP). These are important variables for analyzing the economic performance of the country and the interaction between domestic performance and global economic activity. FDI statistics represent the foreign capital inflow, which mirrors investor confidence and economic openness. Exports and imports reflect trade dynamics of the country, while inflation measures price stability and purchasing power. GDP is a general indicator of economic growth. In combination, all these statistics give a basic understanding to study trends, patterns, and relationships in the Indian economy during these 19 years.

ISBN code 978-93-83302-74-1

Table 1: Descriptive Statistics for FDI, Inflation, GDP, Imports, Exports.

COUNTRY	YEAR	FDI	EXPORTS	IMPORTS	INFLATION	GDP
INDIA	2006	9307	1.99974E+11	2.29955E+11	5.796523376	8.060732572
INDIA	2007	19425	2.53078E+11	3.02804E+11	6.372881356	7.660815067
INDIA	2008	22697	2.88902E+11	3.50927E+11	8.349267049	3.086698059
INDIA	2009	22461	2.73752E+11	3.47178E+11	10.88235294	7.861888833
INDIA	2010	14939	3.75354E+11	4.49974E+11	11.98938992	8.497584702
INDIA	2011	23473	4.47384E+11	5.66668E+11	8.911793365	5.241316199
INDIA	2012	18286	4.484E+11	5.71307E+11	9.478996914	5.456387552
INDIA	2013	16054	4.7218E+11	5.27555E+11	10.01787847	6.386106401
INDIA	2014	24748	4.68346E+11	5.29239E+11	6.665656719	7.410227605
INDIA	2015	36068	4.16788E+11	4.65098E+11	4.906973441	7.996253786
INDIA	2016	36317	4.39643E+11	4.80169E+11	4.948216341	8.256305502
INDIA	2017	37366	4.98259E+11	5.82018E+11	3.328173375	6.795383419
INDIA	2018	38744	5.38635E+11	6.40301E+11	3.938826467	6.453851345
INDIA	2019	42629	5.29245E+11	6.02315E+11	3.729505735	3.871436941
INDIA	2020	5.96E+13	4.99729E+11	5.10245E+11	6.623436776	-5.777724707
INDIA	2021	5.88E+13	6.77769E+11	7.60903E+11	5.131407472	9.689592492
INDIA	2022	4.6E+13	7.78022E+11	8.97551E+11	6.699034141	6.987039326
INDIA	2023	4.44E+13	7.79446E+11	8.5884E+11	5.649143189	8.152936311
INDIA	2024	5E+13	7.34358E+11	8.16503E+11	4.95303551	5.315347416

Source: RBI

Regression Analysis

VARIABLE	COEFFICIENT	T-STATISTICS	PROB.
C	-1.68E+13	-1.688983	0.1134
INFLATION	4.60E+11	0.485652	0.6347
GDP	-5.11E+12	-5.900386	0
GDP*GDP	6.36E+11	-5.900386	0
IMPORTS * EXPORTS	9.48E-11	7.706436	0
R-squared	0.875247		
Adjusted R-squared	0.839604		
F-Statistics	24.55549		
Prob(F-Statistics)	0.000003		

The regression analysis focuses on identifying macroeconomic drivers of Foreign Direct Investment (FDI) inflows in India during the period 2006–2024. There are five explanatory variables in the model: a constant (C), inflation, GDP, the square of GDP (GDP^2), and the interaction term of exports and imports. The model is a good one with high explanatory power as evidenced by an R-squared of 0.8752, meaning that the variables included explain about 87.52% of the variance in FDI. The adjusted R-squared of 0.8396 also testifies to the model's excellence, considering the degrees of freedom and reiterating the model's appropriateness.

The 24.55549 F-statistic with a p-value of 0.000003 implies that the entire model is statistically significant, i.e., the independent variables as a whole have a significant effect on FDI inflows. The

ISBN code 978-93-83302-74-1

significance of individual variables, however, is different. GDP is negative and strongly significant (-5.11e+12) with a p-value of 0.000 such that linear GDP by itself negatively affects FDI, perhaps due to the law of diminishing marginal returns or market saturation effects. On the other hand, the positive and significant value of GDP^2 (6.36e+11), whose p-value is also 0.000, suggests a non-linear (U-shaped) relationship between FDI and GDP, that is, increases in GDP will start to positively affect FDI after a certain level.

The interaction term between imports and exports is also positively significant (9.48e+11) with a p-value of 0.000, highlighting that trade openness and integration into global markets may be positively associated with attracting foreign investment. Conversely, inflation with a coefficient of 4.60e+11 and a significant p-value of 0.6347 is not statistically significant in this equation, meaning that it does not have a meaningful direct effect on FDI over the study period. In like manner, the constant terms also not statistically significant with a p-value of 0.1134.

To sum up, the regression findings indicate that FDI flows into India are determined by the size and structure of the economy, mainly via the non-linear effects of GDP and trade performance. Inflation does not seem to be a relevant variable here, which could imply that foreign investors are more sensitive to long-term economic fundamentals and trade dynamics than to short-term macroeconomic uncertainty.

Findings

The research examined the role of Foreign Direct Investment (FDI) on the Indian economy specifically in the service sector from 2006 to 2024. Using descriptive analysis, trend analysis, and regression analysis, a number of key results have been obtained:

Sectorial Trends in FDI: FDI flows have also been widely focused on a small number of high-growth service sub-sectors, including Computer Services, Financial Services, and Communication Services. They experienced steady and frequently rising FDI until the period around 2020, which is indicative of India's IT, finance, and telecom strengths. But a steep fall was witnessed across all sectors after 2020, perhaps because of the slowdown in the world economy and pandemic-related disturbances.

Subsector Volatility: Sub-sectors like Education, Research & Development, Miscellaneous Services, and Restaurants & Hotels saw more volatile FDI trends. Sporadic spikes like in 2012 (Restaurants & Hotels) and 2020 (Education) represent changing investor interest based on contingent events or policy changes. Yet these sub-sectors were relatively under-invested throughout the entire period.

Macroeconomic Variable Relationships: The regression analysis proves the existence of a non-linear (U-shaped) relationship between GDP and FDI. Although the GDP variable had a negative coefficient, the quadratic term (GDP^2) was positive and statistically significant, indicating that once the economy reaches a threshold, increases in GDP start to have a positive effect on FDI inflows. This proves that FDI reacts not just too economic size but also to the maturity and absorptive capacity of the economy.

Trade as an FDI Driver: The cross term between exports and imports emerged with a high and statistically significant positive impact on FDI, suggesting that international openness to trade and access to world markets are essential foreign investment attractors. This result confirms the hypothesis that FDI has a close relationship with international competitiveness and a nation's potential for trade.

Irrelevance of Inflation: Inflation did not have any appreciable impact on FDI inflows between the research periods. This indicates that price stability, though desirable, is not perhaps a major driver of foreign investment in the service sector, at least within the Indian environment during this time period.

ISBN code 978-93-83302-74-1

Model Performance: The econometric specification applied to the study performed well, yielding an R-squared of 0.8752 and an F-statistic of 24.56 ($p < 0.01$), revealing that the selected macroeconomic variables together explain a notable proportion of the variation in FDI inflows.

Conclusion

This paper aimed at exploring the contribution of Foreign Direct Investment (FDI) to the Indian economy specifically in the service sector, which has become the growth engine of India in the post-liberalization period. Over time, FDI has been framed as the fulcrum of India's development policy — not only infusing capital, but also new technology, management skills, market access, and jobs. Based on a synthesis of descriptive data analysis, trend evaluation, and econometric modeling between the years 2006 and 2024, this research has offered balanced perspectives on how FDI interacts with major macroeconomic variables in India's transforming service sector.

The study proves that FDI flows into India's services sector have been unbalanced between subsectors, while Computer Services, Financial Services, and Communication Services** dominated foreign investment. They have always attracted significant levels of investment because they are globally competitive, innovative, and subject to regulatory openness. The unprecedented surge in FDI in Computer Services in 2020, for example, coincides with the international digital transformation precipitated by the COVID-19 pandemic. Conversely, subsectors like Education, Restaurants and Hotels, and Miscellaneous Services demonstrated higher volatility and received comparatively small FDI. These conclusions indicate that although the service sector in general has been attractive to foreign capital, not all of its sub-sectors have benefited equally from it — indicating the need for additional focused policy efforts to enhance lagging segments.

The regression analysis offered strong statistical confirmation of the nexus between FDI and the chosen macroeconomic variables. Most significantly, the research revealed a non-linear relationship between GDP and FDI such that the linear term of GDP was negative and statistically significant and its squared term positive and equally significant. This means that at lower levels of economic output, FDI can fail to increase proportionately with GDP, perhaps as a result of inadequate infrastructure, low absorptive capacity, or investor uncertainty. However, after a point when GDP crosses a level, it starts to drive FDI positively, implying that economic stability and maturity are key to investor confidence.

Secondly, the coefficient of the imports-export interaction term, which is a proxy for trade openness, significantly and positively contributed to FDI. This result highlights the importance of trade integration as a means of drawing in foreign investment since more globally integrated and more seamless cross-border trade flow countries are likely to be more appealing to multinational companies. A nation's capacity to import intermediate goods and to export finished products not only indicates its linkages to international value chains but also sends a message of effectiveness in production and logistics to investors. Hence, facilitation policies in trade, upgrade of customs processes, and simplification of non-tariff barriers are vital for supporting FDI inflows.

In a surprising twist, inflation was discovered to have a negligible impact on FDI in the study period. This suggests that although macroeconomic stability is still crucial, foreign investors in services could be more concerned with long-term structural and institutional aspects than short-run price level swings. This could also be caused by the comparative macroeconomic stability India expressed during global economic turbulences, in addition to the perceived returns and scalability opportunities of its services sector.

The results also highlight the steep and protracted post-2020 FDI inflow decline. Although 2020 reported historical investment in digital and services sectors, the subsequent years were characterized by a sudden slump in which inflows declined to minimal levels in most sectors. This decline may be due to the COVID-19 pandemic-induced global economic shock, continuing geopolitics tensions, investor wariness, and potential FDI reporting or categorization change. It raises significant questions regarding the sustainability and resilience of FDI inflows in a post-pandemic economy, especially in industries that are highly reliant on foreign capital and mobility.

Policy-wise, the study's findings have several implications. First, having a positive and stable economic climate with clear regulations, investor-friendly reforms, and well-organized administrative procedures continues to be central to FDI sustainability. Second, diversification of FDI in service subsectors is important — with greater emphasis required for sectors such as education, R&D, hospitality, and health services, which not only provide employment but also lead to inclusive growth. Third, since openness of trade was found to be an important determinant, India needs to pursue further the development of export competitiveness, trade infrastructure investment, and bilateral and multilateral trade relationships.

This paper adds to the literature by providing an empirical and evidence-based insight into the interaction between FDI and macroeconomic performance in India's services sector. In contrast to previous papers that only dealt with manufacturing or employed simple linear models, this paper combines interaction and non-linear terms, yielding a more realistic and nuanced representation of FDI processes. It also identifies the impacts of structural change and external shocks, thus providing a relevant and timely analysis.

In conclusion, FDI remains an important driver of Indian service sector growth and economic development. But its benefits are not automatic and uniformly spread. To fully harness the developmental potential of FDI, India should resort to a more strategic and sector-sensitive approach so that capital inflows are vertically aligned with national goals like digital transformation, employment creation, infrastructure development, and inclusive growth. The policymakers need to address increasing India's competitiveness not only in the international arena but also across its internal heterogeneity. With the global economic structure in the process of realignment, India's capability to emerge as a highly resilient, innovative, and investor-friendly service economy will decide the long-term efficacy of its FDI policy.

Policy Recommendations

Foreign Direct Investment (FDI) is critical in determining the development path of emerging economies, particularly in a fast-growing services-oriented economy such as India. Yet, if FDI is to realize its maximum developmental impact, it should be wide-ranging, sustainable, and correctly aligned with national objectives. Findings from this study—ranging from regression estimates, descriptive statistics, and sectorial patterns—yield three primary policy conclusions:

Foster Fair Distribution of FDI in All Service Sub-sectors

Broadening FDI outside the Traditional Sectors: The data from the evidence of this study indicate that India's FDI inflows in the service industry have been strongly biased towards a few subsectors, namely Computer Services, Financial Services, and Communication Services. These areas have consistently received large inflows over the last two decades, often due to their strong digital infrastructure, export orientation, skilled human capital, and favorable policy regimes. For instance, in 2020 alone, Computer

Services attracted over $23 billion, a historic peak driven by the surge in global demand for digital services during the COVID-19 pandemic.

Conversely, the other service sectors like Education, Research & Development, Miscellaneous Services, and Restaurants & Hotels had erratic and unpredictable FDI patterns. These industries were unable to maintain investor confidence, and though there were temporary spikes, they have been underdeveloped as far as foreign capital inflows are concerned. Such unbalanced influx of FDI poses risks of sectorial imbalances, regional inequalities, and lost development opportunities, particularly in socially crucial and employment-intensive sectors.

Policy Rationale: Better distribution of FDI among the services industry can contribute to: Wider employment generation, particularly in labor-intensive areas such as tourism, retail, and education. Technological spillovers and innovation in more industries, rather than IT and finance alone. Inclusive growth, particularly for semi-urban and rural areas that might fare better with FDI in healthcare, education, logistics, and local services. Strengthen Domestic Supply Chains of India, particularly for R\&D-based industries.

Policy Recommendations

Sector-Specific FDI Incentives: Grant fiscal and non-fiscal incentives to foreign investors in the underrepresented services sector (e.g., foreign-funded lab R\&D tax credits; SEZs for education and Ed-tech parks).

Ease of Doing Business for Services: De-regulate licensing, land purchase, and regulatory clearances for service sub-sectors such as education, hospitality, and creative services, which are usually subject to bureaucratic lag.

Promote PPPs in Social Services: Public-private partnerships involving foreign investors may be developed in health, education, skill development, and tourism infrastructure.

Awareness Campaigns: DPIIT, in collaboration with industry bodies like NASSCOM and FICCI, should promote underfunded sub-sectors globally through targeted roadshows, investment summits, and foreign missions.

Facilitate International Trade to Accelerate FDI Inflows

Trade and FDI as Complementary Forces

One of the key findings from this research's regression framework is the positive and statistically significant role of the interaction term between imports and exports (Imports × Exports) on FDI inflows. This indicates that foreign investors are more inclined to invest in economies that are part of global market integration, possess open trade regimes, streamlined customs systems, and sound export-import infrastructure.

India's trade openness has increased over the years, yet logistical inefficiencies, high transaction costs, regulatory uncertainty, and procedural bottlenecks continue to hamper its global competitiveness. As most services (such as IT, e-commerce, fintech, and logistics) are highly interconnected with foreign operations, ease of trade becomes an important pre-condition for gaining FDI in these services.

Policy Rationale: Streamlining trade facilitation provides a two-way advantage: Brings in additional FDI by facilitating easier mobility of capital, technology, services, and intermediate goods across borders. Enhances productivity and value addition in services through integrating Indian companies in global value chains.

ISBN code 978-93-83302-74-1

Policy Action Recommendations

Trade Infrastructure Development: Invest in smart ports, cold chains, bonded logistics parks, and digital customs infrastructure to reduce logistics cost and time.

Digitalize Export-Import Procedures: Encourage adoption of e-invoicing, block chain for documentation, and single-window clearance systems.

Streamline Non-Tariff Measures (NTMs): Streamline compliance requirements in sectors such as education, digital services, fintech, and consulting, where perplexing local regulations can discourage investors.

Enhance Trade Agreements: Maximize bilateral and multilateral FTAs with emphasis on services liberalization, digital trade facilitation, and data transfer policies (e.g., through G20, WTO, and Indo-Pacific alliances).

Create Macroeconomic and Institutional Stability to Foster Long-Term Investor Confidence: Developing a Stable Investment Environment: Foreign investors prefer predictability, institutional robustness, and policy consistency. The regression estimates of this study provided evidence for a non-linear (U-shaped) link between GDP and FDI flows, indicating that FDI reacts more favorably as the economy develops and crosses a threshold of absorptive capacity. Although inflation was statistically redundant, this probably mirrors India's relatively stable macroeconomic environment throughout the research period.

Yet, policy-based and anecdotal evidence suggests that recurrent regulatory uncertainty, retrospective taxation (as in the case of Vodafone), fluctuating FDI limits, and policy reversals have discouraged investor confidence in the past. For establishing an environment favorable to long-term and sustainable foreign investment, India needs to implement policies that ensure macroeconomic prudence, institution building, and regulatory predictability.

Policy Rationale: Stability brings long-term capital: Investment in services (particularly finance, R&D, and health) tends to involve long gestation periods and high sunk costs. Stability invites such investments. Good governance reduces risk: Investors consider judicial efficiency, ease of contract enforcement, and tax collection reliability. Reform credibility counts: Policy rollbacks repeatedly can reverse years of reputation accumulation.

Suggested Policy Steps: Discipline of Macro economy: Preserve low and stable inflation (through inflation targeting), contain fiscal deficit, and uphold a stable exchange rate regime. Predictability of FDI Policy: Discard sudden reversals in FDI rules. Sequential, consultative policy formulation through stakeholder consultations (particularly for sensitive areas such as e-commerce and data). Strengthening of Institutions: Enhance judicial velocity enforcement of contracts, and arbitration proceedings to settle investor disputes efficiently.

Bibliography

Bhasin, N. (2014). Determinants of foreign direct investment in India's service sector. *MUDRA Journal of Finance and Accounting*, *1*(1). https://doi.org/10.17492/mudra.v1i1.2457

Chodietty, R. S. C. M., Puppala, R. B., Sreenidhi Institute of Science & Technology, & College of Business and Economics, Bule Hora University, Ethiopia. (2022). Effects of Foreign Direct Investment (FDI) on Indian economic growth with special reference telecommunication sector -An empirical analysis

[Empirical Analysis]. *Journal of Interdisiplinary Cycle Research*, 766. https://www.researchgate.net/publication/363752975 (Original work published 2022)

Dinesh, G., Choudhury, D. K., & Khandelwal, T. (2019). Analysis of foreign direct investment in Indian services sector. *International Journal of Economics and Management Studies*, *6*(4), 1–6. https://doi.org/10.14445/23939125/ijems-v6i4p101

Duggal, A. (2017). FOREIGN DIRECT INVESTMENT IN INDIA. *Journal of Internet Banking and Commerce*. http://www.icommercecentral.com

Kapoor, V. (2021). Impact of foreign direct investment on Indian economy-service sector. In P. Hickey, *Dissertation* [Thesis].

Khan, A. K., Faisal, S. M., & Akmal, S. M. (2018). Foreign Direct Investment (Influx) from different nations and its impact on Economic Development in India: - A detailed study in Service sector and its contribution in overall economic development. *International Journal of Scientific and Research Publications*, *8*(5).

Kharat, R. S. & Department of Management Studies, Malaviya National Institute of Technology, Jaipur, India. (2022). Foreign direct investment dynamics and economic growth in the case of India. In *JBEO* (Vols. 6–1, pp. 45–52) [Journal-article].

Journals, P. E. T. (2019). EPRA International Journal of Economic and Business Review. *EPRA International Journal of Economic and Business Review*. https://doi.org/10.36713/epra2012

Pentkar, A., Sreenidhi Institute of Science & Technology, Mohan, P. R., Department of Business Administration, Annamalai University, Chidambaram, Tamilnadu, & School of Management Studies, Sreenidhi Institute of Science and Technology, Ghatkesar, Hyderabad. (2024). A study on Role of foreign direct investment on Indian economic growth with special reference to service sector [Article]. *Business, Management and Economics Engineering*, *1–13*, 1–13.

Prasanna, N. (2010). Impact of foreign direct investment on export performance in India. *Journal of Social Sciences*, *24*(1), 65–71. https://doi.org/10.1080/09718923.2010.11892838

Siddiqui, A. A., & Ahmed, S. (2017). Impact of foreign direct investment on sectorial growth of Indian economy. *International Journal of Economics and Financial Issues*, 477–488.

Singh, J., Chadha, S., & Sharma, A. (2012). Role of foreign direct investment in India: an analytical study. In Maharaja Surajmal Institute, *RESEARCH INVENTY: International Journal of Engineering and Science* (Vol. 1, Issue 5, pp. 34–42) [Journal-article]. https://www.researchinventy.com

Singh, S. & Symbiosis Centre for Management studies, Noida. (2019). Foreign Direct Investment (FDI)in India : A review. In *Journal of General Management Research* (pp. 41–53) [Journal-article]. Symbiosis Centre for Management Studies, NoIdA. https://doi.org/10.13140/RG.2.2.14492.44161

Tamilselvan, M., & Manikandan, S. (2015). A study on impact of foreign direct investment on gross domestic production in India. *International Journal of Academic Research in Business and Social Sciences*, *5*(10). https://doi.org/10.6007/ijarbss/v5-i10/1870

Vasanthi, T., & Aarthi, S. (2013). Impact of foreign direct investment on Indian economy. In Tiruppur Kumaran College for Women, *International Journal of Science and Research (IJSR), India* (Vol. 2, Issue 8) [Journal-article]. https://www.ijsr.net

Zafar, S. M. T., Hmedat, W., Ahmed, S. A., Oman College of Management And Technology, Yarmouk University, & Oman College of Management and Technology. (2017). an analytical study on Foreign direct investment (FDI) and its relative impact on Indian economy. In *International Journal of Core Engineering & Management* (Vol. 3, Issue 12) [Journal-article].