Foreign Direct Investment (FDI)

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About:

- The report titled **'Vision—Developed India: Opportunities and Expectations of MNCs'**, added that 71% of MNCs working in India consider the country an important destination for their global expansion. The optimism is driven by both short-term as well as long-term prospects.
- FDI in India has seen a consistent rise in the last decade, with FY 2021-22 receiving **FDI inflow of $84.8 billion** despite the impact of the COVID-19 pandemic and geopolitical developments on investment sentiment.
- India is seen as an emerging manufacturing hub in global value chains, as a growing consumer market and as a hub for ongoing digital transformation.
- Over 60% of MNCs in the report stated improvement in the business environment in the last three years.

- According to the survey, top expectations from the government include enhanced effectiveness of the national single window for approval / clearances; greater tax certainty, and stronger contract enforcement mechanism, among other measures.

Foreign direct investment (FDI):

- Foreign direct investment (FDI) is an investment from a party in one country into a business or corporation in another country with the intention of establishing a lasting interest.
- With FDI, foreign companies are directly involved with day-to-day operations in the other country.
- **FDI enters in India through either of the two routes:**
    - **Automatic route**
        - The non-resident or Indian company does not require prior nod of the RBI or government of India for FDI.
    - **Government-approval route**
        - The government’s approval is mandatory and the company will have to file an application through Foreign Investment Facilitation Portal.

Source : The Hindu