

GROWTH IN INDIA: CONTRIBUTION OF FDI

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ABSTRACT

Growth has various dimensions and different factors contribute towards the growth of a country. In the present study we have tried to analyze the contribution of foreign direct investments (FDI) in the Indian growth story. FDI in India took a boost after the adoption of new economic policy but the growth in the first decade of 21st century was more impressive till the cropping up of global financial crisis. FDI and GDP are found to be correlated with each other in various studies world over. FDI in India is concentrated more in few sectors like services and construction. Maximum of FDI comes from countries like Mauritius, Singapore and U K. After taking a look at the FDI scenario in India we have applied OLS method of regression on both variables and found that FDI is a significant contributor for the growth of gross domestic product (GDP).

KEY WORDS: economic growth, GDP FDI.
