

FOREIGN DIRECT INVESTMENT AND EXPORTS IN INDIA: AN OVERVIEW

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ABSTRACT

The main objective of this paper is to examine Foreign Direct Investment and Exports in India the flow of FDI into the sectors has helped to raise the output, labour productivity and export in some sectors but a better role of FDI at the sectoral level is still expected, there is no significant co-integrating relationship among FDI and EX in core sectors of the economy. This implies that when there is an increase in the export of the sectors it is not due to the advent of FDI. Thus, it could be concluded that the advent of FDI has not helped to wield a positive impact on the Indian economy at the sectoral level. Thus, in the eve of India's plan for further opening up of the economy, it is advisable to open up the export oriented sectors so that a higher growth of the economy could be achieved through the growth of these sectors.

KEYWORDS : Foreign Direct Investment, economy.

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