FOREIGN CAPITAL INFLOWS IN INDIA: INFLUENCE ON INTERNATIONAL TRADE COMPETITIVENESS

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ABSTRACT
India has become the foremost destination for foreign capital inflows after the inception of ‘Make in India’ strategy. This paper tries to evaluate the influence of FDI inflows in India on export performance and International trade competitiveness of India. Real effective exchange rate (REER) is taken as a determinant for evaluating international trade competitiveness. A time series data from 1981 to 2015 used for study and two different linear regression models are formed as taking FDI inflows as predictor in both models and Exports, real effective exchange rate as dependent variables in model 1 and model 2 respectively. Findings of the study conclude that FDI inflows in India do influence Exports positively while international trade competitiveness inversely.

KEY WORDS: Foreign Capital, FDI, Real Effective Exchange Rate, Trade Competitiveness.

REFERENCES:


