

International Journal of Foreign Trade and International Business



E-ISSN: 2663-3159
P-ISSN: 2663-3140
Impact Factor: RJIF 5.22
www.foreigntradejournal.com
IJFTIB 2025; 7(1): 115-121
Received: 05-12-2024
Accepted: 09-01-2025

Dr. Usha Bhati
Associate Professor of
Commerce, Dr. B.R.
Ambedkar Govt. College,
Dabwali, Haryana, India

Analysis of group twenty (G20) impact on foreign direct investment inflows to India

Usha Bhati

DOI: <https://www.doi.org/10.33545/26633140.2025.v7.i1b.150>

Abstract

The Group Twenty is primarily an association for international economic integration among leading economies. It comprises 19 individual nations and the European Union, representing both evolved and low and third world nations. It works to tackle significant issues related to the global economy, such as global financial well-being, combat negative effects of climate change and sustainable growth.

The Group Twenty was set up by finance ministries of the majority of the world's prominent economies inclusive of both industrialised and emerging nations; these economies attributes for around 80% of Gross World Product (GWP), 75% of international trade, 66.67% of the world population and 60% of the global surface area.

The Group Twenty was formed in 1999 in reaction to the financial and monetary crises of the late 1990s. This group has evolved into a platform that influences a large number of economic policies of the nations, including those about Foreign Direct Investment (FDI). Foreign investment has been a significant catalyst of economic development and advancement in India since the decade of twenties. The Group Twenty has come to aid to raise foreign investment in India by providing an assembly for communication between governments and businesses. The Group Twenty has also helped to upgrade the market environment in India by encouraging amendments such as the establishment of an insolvency law.

This research paper explores the impact of India's membership in Group of Twenty (G20) on the FDI inflows to India during 2000-01 to 2023-24. This paper examines the history of all Group Twenty Summits, declarations and future plans. It also has analysed the initiatives, policies, and collaborations within the G20 that have impacted FDI trends in India.

Keywords: Group of twenty (G20), foreign direct investment (FDI)

Introduction

Foreign Direct Investment (FDI) means the investment put together by individuals, businesses, or governments of one nation into another nation with an objective to establish an unwavering interest and a degree of ownership or manage the operations of an enterprise in the host nation. FDI has become a significant component of contemporary global economic dynamics. It facilitates the transfer of capital, technology, knowledge, and managerial expertise across borders.

FDI serves as an essential stimulus for India's economic development and advancement. It has heterogeneous impact on various sectors, regions, and dimensions of the economy, shaping India's journey towards becoming a globally competitive and economically strong country. However, to utilise the benefits of FDI, a balanced approach is required to consider both the opportunities and challenges associated with foreign investments. As India positions itself in the global economic landscape, FDI inflows become paramount in charting its sustainable growth and development path.

G20 and India

The G20 is an international association created by the governments along with the central bank executives of the world's 20 largest economies. Founded in 1999 in response to the Asian monetary crisis, its aim is to foster international economic cooperation and ensure stability.

Corresponding Author:
Dr. Usha Bhati
Associate Professor of
Commerce, Dr. B.R.
Ambedkar Govt. College,
Dabwali, Haryana, India

Table 1: List of G20 Members

Argentina	Japan	Australia	Mexico	Germany	United States of America	Italy
Brazil	Republic of Korea	Canada	Russia	Indonesia	European Union	Turkey
China	South Africa	France	Saudi Arabia	India	United Kingdom	

There has been a positive impact of Group Twenty on the Indian financial sector. It has assisted to enlarge overseas investment, encouraging liberalisation, boosting monetary regulation, and coping with global warming. These are the important factors that will help India to sustain its economic growth in the years to come

Objectives of this study

1. To examine the history of all Group Twenty Summits, declarations and future plans.
2. To analyse the changes in FDI inflows in India during 2000-01 to 2023-24.
3. To inquire the impact on policies, rules and regulations in India as a commitment to G20.

Data Collection and Analysis Methodology

This study was conducted using secondary sources of data from books and publications by the Government of India, UNCTAD, RBI databases, and other literature sources. Both descriptive and analytical research methodologies were used. The research papers, articles, and scholarly publication available on the topic enriched the analysis and helped in identifying research gaps. The press agency released by the Ministry of Foreign Affairs served as the firsthand account of data about India's international negotiations amid the G20 summit. These news releases provided helpful context and perceptions into the diplomatic policy aims and prime concerns of India throughout these summits. The authorised G20 website also stood as an additional significant secondary source of data.

Review of Literature

Review of the existing studies is a crucial component as it provides background information on the research topic. It enhances study validity and reliability. It reveals existing knowledge gaps and inconsistencies. So some past studies related to the subject have been reviewed and analysed.

The research of Neetu Chandra Sharma (2024) ^[1] studied the pharmaceutical market effect during the COVID-19 pandemic on the Indian drugs industry. Global corporations demonstrated their growing interest in the pharmaceutical industry by investing directly into the domain. The pharmaceutical sector attracted record-breaking FDI growth amounting to 188 percent during the financial year 2020-21 which increased to 1.5 billion dollar while starting at 517 million dollar in 2019-20. The major pharmaceutical industry sector growth places India firmly at center stage in worldwide healthcare and pharmaceutical operations. The digital initiatives involving Aarogya Setu app and Co-WIN platform delivered healthcare execution updates that established new business prospects for start-ups and healthcare companies. India demonstrated its ability to advance healthcare services through digital innovations as well as better patient care while disease management during its G20 presidential term.

The Foreign Exchange Management Act regime (FEMA Regime) functions under the Department of Promotion of Industry and International Trade (DPIIT) for FDI regulation in India according to James Hsiao and Roy stone C Tan

(2023) ^[2]. The World Investment Record 2021 identifies India as a top FDI attraction worldwide. With its seventh position India ranks as one of the biggest FDI receivers in 2021. The Indian government focuses on FDI inflow attraction because establishing India as an investor-friendly nation remains a primary objective for developing its legal framework.

Dubey, P. This paper examines G20 which serves as the largest international gathering to facilitate substantial economic collaboration and financial stability across the world. The forthcoming G20 Summit under India's leadership will need strong Presidential leadership to execute the Group's plans regarding economic development. India plans to utilise its strategic position to direct worldwide economic development approaches especially concerning infrastructure development together with health and educational frameworks. India requires strong leadership to establish itself as an essential economic pillar for the world. The Indian government will concentrate on fostering sustainable growth alongside inclusive development while prioritising empowerment of women across all levels of society and digital transformation initiatives and international collaborative efforts. Global social and economic development experiences its most important phase at this time.

The paper written by Bhattacharya M.P. (2023) ^[4] demonstrates India's role in the G20 summit 2023 by discussing its efforts toward the digital economy along with technological transformation and sustainable development. Technology in India centres around human needs and seeks dual success through development and nature conservation through renewable power infrastructure growth and enhanced forest territories. India provides support to universal environmental objectives by encouraging zero emission energy use and global warming depletion strategies. Environmental conservation projects need sustainable financial support according to this approach. India participates as a member of the G20 group to join forces with other world nations on green development projects while seeking to support worldwide sustainable changes toward equitable and sustainable outcomes. According to the paper India leads the way for the Green Development Pact established by the G20. India upholds its dedication to team up with worldwide entities in order to manage environmental issues and support international sustainability programs.

According to Vishal Kumar (2023) ^[5] The Group Twenty produces beneficial economic results for India. The organisation has stimulated more international investments into India alongside better financial management and trade openness while tackling environmental challenges. The important elements outlined in this text will contribute to establishing and maintaining productive economic development in India during forthcoming decades. Through the G20 India has achieved progress in education and constructed necessary infrastructure for healthcare while simultaneously making efforts to decrease poverty. India has derived substantial value from partnering with the G20 for its quest to achieve prosperity and economic growth.

Through the forum India possesses a mechanism to establish connections with major world economies and exchange its knowledge and insights with other nations. Through its involvement with the G20 India has enhanced its international prestige.

According to Hanson (2001) ^[6] there is limited evidence showing that FDI creates beneficial spillovers in host countries. He evaluated micro-level evidence which demonstrated spillover effects between foreign enterprises and domestic businesses.

Lipsey (2002) ^[7] evaluated the micro studies with a positive outlook since he found sufficient supporting data. According to Lipsey's assessment of macro empirical research regarding inward FDI stock levels and GDP growth rates small or nonexistent correlations were found.

Foreign investments may fail to stimulate economic growth according to development models because linkages between investments and the economy are a necessary requirement. The resentment toward the 'Zonal' form of development results from the way primary products extracted from wells, mines and plantations escape domestic economic traces.

The review of existing literature has suggested that FDI has played an important role in shaping economic growth routes and growth aspirations of nations. The introduction of FDI into the Indian economy has been a transformative force, generating numerous benefits while also presenting challenges that policymakers must handle for understanding the significance of FDI.

The Group of Twenty (G20) is the premier forum for international economic cooperation. It plays an important role in shaping and strengthening global architecture and governance on all major international economic issues. India held from 1 December 2022 to 30 November 2023, the Presidency of the G20.

G20 has helped its member countries to increase foreign investment, improve financial regulations, promote trade liberalisation and address climate change. These are all important factors that will help India to sustain its economic growth in the years to come

Analysis of G20 Summits, declarations, and recommendations

2008, G20 summit held in Washington D.C. The international event took place after the subprime mortgage financial crisis under the title 'Declaration of the Summit on Financial Markets and the World Economy.' Leaders focused on developing strategies for economic expansion alongside solutions for handling the financial emergency to establish fundamental reform measures preventing future financial collapses.

The G20 summit focused on the main objectives mentioned in its preamble during its 2009 Pittsburgh USA meeting. The aim was to work for strengthening the framework for strong, sustainable, and balanced growth: to strengthen the international financial regulatory system and modernising our global institutions to reflect today's global economy; to do reform in mandate, mission and governance of the IMF and of our development banks; to work for energy security and climate change and strengthen the support for the most vulnerable people; to open up world economy and putting quality jobs at the heart of the recovery.

Leaders convened at the 2009 G20 Summit in London UK to deal with the most severe financial crisis that occurred since World War 2. World leaders gathered at the Summit to

create united strategies aimed at ensuring economic stability while also protecting jobs. The leaders managed to confront diverse difficulties which included keeping economic downturn at bay while boosting short-term growth while simultaneously redesigning the financial system and keeping international trade flows viable. The summit produced real measures which built confidence for economic expansion while improving financial supervisory frameworks and regulatory systems and it also promoted World Bank and IMF reform for funding purposes to overcome financial crises and prevent future ones and foster global trade investment over protectionist measures and it strengthened economic foundations for an inclusive green and sustainable future.

All major countries were experiencing recovery from economic recession during the Toronto G20 Summit in 2010 when the declaration addressed unemployment rates among different economies alongside financial crisis effects. A swift decrease in deficit levels according to the International Monetary Fund would create substantial obstacles against economic recovery. The goal of balanced public spending would create stability in bond markets and decrease interest rates and government funding while encouraging private sector investment. According to both emerging economies and the Summit Declaration major obstacles remained while unemployment grew across several economies and the financial crisis continued. The International Monetary Fund pointed out that deficit reduction would slow economic expansion at a fast pace. However the balanced public spending strategy helped bond market stability and interest rate reductions as well as lower government spending which encouraged private funding. China represents one of the emerging economies that received significant advantages from economic development. The emerging economies such as China, which had largely benefited from trade surpluses, should rely less on developed nations and increase their own spending in order to promote domestic demands

At the 2011 G20 Summit in Cannes France the participant countries introduced commodity market transparency measures to reduce excessive commodity price volatility in physical energy and agricultural products as well as financial commodities. Development banks need to construct human capacity development projects within developing countries through infrastructure investments. At the Cannes event the G20 organised its first-ever support system for innovative financing that combines development funding with climate initiatives.

Under the leadership of Mexico in 2012 the G20 Summit in Los Cabos aimed to create a better economic governance framework which balanced developing and emerging economies' essential concerns. As the main focus of the summit members worked to stabilise economic and structural reforms for growth and job creation while also using their efforts to strengthen financial systems and financial inclusion for greater economic benefits and improving the international financial architecture and food security efforts.

The 2013 G20 Summit held in Saint Petersburg demanded evaluation of three key matters including Framework Agreement implementation for sustainable strong and balanced growth and employment creation and international monetary and financial system reforms alongside financial regulation adjustments to sustain global energy markets

development together with international development promotion and anti-corruption activities and multilateral trade strengthening.

During the G20 Summit of 2014 at Brisbane Australia leaders examined vital economic issues and growth methods for achieving increased economic output. The initiative had as its main objective the elevation of G20 nation GDP levels by more than 2 percent within five years. The leaders committed themselves to establishing quality job positions and stimulating growth initiatives. The Ebola statement functioned independently alongside the Brisbane Action Plan that was produced at the Summit. The Summit delivered outcomes across the agenda's three themes of growth and jobs; to strengthen global institutions and economic resilience; to increase investment in infrastructure through the creation of a Global Infrastructure Hub; to improve energy collaboration and strengthen energy markets through Energy Collaboration; to reduce the gap in participation rates of male and female workforce by 25 percent by 2025; to introduce reforms to combat tax avoidance and strengthen financial regulation.

G20 Summit 2015 in Antalya Turkey centred itself around realising past commitments while developing broad-based global growth through enhanced investments. The summit established its main priorities which included "Inclusiveness" together with "Investment" and "Implementation" search. Leaders met to discuss International Monetary Fund reform alongside anti-corruption measures and financial regulations and international tax concepts during this session.

During the 2016 G20 Summit at Hangzhou China leaders focused on developing an Innovative and Invigorated Interconnected and Inclusive World Economy as their central theme. Through the Hangzhou Summit the international community learned that the G20 platform exists to benefit both member states and all residents of the world, particularly developing nations. The final outcome represented a collective initiative which solved present problems and outlined essential directions for international economic development and strengthened both trade relationships and financial management and promoted inclusive integrated governance.

During the 2017 G20 Summit in Hamburg Germany participants set "Shaping an Interconnected World" as their main objective to establish practical multilateral cooperation frameworks regarding vital matters which continue to matter today. During the Coronal pandemic and AMR the group members expressed significant attention and concern. The event created the G20 Africa Partnership that focused on sustainable investment chances. The organisation established the G20 Hamburg Climate and Energy Action Plan for Growth along with other innovative initiatives as part of the expansion plan. The event strengthened multilateral trade practices by promoting a rules-based system, managing excess capacity, and emphasising sustainable supply chain commitments. It also enhanced counter-terrorism efforts through the Financial Action Task Force. The meeting exposed the critical requirement of addressing root factors that drive refugee and migrant population movements from their homes. Specific measures were implemented to promote gender equality by focusing on Girls and Women Entrepreneurs' skills development programs and providing financial resources which enable women from developing nations to build their businesses.

The Buenos Aires G20 Summit of 2018 featured a central focus on human-centric matters including employment needs as well as development infrastructure and food sustainability alongside gender equity initiatives. Throughout the year multiple meetings reached over 60 occurrences which included ten ministerial sessions. Amongst the published declarations were documents from the Councils of Finance and Employment and Education (established for its initial stage within Health along with Trade and Energy sectors). As a G20 participant Argentina maintained an ongoing effort to show developing countries' viewpoints in order to build an expanded inclusive perspective for the meeting. The G20 placed employment as a top priority to assist the millions of workers who lost employment particularly the women and youth while promoting universal active social protection systems.

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In 2022 the G20 Bali summit in Indonesia used "Recover together, recover stronger" as their main theme. The COVID-19 pandemic caused global stress which prompted Indonesia to choose this theme at the time. Companies and organisations needed to team up for developing effective recovery strategies.

The 18th G20 Summit operated successfully from Bharat Mandapam in New Delhi throughout 9-10 September, 2023. The presidency under India focused on Vasudhaiva Kutumbakam: "One Earth, One Family, One Future" which

steered the development path toward human-focused methods while addressing debt matters through G20 Common Framework for debt and preserving global cryptocurrency. Global growth became stronger on

September 9th, 2023 when the African Union joined as a member of the Group at the New Delhi meeting. This marked the first new member added since 1999.

Table 2: List of G20 Summits

1 st	Nov 14th-15th 2008	United States	Washington, D.C	George W. Bush
2 nd	April 2nd 2009	United Kingdom	London	Gordon Brown
3 rd	Sept 2th -25th, 2009	United States	Pittsburgh	Barack Obama
4 th	June 26th-27th 2010	Canada	Toronto	Stephen Harper
5 th	Nov 11th-12th 2010	South Korea	Seoul	Lee Myung-bak
6 th	Nov 3rd-4th, 2011	France	Cannes	Nicolas Sarkozy
7 th	June 18th-19th, 2012	Mexico	Los Cabos	Felipe Calderón
8 th	Sept 5th-6th, 2013	Russia	Saint Petersburg	Vladimir Putin
9 th	Nov 15th-16th, 2014	Australia	Brisbane	Tony Abbott
10 th	Nov 15th-16th, 2015	Turkey	Serik, Antalya	Recep Tayyip Erdoğan
11 th	Sept 4th-5th 2016	China	Hangzhou	Xi Jinping
12 th	July 7th-8th 2017	Germany	Hamburg	Angela Merkel
13 th	Nov 30th-1st Dec 2018	Argentina	Buenos Aires	Mauricio Macri
14 th	June 28th- 29th, 2019	Japan	Osaka	Shinzo Abe
15 th	Nov 21st-22nd 2020	Saudi Arabia	Riyadh	Salman
16 th	Oct 30th- 31st 2021	Italy	Rome	Giuseppe Conte
17 th	Nov 15th -16th, 2022	Indonesia	Bali	Joko Widodo
18 th	Sept 9th -10th, 2023	India	New Delhi	Narendra Modi
19 th	Nov 18th-19 th , 2024	Brazil	Rio de Janeiro	Luiz Inácio Lula da Silva

Wikipedia [wikipedia.org/wiki/List_of_G20_summits

India's G20 Priorities

1. Green area development, concern for climate finance and lifestyle for environment.
2. Accelerated, Inclusive & Resilient Growth
3. Accelerating progress on Sustainable Development Goals (SDGs)
4. Technological Transformation and Digital Public Infrastructure
5. Promotion of Multilateral Institutions for the 21st century
6. Women-led development.

Analysis of FDI inflows in India during 2000-2023

1. India's FDI inflows from 2000-01 to 2023-24, have increased 20 times. The Department for Promotion of Industry and Internal Trade (DPIIT) data shows India's cumulative FDI inflow, stood at US\$ 990.97 billion. Due to the efforts of the government to improve the business environment in India and easing of FDI norms. The total FDI inflows to India from April 2023 to March 2024 stood at US\$ 70.95 billion and --for the same period FDI equity inflows stood at US\$ 44.42 billion

2. India's service sector attracted the highest FDI equity inflow of 16.13% amounting to US\$ 109.49 billion, followed by the computer software and hardware industry at 15.16%, amounting to US\$ 102.88 billion, trading at 6.39% (US\$ 43.39 billion), telecommunications at 5.79% (US\$ 39.33 billion), and automobile industry at 5.34% (US\$ 36.27 billion) from April 2000-March 2024,
3. India has received major FDI inflows from Mauritius at US\$ 171.85 billion with a total share of 25.31%, followed by Singapore at 23.56% (US\$ 159.94 billion), the USA at 9.6% (US\$ 65.19 billion), the Netherlands at 7.17% (US\$ 48.68 billion), and Japan at 6.17% (US\$ 41.92 billion), during April 2000-March 2024,
4. The state that received the highest FDI equity inflow, was Maharashtra (US\$ 69.08 billion) at 29.68%, followed by Karnataka (US\$ 51.03 billion) at 21.93%, Gujarat (US\$ 39.20 billion) 16.84%, Delhi (US\$ 31.72 billion) 13.63%, and Tamil Nadu (US\$ 10.94 billion) 4.7%, during October 2019-March 2024

Table 3: Financial year-wise FDI inflow to India data, (Amount in USD Million)

Sr. N	Financial Year	Equity Govt/ Auto/ Acquisition Route	Equity through Un-incorpo Bodies	Reinvest Earnings	Other Capital	Total FDI inflows into India	%Growth over previous Year
1	2000-01	2339	61	1350	279	4029	-
2	2001-02	3904	191	1645	390	6130	52.00%
3	2002-03	2574	190	1833	438	5035	-18.00%
4	2003-04	2197	32	1460	633	4322	-14.00%
5	2004-05	3250	528	1904	369	6051	40.00%
6	2005-06	5540	435	2760	226	8961	48.00%
7	2006-07	15585	896	5828	517	22826	155.00%
8	2007-08	24573	2291	7679	300	34843	53.00%
9	2008-09	31364	702	9030	777	41873	20.00%
10	2009-10	25606	1540	8668	1931	37745	-10.00%
11	2010-11	21376	874	11939	658	34847	-8.00%
12	2011-12	34833	1022	8206	2495	46556	34.00%

13	2012-13	21825	1059	9880	1534	34298	-26.00%
14	2013-14	24299	975	8978	1794	36046	5.00%
15	2014-15	30933	978	9988	3249	45148	25.00%
16	2015-16	40001	1111	10413	4034	55559	23.00%
17	2016-17	43478	1223	12434	3176	60220	8.00%
18	2017-18	44857	664	12542	2911	60974	1.00%
19	2018-19	44366	689	13672	3274	62001	2.00%
20	2019-20	49977	1757	14175	8482	74391	20.00%
21	2020-21	59636	1452	16935	3950	81973	10.00%
22	2021-22	58773	910	19347	5805	84835	3.00%
23	2022-23	46034	1566	19105	4650	71355	-16.00%
24	2023-24	44423	1437	19533	5561	70954	-1.00%
25	Commulative Total	681743	22583	229213	57433	990972	

Source: (i) RBI's Bulletin for May, 2024 dot. 21.05.2024 (Table No. 34 - FOREIGN INVESTMENT INFLOW).

Assessment of India's FDI landscape after its involvement in the G20

India's involvement in the G20 has brought substantial changes in its FDI landscape, transitioning from a cautious and restrictive to a more open and investor-friendly approach. The alignment with G20 principles has contributed to increased FDI inflows, improved investor perception, and the diversification of investment sources. India stood as the third largest recipient of greenfield projects with 1008 green field project announcements. The number of international project finance deals in India also increased by 64%, making it the recipient of the second largest number of international project finance deals (World Investment Report 2023). As India continues to be an active participant in global economic fora, its FDI landscape will likely evolve further, reflecting a balance between international cooperation and domestic developmental imperatives. The G20's emphasis on open trade and investment environments has encouraged India to create policies that facilitate foreign investment. This has led to expanded market access for foreign companies seeking to establish a presence in India. G20 discussions on technology transfer and innovation have spurred India's efforts to attract FDI in technology-intensive sectors. This focus aligns with the aspirations of foreign investors looking for opportunities to collaborate and tap into India's growing tech ecosystem.

G20 membership has broadened India's engagement with a diverse range of economies, both developed and emerging. This has facilitated greater bilateral investment and trade partnerships, allowing India to attract FDI from a wider array of countries. India's bilateral engagements with member and non-member countries can facilitate FDI inflows through trade agreements, partnerships, and mutual investment promotion efforts. In 2022, India received 811 Industrial Investment Proposals which were valued at US\$ 42.78 billion (Rs. 352,697 crore). The Cumulative amount of Industrial investment proposals for 2022 increased to US\$ 298 billion (Rs. 23.6 lakh crore) as compared to US\$ 169.5 billion (Rs. 13.8 lakh crore) in the previous year.

Being part of G20 discussions and commitments has instilled confidence in foreign investors that India is committed to fostering an enabling investment environment. This confidence encourages investors to explore opportunities across various sectors. It is likely to drive further FDI reforms, as the country seeks to enhance its global competitiveness and attract investments across a broader spectrum of industries. During FY23, FDI inflow of US\$ 71.35 billion was reported while during FY24; FDI worth US\$ 70.95 billion has been reported on provisional basis.

The G20's emphasis on an open investment environment and reduced barriers to FDI has encouraged India to gradually liberalise its FDI regulations. India's policy shift from restrictive to more open sectors for FDI, such as retail and aviation, can be partially attributed to the principles promoted by the G20. The focus on improving the ease of doing business has led to reforms in India's business environment. These reforms have aimed to streamline administrative procedures, enhance transparency, and reduce bureaucratic obstacles, thereby making India a more attractive destination for FDI.

The Reserve Bank of India took various actions to escalate foreign exchange influx. These actions include:

1. Exempted the Non-Resident (External) Rupee (NRE) and additional Foreign Currency Non-Resident Bank (FCNR) deposits from Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).
2. Authorised the banks to agree to new FCNR and NRE instalments, until the end of October 2022, without regard to current interest rate regulations.
3. For Foreign Portfolio Investors (FPIs), all new issuances of 7-year and 14-year G-Secs were included under the Fully Accessible Route (FAR).
4. The Short-term limit for FPIs' investments in G-Secs and corporate debt was exempted up to October 31st, 2022.
5. FPI in commercial paper and non-convertible debentures was allowed with an initial maturity of a maximum of one year.
6. A temporary increase was allowed from US\$ 750 million or its equivalent per fiscal year to US\$ 1.5 billion in the limitation for external commercial borrowings (ECBs) under the self operating route.
7. 100 basis points rise in the all-in price ceiling under the ECB framework, according to the borrower having an investment grade rating.
8. AD Cat-I banks are permitted to use foreign currency advances, to, to fund foreign currency loans for a variety of end purposes besides exports to organisations.

The Foreign Investment Facilitation Portal (FIFP) provided through an online single-point government link allows investors to submit Foreign Direct Investment proposals which the government evaluates before authorisation under the Government approval route. The Indian government plans to make alterations in FDI evaluation and oversight procedures regarding investment from neighbouring nations. Future FDI inflows will accelerate thanks to government initiatives intended to support foreign investors together

with PM Gati Shakti and single window system and GIS-mapped agricultural bank. The government continues to support textile industry growth through Silk Samagra-2 scheme alongside National Technical Textiles, Seven Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks, MMF Fabrics along with Products of Technical Textiles, Production Linked Incentive (PLI) Scheme for Textiles and other initiatives which promote export and FDI.

G20 infrastructure initiatives have influenced India to develop new policies throughout its energy sector and transportation networks and urban growth sectors. India supports the Group of Twenty's focus on quality infrastructure because it advances economic expansion through Foreign Direct Investment in infrastructure development initiatives. The Government of India boosted defence sector FDI through the automatic route by allowing 74 percent while making 100 percent possible through the government route. The pharmaceutical industry sector has experienced a reduction in its Sectoral cap allowing 74% of FDI through automatic methods and full FDI through approved methods in Brownfield Pharma Sector projects. Automatic routes also authorise 100% FDI in Brownfield airport projects of the civil aviation sector and single-brand retail trading under automatic routes with flexible local sourcing norms up to 3 years. Through amendments to Foreign Exchange Management Act (FEMA) rules the government authorised 20 percent foreign direct investment. LIC, insurance company through the automatic route. The Union Cabinet accepted 100% foreign direct investment by the default route for the telecommunication sector during September 2021 whereas the previous limit stood at 49 percent. The Government updated the Foreign Exchange Management (non-debt instruments) Rules of 2019 to boost insurance sector FDI up to 74 percent. The authority of India intends to extend its FDI limit from the current threshold to full 100 percent autonomous approval.

G20's acknowledgement regarding technology transfer through FDI has inspired India to implement new strategies for technology-intensive FDI acquisition. By pursuing the "Make in India" campaign India follows G20 directives for using Foreign Direct Investment to promote technology transfer. The manufacturing sector welcomed 57% more FDI equity inflow during 2014-2022 compared to 2006-2014 because of Made in India. The Government approved through the Union Cabinet a Production Linked Incentive Scheme worth Rs 6,238 crore for White Goods between 2021-22 to 2028-29 to support Atma Nirbhar Bharat. The program has authorised 64 approved participants to invest Rs. 6,766 crore in total.

Foreign investor protection has become a critical matter for the G20 group which forced India to enhance its protective framework for foreign investments through legal and regulatory measures. The Indian government continues its work on bilateral investment treaties by implementing investor-state dispute settlement frameworks into its norms. The Union Cabinet endorsed an approval to finalise and sign a Bilateral Investment agreement linking India and the United Arab Emirates which aims to enhance investor trust while attracting foreign investment to enable overseas direct investment that might generate jobs. India and the UK showed agreement in September 2021 to build stronger diplomatic connections for increasing the scope and value of their trade partnership.

The global landscape of FDIs has made India its main connection point during recent times. The World Market Report 2023 identified India as one of the leading ten countries receiving Foreign Direct Investment in the world. India has carried out major corporate tax reductions together with the implementation of simplified labor regulations. Statistical data from the OECD FDI restrictiveness index indicates that India has lowered its FDI barriers to 0.21 during the last 17 years from an initial value of 0.42 in 2003. International investors maintain India as an appealing destination because of its both short-term and long-term investment potential. FDI strongly favours low-skill manufacturing as a promising investment sector in India. The government of India has successfully established outstanding administrative efficiency. The government has made its operations more efficient because public finances stay stable amid COVID disruptions while private sector stakeholders maintain positive views about state funding support for their businesses. India may draw FDI worth US\$ 120-160 billion yearly up to 2025 because of such various elements.

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