India rose to 11th among top FDI destinations in 2025: UN report

KRITY AMBEY
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Ebb and flow

	Inward FDI		Outward FDI	
Year	Inflows ($ bn)	Rank*	Outlows (in $ bn)	Rank**
2021	44.8	8th	17.3	25th
2022	49.4	8th	14.6	23rd
2023	28.1	16th	13.9	23rd
2024	27.1	13th	24.3	20th
2025	38.9	11th	35.7	18th

*Among FDI destinations; **Among FDI home economies   Source: Unctad

India has climbed two places to become the world's 11th-largest recipient of foreign direct investment (FDI), according to a UN agency's latest trade report. Inflows surged nearly 44 per cent to $38.89 billion in 2025, helping the country recover ground lost after it slipped out of the global top 10 two years prior. India had ranked 13th among global FDI recipients in 2024, with inflows of $27.09 billion.

"India continued to strengthen its position as a major investment destination in 2025, supported by an active policy agenda aimed at broadening its investment base beyond services and accelerating advanced manufacturing," according to the United Nations Conference on Trade and Development (Unctad) World Investment Report 2026, released on Tuesday.

India's rebound contrasted with a relatively subdued trend across developing economies, where FDI inflows rose just 2 per cent. Developing economies in Asia saw a 3 per cent rise.

China retained its fourth position among global FDI destinations despite inflows declining to $104.66 billion in 2025 from $116.24 billion a year earlier. The United States, the world's largest FDI recipient, also recorded a 2 per cent fall in inflows to $277 billion.

While overall FDI inflows into India increased, project-level indicators suggested a more cautious investment environment. The value of announced greenfield investments fell to $74.12 billion in 2025 from $111.14 billion in 2024.

Despite the decline, India attracted the world's largest announced greenfield investment project in 2025. US-based Alphabet Inc announced a $14.5 billion investment in a data centre in India, topping the global list. Poland also emerged as a major source economy after Hynfra announced a $4 billion investment in Andhra Pradesh.

"The policy framework in India remains oriented towards advanced manufacturing, infrastructure development and deeper integration into global value chains. However, tariff uncertainty, supply chain realignment and weaker global investment sentiment are affecting the scale of new manufacturing and infrastructure commitments," it said.

Unctad's figures are not directly comparable with India's official FDI data. While the Department for Promotion of Industry and Internal Trade reports FDI equity inflows, Unctad's measure includes equity capital, reinvested earnings and intra-company debt on a net basis after adjusting for reverse transactions such as disinvestment.

The Reserve Bank of India's net FDI measure goes a step further by deducting outward direct investment by Indian firms, resulting in a lower net figure even when inward FDI remains robust.