

# FDI inflows down 43% in 2023: Unctad

India dropped to 15th spot in 2023 from 8th in 2022

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Foreign Direct Investment (FDI) flows to India plummeted by 43 per cent in 2023 to \$28 billion amid a global decline of 2 per cent, a report by the United Nations Conference on Trade and Development (Unctad) said on Thursday. While India dropped to 15th spot in 2023 from 8th position in 2022 in terms of FDI inflows, it remained in the Top-5 for both kinds of FDI — greenfield projects and international project finance deals. In 2022, India's FDI inflows had risen by 10 per cent to \$49 billion.

"While the prospects for FDI remain challenging in 2024, modest growth for the full year appears possible," the report said, citing the easing of financial conditions and concerted efforts towards investment facilitation — a prominent feature of national policies and international agreements.

Compared to the previous year, India slipped one spot to become the fourth-largest host country for greenfield project announcements in 2023. It continued to be second in international project deals. In terms of FDI outflows, India's rank grew from 23rd in 2022 to 20th in 2023.

The UNCTAD report said that among the Top-20 host economies, the largest absolute drops in FDI inflows were registered in France, Australia, China, the US and India.

A press statement by Unctad said developed countries were strongly affected by financial transactions of multinational enterprises, partly due to efforts to implement a global minimum tax rate on the profits of these corporations.

FDI in developing Asia fell by 8 per cent to \$621 billion, with China — the second-largest FDI recipient in the world — seeing a rare decline in inflows, the report said. "Sizeable declines were recorded in India and in West and Central Asia," it added.

Among liberalisation initiatives, India

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## INVESTMENT TREND

Inflows declined in over half of top 20 countries

2023 Rank	Country	FDI inflows (\$ bn) 2022	FDI inflows (\$ bn) 2023
1	US (1)	332	311
2	China (2)	189	163
3	Singapore (3)	141	160
4	Hong Kong (4)	110	113
5	Brazil (6)	73	66
6	Canada (9)	46	50
7	France (5)	76	42
8	Germany (17)	27	37
9	Mexico (12)	36	36
10	Spain (10)	45	36
15	India (8)	49	28

Note: 2022 rank in brackets

Source: Unctad

permitted foreign lawyers and firms to "practise foreign law within the country".

The report also noted that India is among the countries that rolled out national strategies or frameworks on sustainable finance, underscoring a trend towards a growing commitment to adopt a systematic approach to policymaking in this area.

India along with Bangladesh, China, Singapore, and Thailand released policies to support the banking industry in integrating sustainable development considerations into operations, covering sustainable deposits, sustainable loans and green credits, the report showed.