

Determinants of FDI and its Impact on Indian Economy Growth

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ABSTRACT

Purpose: -Over the last two decades, Foreign Direct Investment plays a primary role in rapid economic growth. It provides accessing to new technologies, returns on investment, cheaper production facilities, new market and marketing channels are evolved and had a great significant effect on the economic growth. Besides, lot of foreign money pumped into economy leads to job creation, infrastructure development and increase in foreign exchange reserve lead to overall growth of economy. Hence this study emphasis on the determinants of FDI and its impact on economic growth.

Design/methodology/approach: -A systematic literature review is done to analyses the impact of FDI inflows on economic growth. For this purpose, a literature was collected from 30 to 35 articles from a reputed journal like Scopus indexed, Elsevier, research gate, international journal for development research from 2012 -2018, literature body is followed by the pattern of content analysis

Findings: -The major findings revealed that, the majority of FDI inflows are in sectors like manufacturing, financial services, telecommunication, construction activities and computer software and hardware in India. The various determinants of FDI which impact the economic growth are market size, openness, infrastructure, return on investment, real labour laws, human capital, exchange rate, political risk and government incentives.

Keywords: -FDI, Economic Growth, systematic literature review, determinants, impact on economic growth

