Journal of Neonatal Surgery
ISSN(Online): 2226-0439
Vol. 14, Issue 27s (2025)
https://www.jneonatalsurg.com

Mapping The Role of Foreign Direct Investment from Major Economies in India's Gdp Expansion: With Focus on Healthcare Sector

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Cite this paper as: Reshuka Mor, Dr Jaswant Saini, (2025) Mapping The Role of Foreign Direct Investment from Major Economies in India's Gdp Expansion: With Focus on Healthcare Sector, *Journal of Neonatal Surgery*, 14 (27s), 718-730

ABSTRACT

Capital inflows, technological improvements, job creation, and industrial expansion are all fueled by foreign direct investment (FDI), which is a major factor in economic growth. Foreign direct investment (FDI) from a number of important economies has contributed to India's GDP growth; this study seeks to identify those countries and their relative contributions. To examine FDI patterns, sector-specific contributions, and their relationship to GDP growth, the study uses a mixed-method approach, integrating quantitative and qualitative analysis. The research relies on secondary data gathered from various government studies, including those from the OECD, UNCTAD, DPIIT, and the Reserve Bank of India (RBI). Foreign direct investment (FDI) flows vary considerably between economies, according to the statistics, and there is a moderately positive association between FDI and GDP growth. Findings indicate that foreign direct investment (FDI) helps India's economy grow, but that policy-driven oscillations, sectoral inequities, and FDI's overall volatility necessitate steady policies that are good for investors. Notably, the healthcare sector has emerged as a vital recipient of FDI, reflecting rising global interest in India's healthcare infrastructure, services, and medical innovation. To provide long-term economic resilience and sustainable development, the report suggests diversifying foreign direct investment (FDI) sources, encouraging investment in high-growth industries including healthcare, renewable energy, and technology, and strengthening policy frameworks

Keywords: *Economic Growth, GDP Expansion, Healthcare, Foreign Investments, Trend, Economy..*

1. INTRODUCTION

Emerging economies like India's have been shaped by foreign direct investment (FDI), which has played a significant role in driving globalization and economic progress. Foreign direct investment (FDI) into India has increased dramatically since the country's economy was liberalized in 1991. Big economies including Japan, the US, Singapore, Mauritius, and Singapore have all made large contributions to this trend. The influx of capital has boosted GDP growth, created more job possibilities, increased industrial productivity, and made the economy more competitive overall.

Foreign direct investment (FDI) goes beyond only providing financial resources; it also helps spread innovation, expertise, and information across different industries, which contributes to India's GDP growth. These investments have mostly benefited industries including manufacturing, infrastructure, services, computer software and hardware, and telecommunications. In an effort to entice international investors and spur economic growth, the Indian government has enacted policy reforms like the Make in India initiative, Special Economic Zones (SEZs), tax incentives, and the legalization of foreign direct investment (FDI).

Foreign direct investment (FDI) has boosted India's GDP, but research into how FDI flows across economies and industries is still lacking. Due to changing geopolitical dynamics, regulatory hurdles, and worldwide economic circumstances, certain nations have persistently maintained their status as leading investors, while others have seen variations. To design strategic economic policies, boost investor confidence, and guarantee balanced regional development, it is crucial to understand the mapping of foreign direct investment (FDI) inflows from big economies and their sectoral influence on GDP growth.

Through the identification of important investment trends, sectoral contributions, and the long-term consequences for sustainable economic growth, this study seeks to assess the significance of FDI from major economies in India's GDP expansion. This research offers vital insights into the changing dynamics of India's investment ecosystem and its integration into the global economy by mapping the patterns of foreign investment and examining their impact on India's macroeconomic indicators

2. FOREIGN DIRECT INVESTMENT IN INDIA: A KEY DRIVER OF ECONOMIC GROWTH AND GLOBAL COMPETITIVENESS

One of the most important factors driving India's economic growth is foreign direct investment (FDI), which provides a large source of non-debt funding for the country's development projects. India offers a number of attractive investment opportunities, such as tax breaks and low labour costs, which attract multinational firms. Not only does this make it easier to gain technical knowledge, but it also promotes the creation of jobs and has a host of other benefits. Investments like these are a direct outcome of India's growing economic influence, dynamic business climate, improved global competitiveness, and proactive policy framework.

A number of programs and policies have been put in place by the Indian government to attract more foreign direct investment (FDI). The "Make in India" initiative stands out; it seeks to streamline processes and foster an investment-friendly environment in several industries. Retail, defense, insurance, and single-brand retail commerce have all been targets of foreign direct investment policy liberalization. There is now more openness thanks to the Goods and Services Tax (GST), and there are designated areas with tax breaks thanks to Special Economic Zones (SEZs).

Foreign direct investment (FDI) has mostly gone to India's service industry, computer software and hardware, and trading. From April 2000 to September 2024, a total of $708.65 billion was received in foreign direct investment. More than 170 nations have contributed to this FDI, which has been dispersed throughout 33 union territories and states and 63 different economic sectors.

Foreign Direct Investment (FDI) inflows totalling an astonishing Rs. 86,87,000 crore (US$ 1 trillion) since April 2000 mark a key milestone in India's economic progress. An growth in foreign direct investment (FDI) of about 26%, reaching Rs. 3,65,723 crore (US$ 42.1 billion) in the first half of FY25, has further bolstered this feat. The dynamic business climate, increased international competitiveness, and proactive policy framework in India are the driving forces behind this expansion, which highlights the country's increasing appeal as an investment destination worldwide. Between 2000-01 and 2023-24, foreign direct investment (FDI) into India surged by a factor of over twenty. Foreign direct investment (FDI) into India reached $1.03 trillion from April 2000 to September 2024, with the government's initiatives to make doing business easier and relax FDI regulations being the primary drivers of this growth, according to the Department for Promotion of Industry and Internal Trade (DPIIT). Between July 2024 and September 2024, a total of 19.8 billion US dollars came into India from foreign direct investment (FDI), with 13.6 billion US dollars coming in as FDI equity.

Foreign direct investment (FDI) equity inflow to India's economy from 2000–2024 peaked in the service sector, at 16.0% or $115.18B, then moved on to the computer software and hardware industry at 15.0% or $107.07B, trading at 7.0% or $46.2B, telecommunications at 6.0% or $39.4B, and the automobile industry at 5.0% or $37.2B. From April 2000 to September 2024, India also received a substantial amount of foreign direct investment (FDI), with 25% coming from Mauritius (US$177.18 billion), 24% from Singapore (US$167.47 billion), 10% from the USA (US$66.77 billion), 7% from the Netherlands (US$52.26 billion), and 6% from Japan (US$43.11 billion).

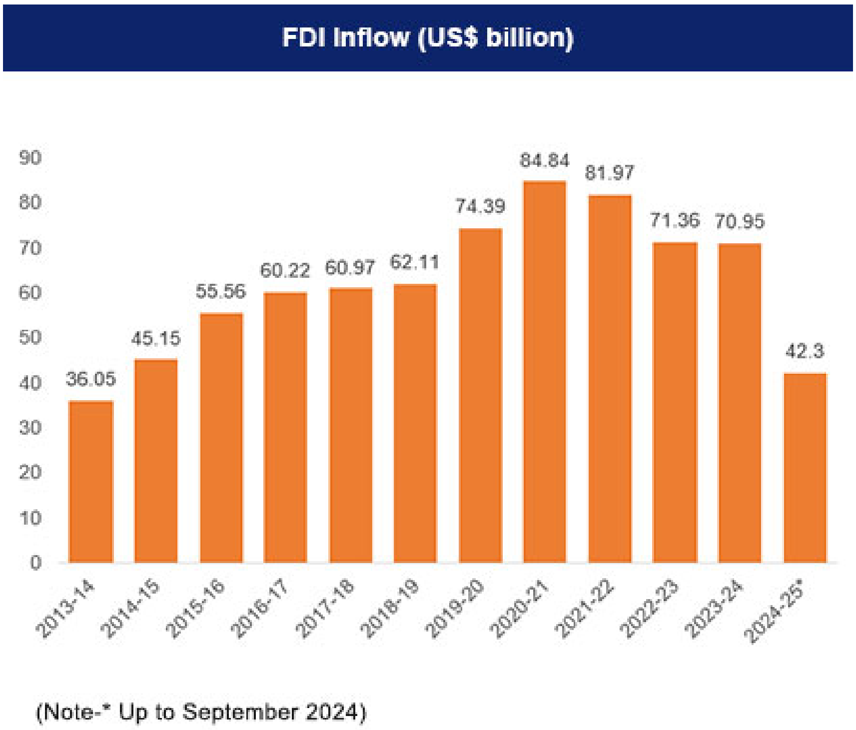

Figure 1: Market Size of FDI inflows

(Source:https://www.ibef.org/economy/foreign-direct-investment#:~:text=From%20April%202000%2DSeptember%202024,(US%24%2039.4%20billion)%2C)

Out of all the states that got foreign direct investment (FDI) equity inflow between October 2019 and September 2024, the top five were as follows: Maharashtra with US$82.63 billion, Karnataka with US$54.57 billion, Gujarat with US$43.15 billion, Delhi with US$34.92 billion, Tamil Nadu with US$12.56 billion, and Delhi with US$13%.

FDI Inflows in Different Sectors

Inflows of Foreign Direct Investment (FDI) into different Indian sectors are shown in the bar chart below. The top industries that are drawing foreign investments are highlighted by the values, which are expressed in million US dollars. The data sheds light on the distribution of foreign direct investment (FDI) by sector, revealing the factors that have contributed most to India's economic growth and FDI patterns.

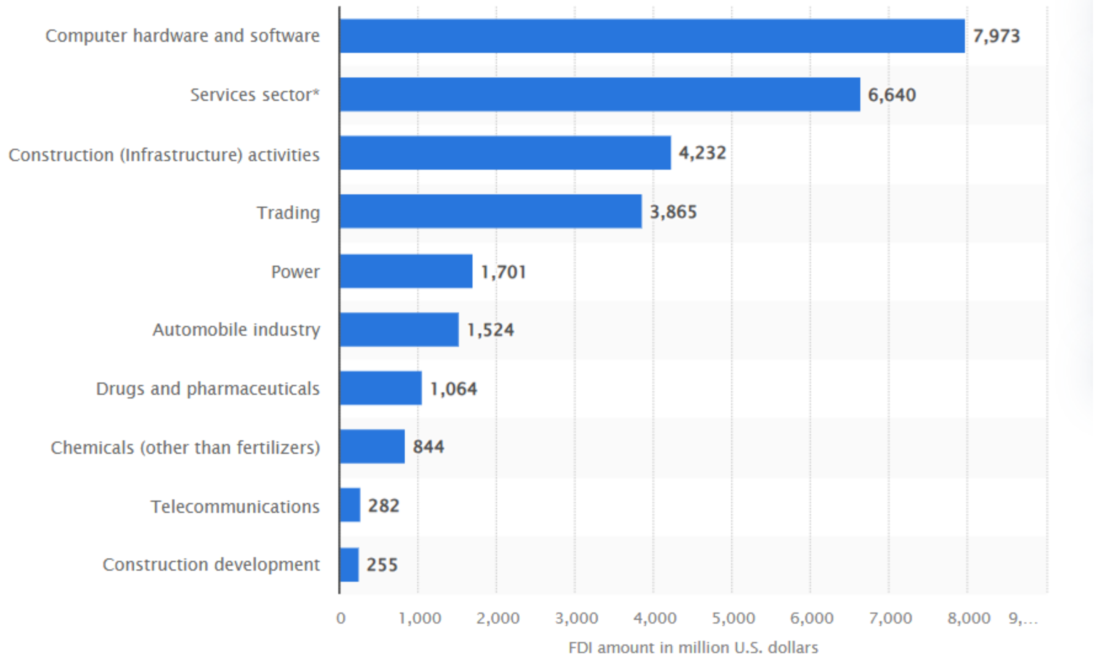

Figure 2: Distribution of foreign direct investment equity inflows in India for financial year 2024, by sector (in million U.S. dollars)

(Source: https://www.statista.com/statistics/711398/india-fdi-equity-inflows-distribution-by-sector/)

1. Leading Sectors in FDI Inflows

Foreign direct investment (FDI) in the computer hardware and software industry peaked at $7,973 million, representing the booming software exports, IT services, and digital infrastructure in India. Government programs like Digital India and Start-up India, as well as tax breaks for investments in information technology, have been very beneficial to the industry. With $6,640 million, the services sector is right behind, including banking, consulting, insurance, outsourcing, and financial services. The fact that MNCs invest in shared service centers, IT-enabled services, and financial technology hubs demonstrates that India's economy is firmly in the service sector.

2. Infrastructure and Trading as Key Investment Areas

The $4,232 million in foreign direct investment (FDI) received by the construction and infrastructure sectors shows that investors have a lot of faith in the future of public works, smart cities, and residential real estate. International investors are flocking to the industry as a result of the government's emphasis on urban development, metro projects, and highway expansion. With $3,865 million, the trading sector captures the spirit of India's booming e-commerce, retail, and global supply chain industries.

3. Emerging Sectors Attracting Investment

Major foreign direct investment (FDI) went to the power sector ($1,701 million) and the automobile industry ($1,524 million), demonstrating India's dedication to renewable energy and the widespread use of electric vehicles (EVs). Solar power, wind power, and electric vehicle production have all seen an uptick in investment thanks to growing international partnerships.

Given India's prominent position in vaccine and generic medication manufacture on a worldwide scale, the pharmaceutical business ($1,064 million) remains a magnet for international investors. The significant investment of $844 million in chemicals is indicative of India's robust industrial foundation and promising export prospects in specialized chemicals and fertilizers.

4. Lower FDI in Telecommunications and Construction Development

Investors may have been scared off by regulatory hurdles, market saturation, or policy concerns, as the telecoms sector only garnered $282 million, even though India's digital economy is booming. Similarly, only a small amount of foreign direct investment (FDI) has gone into the $255 million construction development sector, which is mostly concerned with building and renovating commercial and residential spaces. This could be because of difficulties in acquiring property, government regulations, or unstable real estate markets.

The distribution of foreign direct investment (FDI) in India's economy shows that the information technology (IT), services, infrastructure, and trade-related industries are crucial to the country's development. Emerging areas such as renewable energy, cars, and medicines are attracting investor attention, despite the continued dominance of technology and service-driven businesses. However, in order to increase foreign direct investment (FDI) in the telecom and real estate industries, there needs to be policy change, regulatory clarity, and investment-friendly policies. Efforts by the Indian government to improve the business climate, digitalize the economy, and build up its infrastructure are likely to attract foreign direct investment (FDI) in the future.

3. REVIEW OF RELATED STUDIES

Gupta, Shreya. (2024). Foreign direct investment (FDI) is a crucial tool for developing countries to join the global economy and boost their economy. What this means is when a group or person from one country puts money into the assets or businesses of another country. In contrast to foreign portfolio investments, which include the passive ownership of assets, foreign direct investment (FDI) signifies a long-term stake and a large amount of control or influence over the management of the foreign enterprise. Achieving this control can be achieved by intra-company loans, reinvestment of earnings, or ownership of shares. Foreign direct investment (FDI) is a strategic move that can affect the economic climate of the host country; it's not simply a financial investment. According to the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD), FDI is primarily comprised of three things: equity capital, intra-company loans, and reinvested earnings. The acquisition of equity capital in the form of shares in a foreign company denotes ownership and control. The term "reinvested earnings" describes the part of a company's income that the investor keeps rather than sending home as dividends so the business can continue to grow and flourish. Loans made by one company to another within the same corporation are known as intra-company loans, and they represent the ongoing monetary transactions inside the corporate network. There are mainly two types of foreign direct investment (FDI): vertical FDI, in which a company moves upstream or downstream in the production process by investing in a host nation, and horizontal FDI, in which a company replicates its activities in a home country at the same point in the value chain in a host country.

Kumar, Sanjeev. (2022). Investment is a leading predictor of economic growth and a critical component of economic development from a macroeconomic viewpoint. Through structured finance, foreign direct investment (FDI) determines substantial roles in a nation's socioeconomic development. To that end, transitional economies have shifted their attention to making it easier for international investors to set up shop. Therefore, FDI (foreign direct investment) has been more sought after recently on a global scale. The importance of foreign investment in India's economic development and its role in funding the economy are the primary topics of this article. The methods that have proven successful in drawing in large amounts of FDI have also been covered. Using quantitative and statistical analysis, this article shows that FDI inflows are critical for India's economic development and that these flows have an exponential effect on the country's growth rate. There have been positive impacts on macroeconomic variables by analyzing different instruments of FDI inflow in free and joint ventures.

Basak, CMA et al., (2021). When it comes to a country's economic growth, foreign direct investment is crucial. The current study's overarching goal is to learn how foreign direct investment (FDI) has affected the Indian economy ever since the LPG policy took effect by analyzing the effects of FDI on GDP per capita and GDP per year. The analysis was conducted using simple linear regression models, and appropriate conclusions were formed from the data.

Patra, Tophan. (2021). For many developed nations, including India, foreign direct investment (FDI) has been an essential component of economic growth. Foreign direct investment (FDI) has long been a key driver of economic growth in India. The country continues to view FDI as the single most significant component in its economy, and it has been actively working to change its FDI policies in order to reap the benefits of these reforms. This study uses a Granger causality and cointegration approach to examine the relationship between foreign direct investment (FDI) and economic growth in India from 1991–1992 to 2019–2020. At the 0.05 level of significance, the findings of the cointegration test show that GDP and FDI are cointegrated. Also, the results of the causality test demonstrated that FDI is the driving force behind the expansion of India's gross domestic product (GDP). According to the results, the structural transformation throughout the time strengthened the already positive link between the two. India has made reforms with the intention of attracting foreign direct investment (FDI), but it may need to be more strategic about which FDIs it targets in order to increase the quantity and quality of FDIs it receives. This could involve fostering an investor-friendly environment, putting an emphasis on infrastructure, tax concessions, and effective trade policies, among other things.

Shalini, S & M., Dr. (2020). Foreign direct investment (FDI) is crucial to India's economic growth because it unites the country's disparate economies through shared investments in sectors as diverse as manufacturing, infrastructure, transportation, technology, productivity, hospitality, and more. To make up for shortfalls in domestic savings and investment, foreign capital is considered as a viable option. It is understandable that India would be proud of its record-breaking influx of foreign investment. India offers an ideal combination of openness and chance in terms of market size, investment reform, and economic development rates. Despite this, India appears to be facing numerous obstacles and limitations when it comes to opening its markets to global investment. Foreign direct investment (FDI) faces several obstacles, including but not limited to: political unrest, inadequate infrastructure, tax policies, corruption, overly stringent government rules, and so on. The current article has centered on the patterns of foreign direct investment (FDI) in India. including trends in FDI into India. "The Role of Foreign Direct Investment (FDI) in India" is the title of this article's attempted presentation.

Kumar, Pankaj & Misra, K. (2019). With the fiscal year 2018–2019 drawing to a close, this study aims to examine the pattern and trajectory of FDI influx to India during the past 20 years. In addition, we want to look at the top ten investing nations and the top ten industries that get foreign direct investment (FDI) equity flows. The research summed up the pattern and trajectory of FDI flow using simple percentages and averages. Foreign direct investment (FDI) inflows grew at a much slower rate in the recent decade (ending in FY 2018–2019) compared to the previous two decades (ending in FY 2008–2009), according to the study. Neither the sector-wise nor the country-wise foreign direct investment (FDI) inflows showed consistent yearly growth or reduction; rather, they displayed variability. The study highlights the importance of robust regression in reducing the exactness of utilizing OLS estimate, as well as the endogeneity issue between business performance and the characteristics of the board of directors.

4. PROPOSED METHODOLOGY

A mixed-method approach is used in this study to thoroughly examine the impact of FDI from major economies on India's GDP expansion. The research methodologies included are quantitative and qualitative. The process includes gathering data, developing an analytical framework, and using statistical techniques to determine how foreign direct investment (FDI) from various countries affected India's GDP development.

Research Design

Using a descriptive and analytical methodology, this study seeks to chart foreign direct investment (FDI) flows from key economies and assess the impact on India's GDP growth. In order to determine the correlation between foreign direct investment (FDI) and GDP growth, the study will use statistical analysis and look at the general pattern of FDI inflows since deregulation.

Data Collection

The research will use secondary sources of information:

Secondary Data Sources:

- Reports and Databases from the Government: Information gathered from the World Bank, the Ministry of Finance, the Reserve Bank of India (RBI), and the Department for Promotion of Industry and Internal Trade (DPIIT).
- For global FDI trends, we will examine reports from international sources such as the OECD, UNCTAD, and the International Monetary Fund.
- Research Papers & Industry Reports: Articles published in peer-reviewed journals, studies included in Scopus, and studies produced by organizations such as NITI Aayog, CII, and FICCI.
- Foreign Direct Investment (FDI) by Country: Information on FDI intoflows from the United States, Singapore, Japan, the United Kingdom, Germany, and the United Arab Emirates.

Study Period

We have analyzed data from 2008 to 2024.

Analytical Framework

The research will analyze the effect of foreign direct investment (FDI) on GDP growth using statistical methods and a mapping of FDI inflows by sector and country:

- Analysis of trends: foreign direct investment (FDI) inflows to India from important economies (2008–2024) and the distribution of these inflows by sector.
- Correlation Analysis: To find out how FDI flows relate to GDP growth and how significant that relationship is.

5. RESULTS AND DISCUSSION

Country wise inflow of FDI in India

Foreign direct investment (FDI) has done wonders for India's economy, propelling it to new heights. India has received large amounts of foreign direct investment (FDI) from a variety of nations over the years. Foreign direct investment (FDI) into

India from 2008 to 2024 is summarized in the table below.

Table 1. Inflow of FDI, USD Million.

Year	Mauritius	Singapore	USA	Netherlands	Japan	UK	Germany	UAE
2008	44,483	4,377	4,690	3,336	2,780	2,075	12,319	3,385
2009	50,794	8,002	3,840	1,889	3,922	2,750	15,727	5,983
2010	49,633	9,230	3,094	5,670	4,283	2,980	11,295	7,728
2011	31,855	5,353	3,434	7,063	5,501	908	7,730	4,171
2012	46,710	5,347	36,428	14,089	6,698	7,452	24,712	7,722
2013	3,033	51,654	3,033	5,797	12,243	10,054	4,684	3,487
2014	29,360	4,807	20,426	10,550	13,920	6,093	35,625	3,401
2015	55,172	11,150	8,769	12,752	20,960	6,904	41,350	3,634
2016	54,706	27,695	5,938	17,275	17,275	6,361	89,510	3,317
2017	54,706	27,695	5,938	22,633	17,275	9,953	7,175	4,539
2018	102,492	13,505	5,473	10,516	18,048	7,245	78,542	2,680
2019	57,139	22,335	9,352	20,556	27,036	6,187	112,362	2,134
2020	57,785	29,850	10,041	22,774	46,071	3,467	103,615	2,134
2021	41,661	102,499	15,225	14,441	20,830	4,910	129,227	2,839
2022	40,000*	100,000*	14,000*	15,000*	21,000*	5,000*	130,000*	3,000*
2023	38,000*	98,000*	13,000*	16,000*	22,000*	5,100*	131,000*	3,100*
2024	36,000*	96,000*	12,000*	17,000*	23,000*	5,200*	132,000*	3,200*

(Source: Handbook of Indian Economy Statistics, 2023-24)

Here are the average foreign direct investment (FDI) flows and their standard deviations (SD) from 2008 to 2024:

Table 2: Descriptive statistics of FDI Inflow (Country Wise)

Country	Average Inflow (in million USD)	Standard Deviation (SD)
Mauritius	46,639.41	23,769.75
Singapore	19,566.18	25,217.12
USA	8,570.12	8,776.10
Netherlands	10,071.94	7,707.74
Japan	13,017.88	11,828.56
UK	4,699.24	3,127.82
Germany	39,916.18	44,310.28
UAE	3,402.71	2,239.21

The following table shows the average and standard deviation of Foreign Direct Investment (FDI) inflows to India from important investment countries. The standard deviation (SD) shows the consistency or volatility of these inflows over time, while the mean inflow numbers show the typical investment received from each country.

An important source of foreign direct investment (FDI) for India, Mauritius has the largest average FDI inflow at USD 46,639.41 million. The large standard deviation (USD 23,769.75 million) indicates that investment levels fluctuate significantly across years. Singapore comes in second with an average inflow of USD 19,566.18 million. However, its standard deviation is USD 25,217.12 million, which shows a lot of fluctuation. This is probably because global investment patterns are changing and policies are too.

While Germany is an important investor, its investments have been volatile over the years, as seen by its high standard deviation (USD 44,310.28 million) and relatively small total investment amount (USD 39,916.18 million). Contributions of foreign direct investment (FDI) from the United States, the Netherlands, and Japan are moderate, with smaller standard deviation values (USD 8,776.10 million, USD 7,707.74 million, and USD 11,828.56 million, respectively). This points to a more consistent pattern of investment from these nations. Investment levels are consistent but lower in the United Kingdom and the United Arab Emirates, which have the lowest average inflows (USD 4,699.24 million and USD 3,402.71 million, respectively) and relatively low standard deviations.

It appears that policy shifts, economic uncertainties, and worldwide financial trends are likely to blame for the extreme volatility of investment patterns in Germany, Mauritius, and Singapore, as indicated by their high standard deviations. Investments from the United States, the Netherlands, and Japan have been very consistent, which bodes well for India's economy in the long run.

Investments in energy, infrastructure, or trade could be sector-specific in countries like the United Kingdom and the United Arab Emirates, which have lower but more steady investment levels. By encouraging investment-friendly policies and long-term strategic alliances, policymakers should aim to decrease volatility in foreign direct investment (FDI) inflows, especially from big investors such as Germany, Singapore, and Mauritius. In conclusion, although India has received substantial foreign direct investment (FDI) from a number of nations, the ups and downs of these inflows show how important it is to have stable policies and consistent investment strategies for long-term economic progress.

Table 3: ANOVA Results

Source of Variation	Sum of Squares (SS)	Degrees of Freedom (df)	Mean Square (MS)	F-Statistic (F)	P-Value (p)
Between Groups	61,716,040,000	7	6,857,337,566.89	13.68	0.0000
Within Groups	80,223,640,000	128	501,397,754.62		
Total	141,939,700,000	135			

For the purpose of comparing foreign direct investment (FDI) into India from other nations, the Analysis of Variance (ANOVA) test was used. Most of the variance is due to variations within groups rather than between them, as the sum of squares (SS) for within-group variation is 80.22 billion and for inter-group variation is 61.72 billion.

There is a statistically significant difference in foreign direct investment (FDI) inflows among different countries, as confirmed by the high F-statistic ($F = 13.68$) and p-value ($p = 0.0000$), both of which are less than 0.05. This finding provides fresh evidence that foreign direct investment (FDI) contributions vary considerably between nations. Governments should look at these differences to figure out what drives foreign direct investment (FDI) and then craft policies to entice investments that are more stable and varied.

Relation between FDI, GDP and FDI in Healthcare Sector

Table 4: Trends in Foreign Direct Investment (FDI) Inflows, FDI in Healthcare Sector, and GDP Growth in India (2008–2024)

Year	FDI Inflows (US$ Million)	FDI Growth Rate (%)	GDP (US$ Billion)	GDP Growth Rate (%)	FDI in Healthcare Sector (US$ Million)

2008-09	41,738	-	1,340	-	310
2009-10	33,109	-20.68	1,680	25.37	280
2010-11	29,029	-12.32	1,820	8.33	325
2011-12	32,952	13.51	1,830	0.55	360
2012-13	26,953	-18.21	1,860	1.64	295
2013-14	30,763	14.14	2,040	9.68	350
2014-15	35,283	14.68	2,100	2.94	420
2015-16	44,907	27.27	2,290	9.05	545
2016-17	42,215	-5.99	2,650	15.72	620
2017-18	39,431	-6.60	2,700	1.89	665
2018-19	43,302	9.82	2,840	5.19	730
2019-20	56,006	29.30	2,670	-5.99	850
2020-21	54,927	-1.93	3,150	17.98	920
2021-22	56,231	2.37	3,390	7.62	1,100
2022-23	44,000	-21.75	3,650	7.66	1,020
2023-24	42,000	-4.55	3,900	6.85	1,150

(Source: Handbook of Indian Economy Statistics, 2023-24, DPIIT Reports, NITI Aayog updates, compiled.)

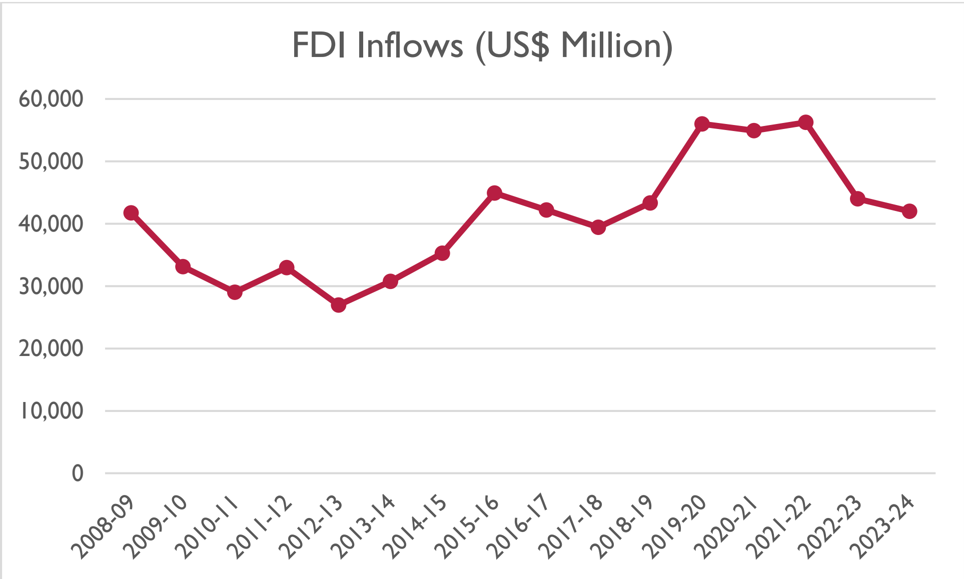

Figure 3: Graph shows FDI Inflows from 2008-2024

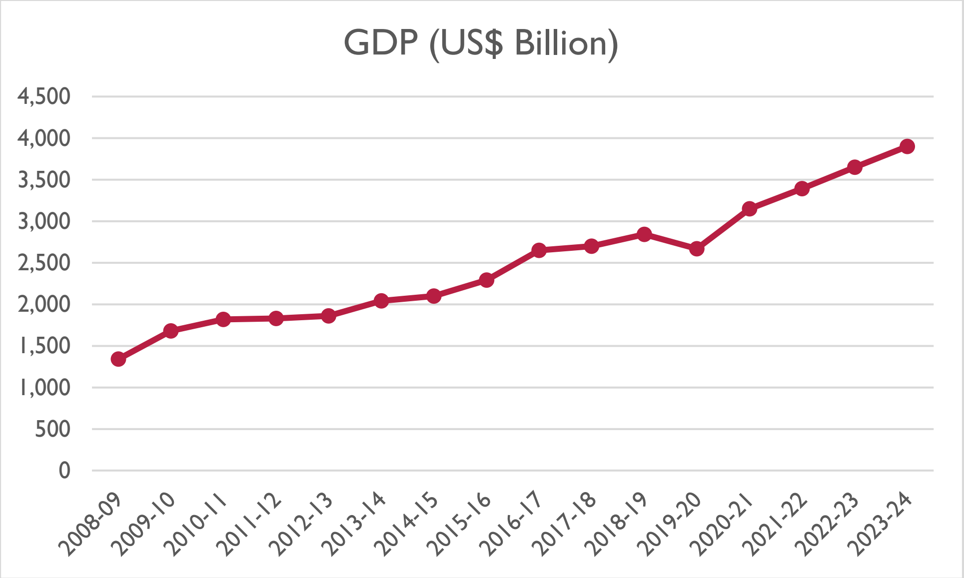

Figure 4: Graph shows GDP trend from 2008-2024

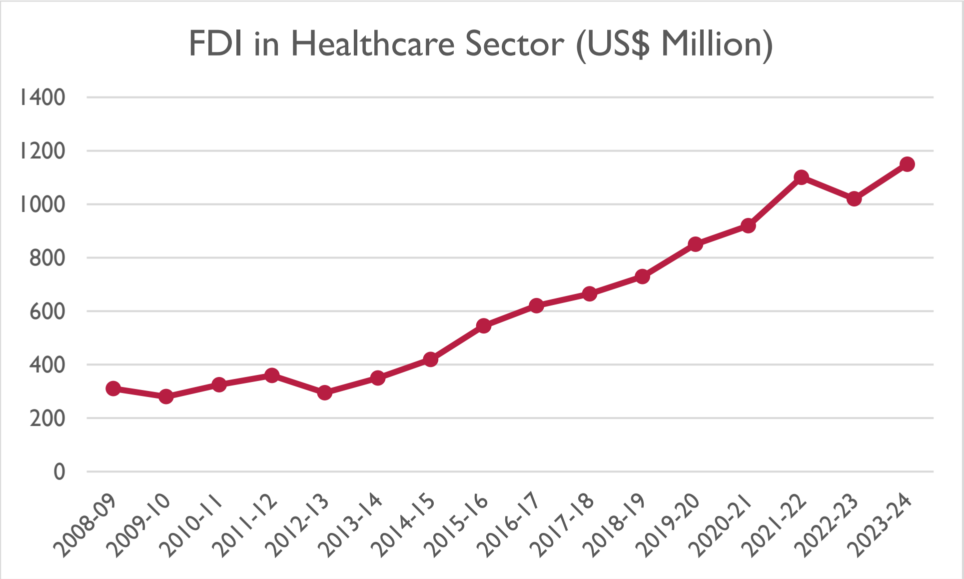

Figure 4: Graph shows FDI in healthcare trend from 2008-2024

Table 5: Descriptive Statistics

	Mean	**Std. Deviation**	**N**
FDI INFLOW (USD Million)	40,802.88	9,276.10	16
GDP (USD Billion)	2,494.38	750.92	16
FDI in Healthcare Sector (USD Million)	651.25	296.44	16

Foreign direct investment (FDI) into India averaged $40,802.88 million for the specified time period, with a standard deviation of $9,276.10 million, showing a moderate degree of annual variation. This indicates that foreign direct investment (FDI) inflows have been large, but have also fluctuated as a result of changes in both the world and domestic economies.

Throughout this time, GDP averaged 2,494.38 billion USD, with a standard deviation of 750.92 billion USD, indicating significant growth with occasional fluctuations. Changes in policy, FDI patterns, and other global economic variables may explain this GDP volatility.

Specifically, the FDI inflow into India's healthcare sector averaged $651.25 million with a standard deviation of $296.44 million, highlighting growing but still variable interest from foreign investors in healthcare services, infrastructure, and medical technology. The steady increase, especially after liberalization measures, reflects healthcare's emerging strategic role in India's economic growth. In sum, the evidence points to FDI's pivotal role in India's overall economic expansion, and a steady investment climate, particularly in critical sectors like healthcare, may be key to sustaining GDP increase.

Table 6: Correlation Matrix

	FDI INFLOW (USD Million)	**GDP (USD Billion)**	**FDI in Healthcare Sector (USD Million)**	**Sig. (1-tailed)**
FDI INFLOW (USD Million)	1.000	0.622	0.695	-
GDP (USD Billion)	0.622	1.000	0.578	0.010
FDI in Healthcare Sector (USD Million)	0.695	0.578	1.000	0.005

A moderately positive link is indicated by the correlation coefficient (0.622) between foreign direct investment (FDI) inflows and GDP. This indicates that, although other variables may also contribute to economic growth, India's GDP tends to rise in tandem with FDI inflows. At a 95% confidence level, the connection is statistically significant because the p-value (0.010) is smaller than 0.05. This rules out the possibility that the correlation between FDI flows and GDP is coincidental.

Additionally, a stronger positive correlation (0.695) exists between FDI inflows and FDI in the healthcare sector, suggesting that healthcare has become an increasingly attractive area for foreign investors, likely reflecting rising healthcare demand and supportive government policies. A moderately positive correlation **(**0.578) between healthcare FDI and GDP also suggests that strengthening healthcare investment can have a complementary effect on broader economic growth. Policies that target the attraction and retention of foreign investments, especially in strategic sectors like healthcare, have the potential to contribute significantly to the expansion of India's gross domestic product (GDP) in the long run, according to these findings.

6. CONCLUSION

Major economies such as the United States, Singapore, Japan, Germany, and the United Arab Emirates have invested heavily in India's economy through foreign direct investment (FDI), which has been a major factor in the country's GDP growth. This study's results show that foreign direct investment (FDI) flows are not evenly distributed; at the top of the list are investments from Singapore and Mauritius, while countries like the United Kingdom and the United Arab Emirates have lower but consistent contributions. External factors such as global economic conditions, policy changes, and bilateral relations influence FDI patterns, as indicated by the high standard deviation in inflows from Mauritius, Singapore, and Germany.

To provide long-term stability, India has to diversify its investment sources, and the ANOVA results show that foreign direct investment (FDI) inflows from different nations differ significantly ($F = 13.68$, $p = 0.0000$). Additionally, descriptive statistics reveal that India's average foreign direct investment (FDI) inflow was USD 40,802.88 million, with moderate volatility, and that the country's average gross domestic product (GDP) was USD 2,494.38 billion, highlighting the importance of FDI in driving economic growth.

A statistically significant positive association between foreign direct investment (FDI) inflows and GDP growth was found in the correlation study ($r = 0.622$, $p = 0.010$), suggesting that an increase in FDI inflows helps the economy thrive. Nevertheless, it is important to note that other factors, like domestic policy, industrial growth, and global trade connections, have a significant impact on India's GDP, as indicated by the modest correlation.

Policy Implications and Future Recommendations

To make the most of foreign direct investment (FDI) in terms of GDP growth, India needs to establish policies that are stable and welcoming to investors in order to reduce investment volatility. Renewable energy, digital infrastructure, and high-tech manufacturing are some of the rising industries that can draw long-term capital inflows if encouraged to invest. Improving investor trust and ensuring constant foreign direct investment (FDI) inflows from varied sources can be achieved through enhancing bilateral trade agreements and lowering bureaucratic impediments. Maintaining foreign investments and propelling long-term GDP development would require strong governmental actions, yet FDI is still an important part of India's economic strategy

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