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Foreign Direct Investment- A Data Mining Approach

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***Abstract* - In the current competitive global economic environment no country in the world is independent and self-reliant. Most of them depend on other nations in some way. A thriving economy with additional reserves seeks to integrate other mineral-rich nations with skilled labor. The emerging economy in the hopes of becoming self-sufficient needs a fund for their economic upliftment and integration, the undeveloped economy needs capital to survive. FDI financial integration has thus played a crucial role and accelerated the economic recovery. With global growth most Asian countries have embraced FDI and witnessed its emergence. India with a global conservation approach has been acquired through a latecomer in FDI. Its regular market power, new skilled miners and safe maritime routes in line with open policy continued to attract as the most preferred destination by foreign investors. Therefore, the government to attract more FDI has revised its policy in 2015 - 16 and implemented more policy processes. Considering all the economic sectors that are essential to the nation's integrated growth and development all this research has been done by the author to assess and evaluate the impact of the amendment and policy implementation on the national economy.**

INTRODUCTION

Nation Industrial Infra, its growth and development are the backbone of its economy. It reflects that Countries' self-sufficiency is a difficult task and requires a fair approach to justify. The economy of the country and its social growth efforts depend on capital and knowledge. The capitalization of these three factors is essential and important. The breakdown and economic intensification of competition has increased, and every country wants to become self-sufficient and self- sufficient, and the demand for increased financial resources for many fold. The Government of India (GOI) has embraced the disaster with the right level of environmental opportunities structural and Continuous reforms in the Indian Macro economy. Financial Windows, Non-Debt Financial Capital FDI, New Banks, New Tools, New Financial Companies, and foreign investors are motivated to diversify into industrial and investment manufacturing sector.

The Government of India has visualized the corporate vision and mission and articulated its main objectives. The need for corporate finance and FDI simplified the rules and regulations. Offer strengthening tectonic changes in economic reforms and accelerating the nation as a whole. The Indian economy accepts laws, rules, regulations, ordinances and amendments Foreign Direct Investment (FDI) Act Enabled Domestically and Strategically Industrial and other financial sectors to meet the diversified financial needs Resources, including FDI, are increasingly favored by non-financial financial capital and corporations when they become multinational. In Indian context, FDI means the direct investment by non-resident person or entity of India, in the capital of Indian entity or company, either by buying a company or by expanding operation of an existing company in target country.

LITERATURE REVIEW

Every country wants growth, development, and prosperity. There is a need for the self to achieve all these adequate economic climates reflected and represented by the balance of the country industrialization. A large number of academics and research scholars all over the world have worked in FDI and their economic efforts, facts and findings have contributed to socio- economics, commerce, and the great expansion commerce. Their outcome explores multiple facets of FDI, and they pave the way for the future course of studies in terms of duration challenges and need. The reality of FDI has been taken by researchers to examine and assess the effectiveness of this study amendments and policy initiatives on the economy of the country. In their study, Rondon (1960) argues that empirical theorists such as Chenery and Strout as far as developing countries are concerned, foreign capital flows have had positive effects on it in their study of economic efficiency and growth, Kindlerberger (1969) and Hymer (1975) various market defects, ie product, factor and capital market imperfections. In their study, FDIs argue that the key motivating forces for drawing Manning & Shea (1988) there must be some strong economic rationale behind incentives to attract FDI. According to them the economic impact of FDI depends on what form it takes. Krugman, Abstfeld, (1994), in their study sought to separate the two main types of international capital movement. First International loans and loans can be seen as inter-temporal trade. The other part of the international capital movement takes a different form, such as foreign direct investment, Lipsey, Parvis & Courant (1994), Krugman, and Obstfeld (1997) argue in their respective studies a distinctive feature of FDI is that it involves not only resource transfer but also acquisition control. Dr. Maathai K. Mathiyagagan (2005) in his study of the sectors of the economy at the level of gross production, export and labor productivity have tried to examine the Government's long-term relationship. Martinkas and Lukasevicius (2008) in their study found that the idea of attracting foreign direct investors as a special effort is behind the economic rationale, World Investment Report (2009), reveals that the FDI picture is changing globally. Amid the sharp economic and financial crisis, the flow of global FDIs has once again seen a significant decline. The FDI decline in 2008 was historically high (14%) compared to 2008. According to preliminary data, FDI fell by a further 44% compared to 2008, when the official (2011) attempted to study the relative impact of FDI on the host country's exports, inflation rate, domestic demand and the country's trade exposure (exports and imports ratio). Agarwal, Khan and Mohamed Amir (2011) found in their study that increasing FDI by one per cent increases Chinese GDP by 0.07 per cent and Indian GDP by 0.02 per cent. Maram Srikanth & Braj Kishore (2011) in their study tried to explain the impact of FDI equity flows on the Indian economy by using monthly data from April to March 2011, before and after the global financial crisis. Mustafa & Shanthirasegam (2013) in their study examined the overall effect of FDI on the growth and speed of the Sri Lankan economy.

METHODOLOGY

The present study is exclusively based on secondary data and is conducted to examine and assess the impact of FDI on the economic growth of countries. Secondary data and reports are used for the study, which are collected from countries' major financial and commercial organizations, magazines, RBI annual reports, DIPP reports and notifications, research articles, and reports published on the websites of financial institutions. Following a fair evaluation of FDI and the strategic relationship between FDI and economic growth indicators and recommendations. The outcome of the study depends on the period chosen by the researchers, which is in contrast to other analyzes.

Recent Amendments and Policy Initiatives

The central government has drastically simplified the FDI regime, with the main purpose of providing employment and job creation in India. For the purpose it has amended the rules and regulations to suit the time and requirements. These amendments are intended to simplify and simplify the process to facilitate business in the country, leading to the influx of large FDIs that contribute to investment, revenues and employment growth. GOI has introduced a new consolidated FDI policy through its Statutory Arms Department of Industrial Policy and Promotion (DIPP), Ministry of Trade and Industry and Apex Bank "Reserve Bank of India", which overtook the consolidated FDI policy of 2015 and has been effective from date. Its publication (7 June 2016). Considering the importance of FDI, Indian Prime Minister Narendra Modi presided over the meeting and introduced the second largest reforms in FDI.

It also amended the rules for issuing shares under the Employee Stock Option Schemes (ISOP) and Sweet Equity Shares. FEMA 20 (Fourth Amendment) Regulations dated June 11, 2015. RBI revised FEMA 20 on GOI orders. Foreign Investment Vehicles (AIFs, RITs, INVITs) may be invested by any person outside India (including FPIs and NRIs) without any permission from the RBI or Foreign Investment Promotion Board (FIPB). The new FDI policy makes clear that the terms "private security agencies", private security "and the armored car service" have the meaning given to such provisions under the Private Security Agencies (Regulation) Act, 2005 (PSAR

Act). The newly revised FDI policy permits foreign venture capital investors (FVCIs) to invest in the infrastructure of ‘start-ups’ engaged in any sector. They are now permitted to invest in Indian companies to participate in any of the 10 sectors listed in Schedule 6 of FEMA 20, including the newly added infrastructure sector. Regardless of the sector in which the start-up is engaged, they can invest in start-ups, invest in units of VCF or in a Category 1 Alternative Investment Fund (Cat 1 AIF) or in a scheme or set fund. By a VCF or cat 1 AIF. The new revised policy eliminates FDI courier services from the list of sectors / operations under certain conditions. According to Press Note No. 7 (2015 Series), NRI investment on non- repatriated basis is now considered domestic investment. The new policy revises the definition of NRI to include more GOI Overseas Citizens of India and Persons of India Origin (PIO). The new policy introduces composite caps, and DIPIP introduces composite caps to bring uniformity and simplicity across sectors in the previous FDI Policy Press Note No. 8 (2015 Series). In terms of policy measures, sectoral restrictions on foreign investment or capabilities need to be calculated in a combined manner with both FDI and FPI and the total foreign investment in an Indian company must be taken as a direct and indirect foreign investment. FDI, FPI, FII, NRI, FVCI and QFI take into account all types of foreign investments. In addition, a person can invest up to 10 per cent of FII / FPI / QFI share capital. The total investment cap for a company and FII / FPI / QFI investment is up to 24 percent of the company’s share capital. This freedom of composite caps is not extended to the defence and banking sector, which is the flyby-night- operator and the lender in and out of these sensitive sectors.

CONCLUSION& RECOMMENDATION

It appreciates foreign capital inflows and domestic capital in general terms and accelerates economic growth along with some benefits such as technology transfer, competitive management practices, employment opportunities and the economy in the host country. These benefits from large capital flows include appreciation in property prices, appreciation of exchange rates, inequality in payments, tax holidays, low corporate tax and income tax rates, and other costs, such as concessions in special tax zones, special economic zones and priority. Tariffs, export processing zones, bonded warehouses, free land or land concessions, infrastructure concessions, rehabilitation and expulsion subsidies, job training and employment subsidies, investment finance subsidies, soft loan or loan guarantees, research and development, generally derogatory terms Projects, declining domestic export competitiveness and so on. The result of the study is that the amendments and policy initiatives of the Government of India have produced positive and encouraging results, which has accelerated the economic growth of the country. The inflow of FDIs at the micro and macro level has accelerated industrial production and this has affected the general price level of the economy. The influx of FDIs has helped boost production, productivity, domestic consumption, export, and employment in those sectors. Compared to last year, the judicial decisions taken by the current government to free the flow of FDIs at the sector level have been hailed by global investors. The GOI has used the amendments as a leverage tool to address domestic demand and alleviate unemployment and introduce a policy initiative to attract more FDI inflows into the country. GOI has been successful in accelerating industrial production and managing supply-side gaps to keep up with inflationary pressures in the economy and accumulate foreign exchange reserves to maintain and enhance the country's international creditworthiness.

Recommendation

Therefore, it is important that country policymakers plan to open up the economy more for better economic growth and balanced development. It is advisable to open export-oriented sectors to attract more FDI inflows. Political stability, corruption, and the freedom to invest in the desired sector are key to attracting FDI. Therefore, the GOI should develop an investment-friendly environment, along with investment protection, and continue to amend the law until the infrastructure is ready to use and make a positive impact on the country's economy. To make India the most preferred and attractive destination for foreign capital, the Government of India (GOI) must adopt innovative and globally competitive policies in conformity with global standards. The impact and impact of FDI on the economy of the country has to do with micro- economic variables other than GDP. The outcome of the study varies from time to time depending on the global economic climate. Therefore, the government should continue to bring about changes in policy and revise regulations in line with international perspectives.

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