FOREWORD

I am presenting the 14th issue of the SIA NEWSLETTER – ANNUAL ISSUE, 2011. During the last 13 years, the issue has evolved into an authentic and important reference material for the industry, economists and academia. The Annual Issue was started as a compilation of the monthly newsletters containing information on approvals and inflows of foreign direct investment. Through the years, additional features have been introduced such as policy updates, analysis of data comprising of source country analysis, sectoral direction of FDI flows, sectoral analysis etc., to make the issue more comprehensive and of greater utility as a policy tool.

2. The Annual Issue, 2011 contains details, analysis & the final figures of Foreign Direct Investment (FDI) inflows¹ for the calendar year 2011, financial year 2011-12 and also the cumulative FDI inflows since January 2000. It incorporates an analysis of the top sectors receiving FDI inflows and briefs on FDI inflows from various regions like the EU, ASEAN, etc.

3. During the calendar year 2011 and the financial year 2011-12, FDI equity inflows amounting to US$ 34.6 billion and US$ 35.1 billion were received, respectively. Along with

¹ FDI inflows data represent only ‘equity capital component’ and do not include ‘re-invested earnings’ and ‘other capital’ components of FDI.
‘Re-invested earnings’ and ‘Other capital’, with the total inflow during 2011-12 was US$ 46.6 billion (provisional).

4. While the top investing country into India continued to be Mauritius, with 38% share in the total FDI equity inflows from January, 2000 to December, 2011, United Kingdom and Singapore became the second & third top investing countries (both with 10% each), followed by Japan (with 7%) & U.S.A (with 6%).

5. During the same period, the Services sector remained the top recipient of FDI equity inflows during the year, with 19% share in the total FDI equity inflows, followed by Construction development activities sector (with 12%), Telecommunications sector (with 8%), Computer software & hardware (with 7%) & Drugs & pharmaceuticals (with 6%).

6. Progressive policy liberalisation measures, initiatives towards reforming investment approvals and implementation procedures, and renewed focus on the development of the infrastructure real estate sector have further improved the investment climate in the country. India has continued the world’s 3rd most attractive investment destination as per various reports, including the UNCTAD’s World Investment Report 2012.

7. I hope that this Annual Issue will serve as a useful reference publication for industry, investors, academics and others interested in the economic growth of India. Feedback on the utility of the publication is welcome and would enable us to bring in further improvements.

(SAURABH CHANDRA)

New Delhi