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THE DOWNTOWN



INSIDE THIS ISSUE

- India receives \$64 billion FDI in 2020
- How PLI scheme will help India to make position in Global Value Chain?

INDIA RECEIVES \$64 BILLION FDI IN 2020

-Hardik

As per the World Investment Report 2021 by the UN Conference on Trade and Development (UNCTAD), India received USD 64 billion in foreign direct investments (FDI) in 2020 and was the fifth-largest receiver of FDI in the world.

What is FDI?

A foreign direct investment (FDI) is an investment made by a company or individual in country A into business interests located in another country B. Foreign direct investment occurs when an investor set-up foreign business operations or acquires foreign business assets in a foreign company. However, FDIs are distinguished from portfolio investments in which securities and other financial assets held by investors in another country.

As per the World Investment Report 2021, FDI in India increased by 27 percent to USD 64 billion in 2020 from USD 51 billion in 2019, mainly due to the increased acquisitions in the information and communication technology industry. The Covid-19 pandemic boosted demand for digital infrastructure and services globally, leading to higher values of Greenfield FDI project announcements targeting the ICT industry, rising by more than 22 percent to USD 81

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SUCCESS IS NOT FINAL; FAILURE IS NOT FATAL: IT IS THE COURAGE TO CONTINUE THAT COUNTS

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billion. A USD 2.8 billion investment by online retail giant Amazon in ICT infrastructure in India is one of the major project announcements in the ICT industry.

Even though the second wave of Covid-19 in the country has affected the country's overall economic activities, but its strong fundamentals provide “optimism” for the medium term.

On the other hand, global FDI flows have been severely hit by the pandemic, and they have reduced by 35 percent in 2020 to 1 trillion USD from 1.5 trillion USD the previous year because the lockdowns caused by the COVID-19 pandemic around the world slowed down existing investment projects, and prospects of a recession led MNEs to reevaluate new projects.



HOW PLI SCHEME WILL HELP INDIA TO MAKE POSITION IN GLOBAL VALUE CHAIN?

--Sanjiv Rathwa

Indian government allocated \$20 billion to 13 crores sector of economy under PLI scheme. PLI scheme will help India to make foothold strong in Global Value chain by setting up incentive – led manufacturing base.

PLI scheme has helped electronic sector to produce mobile specific electronic components worth Rs 5400 crore against investment worth Rs. 2300 crore between August 2020 and 2021. Under PLI scheme pharma sector has received, for bulk drugs Rs. 5,400 crore, medical devices Rs 870 crore and 3rd PLI for Pharma has received Rs. 15,000 crores. This investment will help pharma sector to develop R&D and meet quality standards.

Food processing sector has received Rs 34,000 crore in investments, it is expected to generate excellent benefits over the period of the next five years. Rs. 10,900 crore was invested in Food Processing Industries under “Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)” for implementation during 2021-22 to 2026-27. The objective of this scheme is to boost domestic manufacturing, support creation of global food manufacturing, support Indian brands of value added food products in the



BUSINESS OPPORTUNITIES ARE LIKE BUSES, THERE'S ALWAYS ANOTHER ONE COMING



international markets and ensure good returns of farm produce and higher income to farmers.

In Automotive sector, automakers has exported 4.77 million vehicles, exported auto components worth \$14.5 billion in FY20. Imports are also declined by 11.4% to \$15.4 billion. Highest allocation was made to automotive sector – 39% of overall outlay under PLI scheme which will help India to become a major manufacturer of automotive products.

This were just a few example of PLI scheme, there are many more like this which will help Indian industry to develop R&D, meet quality standards, and generate ample amount of production to supply around the world which will help INDIA to make position in Global Value Chain.

