



Decline in FDI Equity Inflows in FY 2024

Source: [BS](#)

The [Foreign direct investment \(FDI\)](#) equity inflows in India fell to a **five-year low of USD 44.42 billion** in the financial year ended 31st March 2024 (FY24), marking a 3.5% year-on-year (Y-o-Y) contraction.

- The decline in FDI equity inflows can be attributed to external factors such as [high interest rates](#) in advanced economies and a limited absorptive capacity in various sectors in India.
- Total FDI, including equity capital, reinvested earnings, and other capital, contracted by 1% Y-o-Y to USD 70.95 billion during FY24 as per [Department for Promotion of Industry and Internal Trade \(DPIIT\)](#).
- **Singapore remained the top investor** with USD 11.77 billion in FDI, followed by Mauritius, the United States, Netherlands, and Japan.
- **Maharashtra continued to be the most favoured destination** for investors, receiving USD 15.11 billion worth of investments, although inflows declined by 2%, followed by Karnataka.
- [Computer software and hardware](#), [services sector](#), and trading were the top recipients of FDI, but all three sectors saw a decline in inflows.

DOWNWARD PRESSURE

Year	FDI equity inflow (in \$ bn)		% change Y-o-Y	
FY20	49.9		13	
FY21	59.6		19	
FY22	58.7		-1	
FY23	46.0		-22	
FY24	44.4		-3	

Read more: [India's Foreign Direct Investment Trends](#)