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A Study on Trends in Foreign Direct Exchange in India

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Abstract: *An individual or business from one nation making an investment in a business venture situated in another is referred to as making a foreign direct investment, or FDI. Foreign direct investment (FDI) entails a long-term stake and active engagement in the administration and operations of a corporate enterprise in a foreign nation, as opposed to portfolio investment, which consists of purchasing stocks and bonds of foreign corporations.*

FDI can occur in a variety of sectors, including manufacturing, services, and infrastructure, and it can take many different forms, including as starting new businesses or purchasing existing ones. Because FDI may bring in new technologies, generate jobs, improve infrastructure, and spur economic growth, countries frequently promote it.

There are numerous ways for foreign investors to get into foreign direct investment (FDI), including joint ventures, mergers and acquisitions, new facility construction, and facility expansion. A nation's degree of foreign direct investment (FDI) can provide insight into its economic standing and appeal to international investors. In order to draw foreign direct investment (FDI), governments frequently create policies and give incentives like tax cuts, subsidies, and simpler regulations.

FDI can impact the host nation in a favorable or unfavorable way. Growth in the economy, the creation of jobs, and the transfer of technology and skills are all positive effects. FDI has several issues, though, including the potential loss of domestic sovereignty over important industries, environmental deterioration, and resource exploitation. Thus, efficient FDI management is essential for striking a balance between economic gains and social and environmental

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