

Impact of Foreign Direct Investment on Economic Growth of India

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Abstract: *International capital flows play a crucial role in fostering growth and development in recipient countries by offering essential capital, resources, and technology. A key element of this investment is Foreign Direct Investment (FDI), which has become a vital source of external funding due to its stability and reliability. This study focuses on examining both the long-term and short-term effects of FDI on India's economic growth, measured through Gross Domestic Product (GDP). By employing a method called the Autoregressive Distributed Lag Approach (ARDL) for analysis, covering the period from 1991 to 2019, the research reveals a significant long-term relationship between FDI and India's economic growth. The results suggest that FDI plays a meaningful role in boosting the economic advancement of India*

Keywords: National Output, Economic Progress, Efficiency Improvement, Investment Growth, Technological Advancement, Workforce Trends, Capital Investment, Sustainable Development, International Trade Business Development