Outward FDI by Indian Manufacturing MNEs: Impact and Implications for Participation in Production Network

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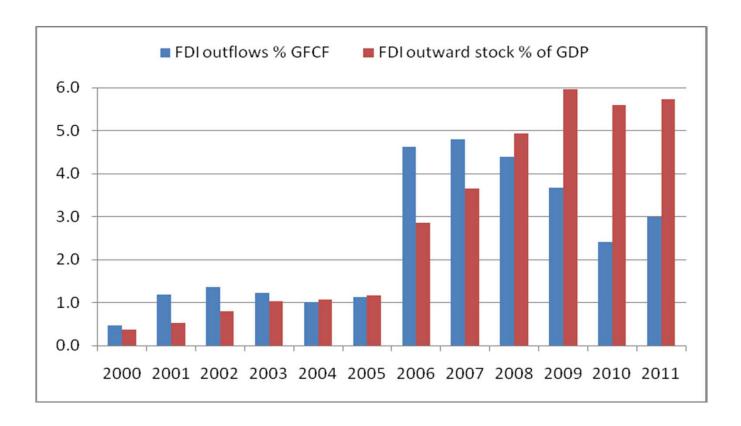
Outline

- Introduction
- OFDI and domestic activity
- Methodology and data
- Results and discussion
- Summary and conclusion

Introduction

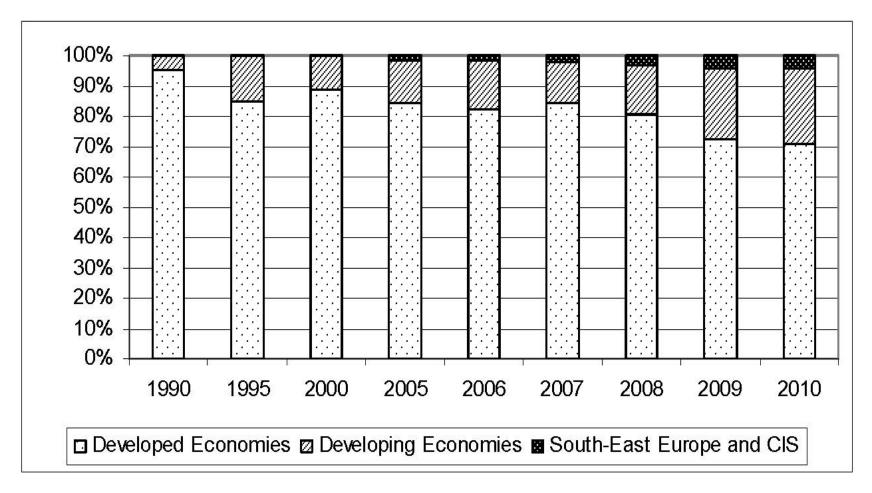
- Outward FDI from developing countries is an emerging phenomenon (Al-Sadig, 2013; Das, 2013; UNCTAD, 2011).
- India's share in world outward FDI flows increased from **0.04** % in 2000 to **1.11** % in 2010.
- Indian firms have invested in more than 100 countries.
- India is also projected to be the largest source of emerging market multinational enterprises, overtaking China by 2018 (PriceWaterHouseCoopers, 2010, one of the 'Big Four' audit firms headquartered in London).
- However, given the scarcity of capital, little is known about the effect of such FDI on domestic activities.

Figure 1: India's Outward FDI as a percentage of GFCF and GDP



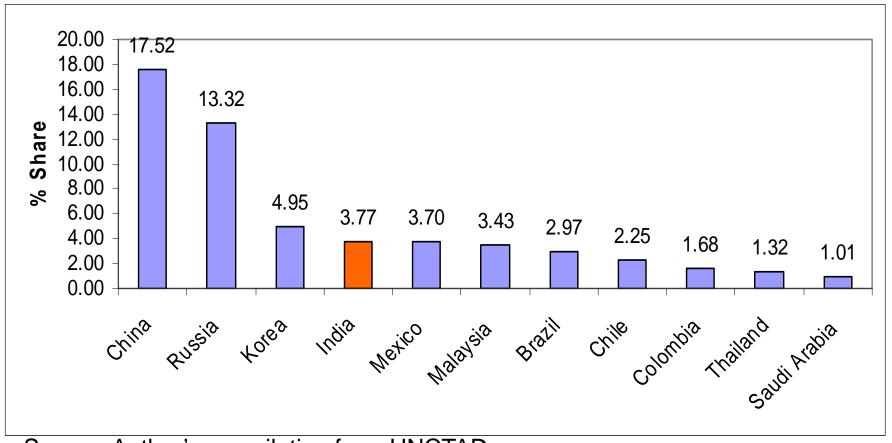
Source: Author's Compilation from WIR 2012 (Annex Tables)

Share in World FDI outflows



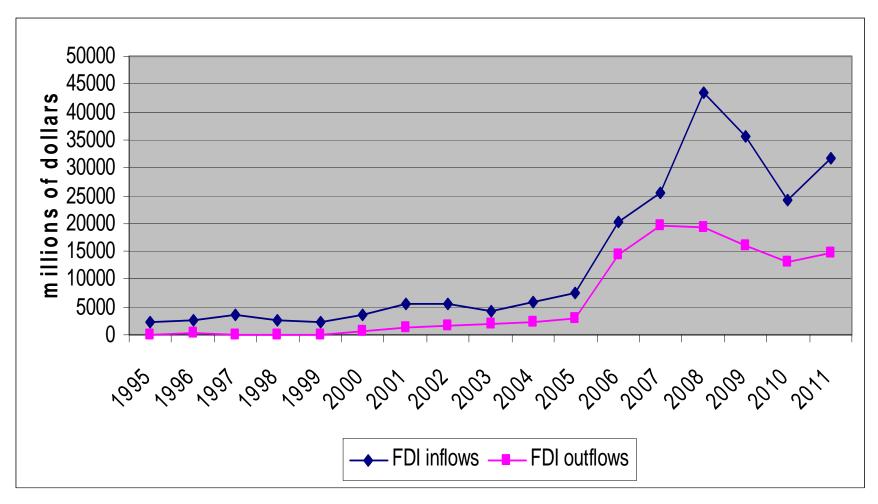
Source: Author's compilation from UNCTAD

Leading developing countries in terms of Outward FDI (2010)



Source: Author's compilation from UNCTAD

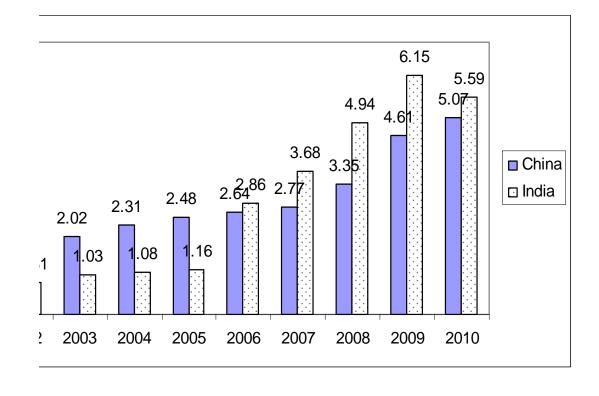
India's FDI Inflows and Outflows



Source: Author's compilation from UNCTAD

https://www.yunbaogao.cn/report/index/report?reportId=5_5906

FDI Stock (% of GDP)





mpilation World Investment Report (2011), UNCTAD