



Research Article

Effect of direct foreign investment in Indian national economy

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SUMMARY : Foreign direct investment (FDI) as a strategic component of investment is needed by India for achieving the economic reforms and maintains the pace of growth and development of the economy. The paces of FDI in India initially were low due to regulatory policy framework but there is a sharp rise in investment flows from 2005 onwards because of the new policy has broadened. The study tries to find out how FDI seen as an important economic catalyst of Indian economic growth by stimulating domestic investment, increasing human capital formation and by facilitating the technology transfers. The main purpose of the study is to investigate the impact of FDI on economic growth in India.

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