India's Outward FDI Trends

Source: IE

India's **outward** foreign direct investment **(OFDI)** experienced a notable decline of **39%** to USD 28.64 billion in the fiscal year ending March 2024, reflecting the impact of uncertain global economic conditions.

- The decline is primarily attributed to reduced commitments in both **equity and loan routes.** The decrease in overseas acquisitions by Indian firms also played a role in this decline.
- However, March 2024 witnessed a surge in **outward FDI**, reaching USD 3.92 billion, with equity commitments at USD 2.03 billion, the highest for the year.
    - This rebound indicates potential opportunities emerging amidst the challenging global economic landscape, highlighting the dynamic nature of India's outward FDI trends.
- **Outward direct investment** is a business strategy where a company based in one country (home country) invests in a business entity (foreign affiliate) located in another country (host country).
    - This investment goes beyond simply buying stocks or bonds; **it involves establishing a controlling interest** or significant influence in the foreign company.

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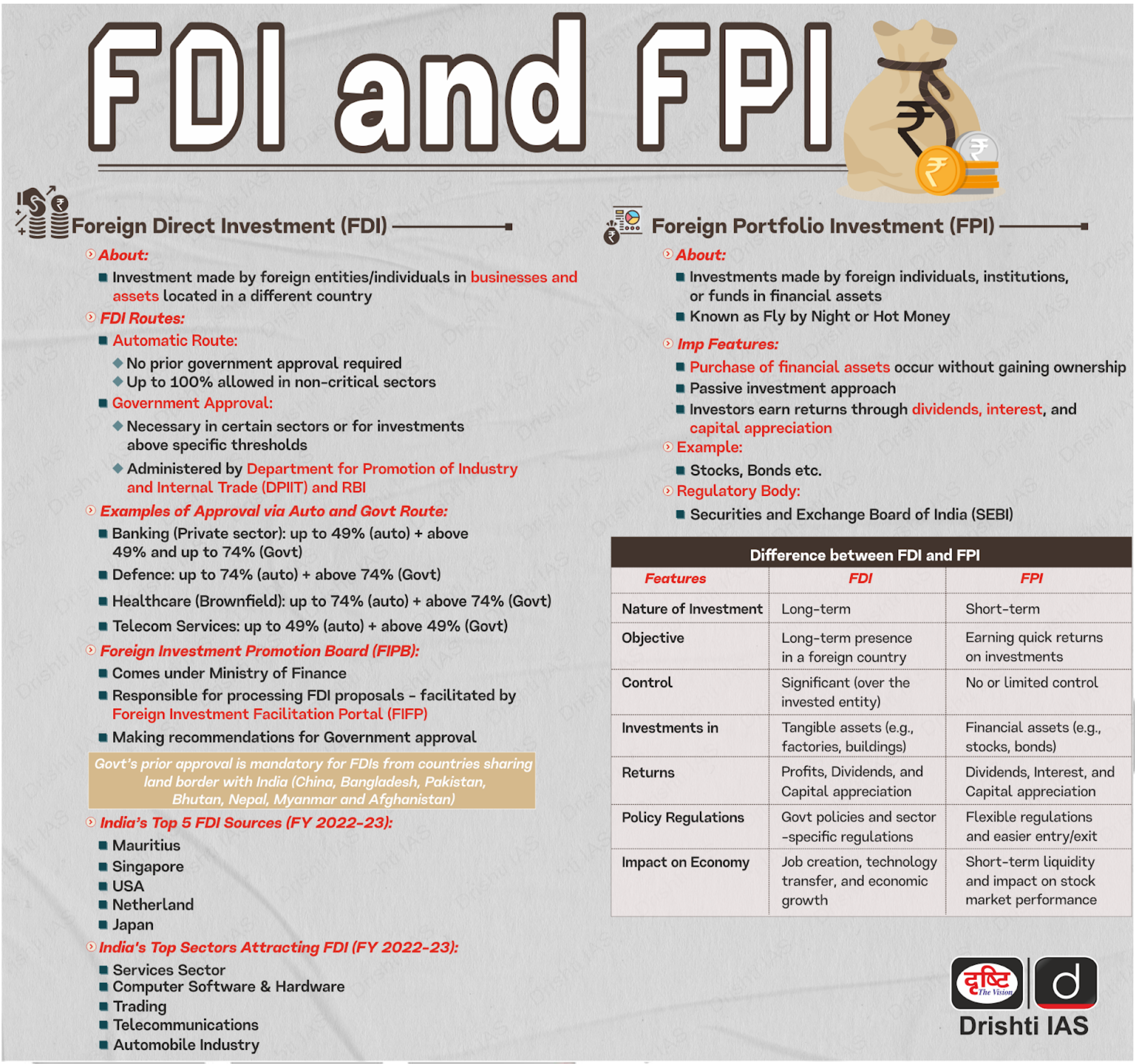

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