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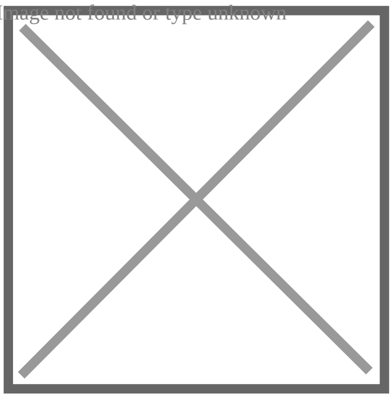

Is FDI good for India?

Description

What is FDI :-

- FDI (Foreign Direct Investment) is the investment by a foreign companies in domestic companies.
- The host company and the company that is investing together form a 'multinational corporation' (MNC).
- Through FDI the investing company will have control over the host company.

In Favor :-

- FDI helps in the economic development of the host country, where the investment arrives.
- For origin and host countries, FDI provides access to new technologies, products, skills and organizational and management strategies.
- Employment opportunities increases in the host country.
- Origin country, which means the country that makes the investment also develops economically through profits earned.
- Competition increases. With competitive spirit, every company improves to its best.
- Through FDI in production companies, price reduction is possible.
- FDI is a boon for the small companies to become more actively involved in international business activities.

Against :-

- Dominance of foreign companies over Indian companies can sometimes be detrimental to domestic interests.
- Inflation (the rise in prices over a period of time) may increase.
- With the FDI in retail sector, small companies and merchants will suffer.
- Technological dependence on foreign technology sources.

Conclusion :-

FDI is beneficial for any country to develop it's economy and technological talent. But, FDI's share should be limited to 49% to avoid foreign companies' dominance over Indian companies.

Your Turn…

Do you think FDI is good for India? Express your thoughts in the comment section below.