Tamil Nadu Tops India in Q2 FDI Inflows with $5.95 Billion

Tamil Nadu ranked first in India for Foreign Direct Investment (FDI) inflows in Q2, attracting $5.95 billion.

Foreign Direct Investment (FDI) refers to capital invested by foreign entities directly into businesses, infrastructure, or capacity centers in a host country.

KEY EXAM POINTS

- **Tamil Nadu** secured the top position in Foreign Direct Investment (FDI) inflows in India during Q2, attracting **$5.95 billion**.
- Tamil Nadu surpassed leading industrial states like **Maharashtra** and **Karnataka** in quarterly FDI rankings.
- A major financial-services transaction and expanding **Global Capability Centres** (GCCs) boosted Tamil Nadu's investment figures.
- Growing investor interest in **GCCs** and **manufacturing sectors** played a crucial role in Tamil Nadu's economic surge.
- The surge reflects Tamil Nadu's positioning as a premier **investment destination** in **Southern India**.

DID YOU KNOW..!?

Foreign Direct Investment (FDI) in India is regulated under the **Foreign Exchange Management Act** (FEMA), **1999**.

The Department for Promotion of Industry and Internal Trade (**DPIIT**), under the **Ministry of Commerce and Industry**, tracks FDI inflows.

Guidance Tamil Nadu, established in **1992**, functions as the nodal agency for investment promotion in Tamil Nadu.

Under the **automatic route**, foreign investors do not require prior approval from the **Reserve Bank of India** or the Central Government.

Tamil Nadu aims to achieve a **$1 trillion** economy by the financial year **2030-31**.

Global Capability Centres (GCCs) are offshore units established by multinational corporations to perform IT and R&D functions.

Automatic approval for **100% FDI** is permitted in most manufacturing activities in India.

REVISION FLASHCARD

Tamil Nadu ranked 1st in India with $5.95 billion FDI in Q2, surpassing Maharashtra and Karnataka.

Syllabus Relevance: Crucial topic for Group 1, 2, and 2A exams under Unit 9 (TN Economy) and Unit 6 (FDI Policy).

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