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CONTENTS

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- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

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- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

SWAY ON FDI IN INDIA: SOME RUDIMENTARY CORROBORATIONS

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ABSTRACT

The paper analyzes the impact of selected economic variables influencing the growth of FDI in India. Both direct and stock market related variables are considered for the purpose. An evaluative analysis of the influence of such variables on FDI will give rise to the tracking of relevant factors which will increase momentum of FDI growth that ultimately will trigger and maintain the sustainable growth of our economy. The data for the purpose are collected from the Database on Indian Economy (DBIE) of the RBI and the websites of the National Stock Exchange. The period of the study is fixed as 15 years from 2000-01 to 2015-16 during which the process of liberalization is accelerated. The selected period also witnessed sharp swindling and dwindling in the economy and the transformation phase is cognitively reflected through the economic variables. When the variables are taken individually for dependence of FDI a positive relationship of influence is exhibited. Also the variables are found to be correlated with FDI inflows. Both the variables representing general economic conditions and stock market related variables have depicted almost the same relationship. However, when all the variables are collectively considered to test the influence on FDI, a uniformly strong positive result could not be traced. Further, in the analysis by excluding the WP index to improve the sample size, the result is a much supporting one regarding the collective influence of the variables on FDI inflows. The subsequent clarity on conclusion with a more cognitive picture can be obtained by a further detailed analysis with respect to multicollinearity, Hetroksedasticity etc. of the predictor variables. The use of a more frequently occurring temporal data may also be expected to provide more accuracy.

KEYWORDS

FDI in India, economic variables.

INTRODUCTION

PHASES OF INDIAN ECONOMY

Indian economy has gone through different phases since independence. Broadly it may be classified into pre-liberalization and post-liberalization scenario. Another phase is just expected to groom is post-demonetization scenario, the symptoms of which is not yet much cognizable.

THE COMMAND AND CONTROL ECONOMY

The pre-liberalization era can be well described as a command and control economy existed during the period from 1947 to mid eighty's. The period was mainly dominated by the public sector with much governmental control and interference in economic activities. During the period the resources are allocated to various sectors through planned budgetary grants. The government has taken a much considerable role in setting priorities, implementing welfare projects, dominating industries through public sector and timely influence and control wherever necessary. The economy, during this era, concentrated mainly on self reliance and foreign trade and allied activities were mainly based on import substitution. Banking sector was made dominated through public sector by way of nationalization and private sector participation is set limited.

LIBERALIZATION AND GLOBALIZATION

The liberalization and globalization era emerged from the year 1991 accelerated throughout and attained a full swing momentum from the year 2001. This era emphasis over the private sector through disinvestment, devaluation of currency, augmenting exports, deliberate shrinking in imports and eventually opening up the economy at an international sphere. Foreign Direct Investment (FDI) and foreign Institutional Investment (FII) have been encouraged especially after the year 2001 when the globalization process being accelerated. Stable governments, longstanding political conditions, the disinvestment policy and a shift from import substitution to internationalization have increased the momentum of liberalization in FDI and FII policy.

THE RESEARCH PROBLEM

It is found from the backdrop that the Indian economic policy transformed from an anti-FDI policy, passed through a policy regime of import substitution and has reached to an almost complete FDI friendly one. The growth of FDI has acquired momentum because of fear of business protectionist pressures, finding way for circumventing trade barriers, dramatic changes in trade regulations and practices and above all the globalization of the world economy. FDI flows now increases momentum in our economy through increased production, input of advanced technology, augmented exports and elevated levels of consumption leading to sustainable growth of the economy. FDI covers all those activities of direct investment in industrial and service sectors, buying shares and other capital market instruments of Indian corporate entities, re-investing earnings on foreign investments and extending loans and advances to foreign affiliates. FDI along with FIIs further creates an extended momentum in the Indian economy. Domestic financial market is also well influenced by FDI and FII and vice versa.

At this juncture a study is proposed to analyse the impact of selected economic variables influencing the growth of FDI in India. Both direct and stock market related variables are considered for the purpose. An evaluative analysis of the influence of such variables on FDI will give rise to the tracking of relevant factors which will increase momentum of FDI growth that ultimately will trigger and maintain the sustainable growth of our economy.

SOME REPERTOIRE OF LITERATURE

Hemkant Kulshretha (2014), enquired into the determinants of FII and their influence on capital market. The paper examines whether the stock market movements explained by FIIs. The study concluded that the investments by FIIs and movements of BSE Sensex and NSE Nifty are closely related. The study inferred that the FIIs are prominent group of investors in the domestic market.

Anusha Srivastav (2013) conducted a study which observed the relationship of FII and indices, both national and sectoral. The study concluded that the FIIs have no considerable influence on Indian capital market. However, it has positive impacts on BSE Sensex and NSE Nifty. This effect is being concluded by the study to be because of the effects of extraneous factors acting correlated with FII.

Rajeev K Shukla et.al. examines the impact of FII on the Indian capital market in the context of increasing trend in developing an investment cult in the international sphere. The study covered a period from April 2005 to March 2010 to cover the exact impact in both bullish and bearish trend. The study concluded that FIIs have significant impact on the share prices of Midcap and Smallcap Indices companies and their active trading behaviouur.

Akthar, G (2013) examines the pattern of foreign direct investment infl ows in India through three periods: (1) 1969-75, when the policy regime was "anti-FDI", (2) 1975-91, when promotion of FDI was "selective", and (3) after 1991, when the policy regime is "pro-FDI". It shows how the ideas and interests of different political groups have affected the institutional changes that have influenced FDI inflows. It also suggests that competition between provincial states has positively contributed to the growth of FDI inflows since the economic reforms of 1991.

Booming foreign direct investment (FDI) in post-reform India is widely believed to promote economic growth. The study assesses this proposition by subjecting industry-specific FDI and output data to Granger causality tests within a panel co integration framework. It turns out that the growth effects of FDI vary widely across sectors. FDI stocks and output are mutually reinforcing in the manufacturing sector, whereas any causal relationship is absent in the primary sector. Most strikingly, we find only transitory effects of FDI on output in the services sector. However, FDI in the services sector appears to have promoted growth in the manufacturing sector through cross-sector spillovers.

Chakraborty, C., & Nunnenkamp, P. (2008) found FDI has played a significant role in the growth and development of Indian economy. Our GDP has been grown four-fold since the year 1991. FDI play multidimensional role in the overall development. It may generate benefits through bringing non-debt creating foreign capital resources, technology upgradation, skill enhancement, new employment, spillovers and allocative efficiency effects. Thus FDI acts as a catalyst for domestic industrial development and considered to be an important vehicle for economic development. During pre liberalization period FDI increased at CAGR of 19.05% while during post liberalization period it has grown 24.28%. This indicates that liberalization has had a positive impact on FDI inflows in India. Since 1991 FDI inflows in India has increased approximately by more than 165 times.

Chopra, S., & Kaur, S. (2014) Consider Foreign Direct Investment (FDI) as an important driver of growth. It is an important source of non debt financial resources for country for economic development. Besides it is a means of achieving technical knowhow and employment generation of employment. However, many are of the view that FDI is a big threat to sovereignty of host and domestic business houses. Midst of debate on pros and cons of FDI, world economy has observed a phenomenal change in volume and pattern of FDI. India emerged as an attractive FDI destination in services but has failed to evolve a manufacturing hub which has greater economic benefit. FDI though one of the important sources of financing the economic development, but not is not a solution for poverty eradication, unemployment and other economic ills. India needs a massive investment to achieve the goals of vision 20-20. The major impact during the recessionary period was mainly due to the negative flow of FII in India while the FDI remained moderately unaffected with the global slowdown. The attractiveness of India for FDI is far from receding and can surely be expected to sustain over the next decade as well. This paper is a general analysis of the inflows and outflows of FDI since the post liberalization era. The purpose of this paper is to provide an examination of foreign direct investment in various sectors. The paper aims to present a unique understanding of FDI in the context of liberalization and the prevailing political climate. At the end of this examination, figures showed the trend of FDI inflows and FII in India and geographical distribution of FDI Inflows. It also gave a clear picture of share of top investing countries FDI equity inflows.

THE DATA AND RESEARCH METHOD

The data for the study are collected from the Database on Indian Economy (DBIE) and the websites of the National Stock Exchange. The period of the study is fixed as 15 years from 2000-01 to 2015-16 during which the process of liberalization is accelerated. The selected period also witnessed sharp swindling and dwindling in the economy and the transformation phase is cognitively reflected through the economic variables.

The study proposed to elaborate the dependence relationship of different economic variables on the FDI flows to the country. The FDI inflows for the period of 15 years are collected. The other variables used for the study are:

1. Annual Foreign exchange Turnover:- The monthly data on foreign exchange turnover are average for annual average of foreign exchange turnover.
2. Forex Reserve:- The monthly data was available and these were averaged for annual foreign exchange reserves.
3. Wholesale Price indices:- Monthly averages of wholesale price indices from April 2006 to March 2016 were averaged to get 10 observations of annual averages of W P indices. The data for this variable could not be collected for the whole period of study.
4. Daily price indices of NSE Nifty, BSE Sensex and BSE 100 were downloaded and converted into annual averages coinciding with the period of study.
5. The annual market capitalization of NSE were also obtained from the available daily data for the selected period of study.

The study is fully analytical and proceeded through four segments.

In the first section the simple regression relationship of FDI inflows is analysed with respect to Foreign Exchange Reserves, Foreign Exchange Turnover and Wholesale Price Index. It narrated the impact of the level of foreign exchange resources and the inflationary conditions on the FDI inflows.

The second section deals with covariance correlation relationship of all the seven variables under the study.

In the third segment, the influence of stock market on FDI inflows is studied through a simple regression of indices covering the long – term and short-term reflections in a broad as well as narrow basis.

The last part of analysis is a multiple regression analysis comprising of all the variables under the study taking FDI inflows as dependant. Another regression model is also fitted by excluding the WP index to avoid inconsistency with respect to the period of study and the number of observations. The analysis extracted the combined influence of different economic variables on FDI inflows.

OUTCOMES AND DELIBERATIONS

I. FOREX RESOURCES AND INFLATION

Under this section the influence of foreign exchange flows and reserves on the inflows of FDI is analysed along with the temporal influence of the inflationary pressures in the country. The results summerised in the following tables.

TABLE 1

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVG_FOREX_RESERVE	6.747320	1.557908	4.331013	0.0008
C	2897.489	22123.09	0.130971	0.8978
R-squared	0.590650	Mean dependent var		87794.47
Adjusted R-squared	0.559162	S.D. dependent var		59826.07
S.E. of regression	39721.92	Akaike info criterion		24.14076
Sum squared resid	2.05E+10	Schwarz criterion		24.23517
Log likelihood	-179.0557	Hannan-Quinn criter.		24.13975
F-statistic	18.75767	Durbin-Watson stat		1.092817
Prob(F-statistic)	0.000815			

FIGURE 1

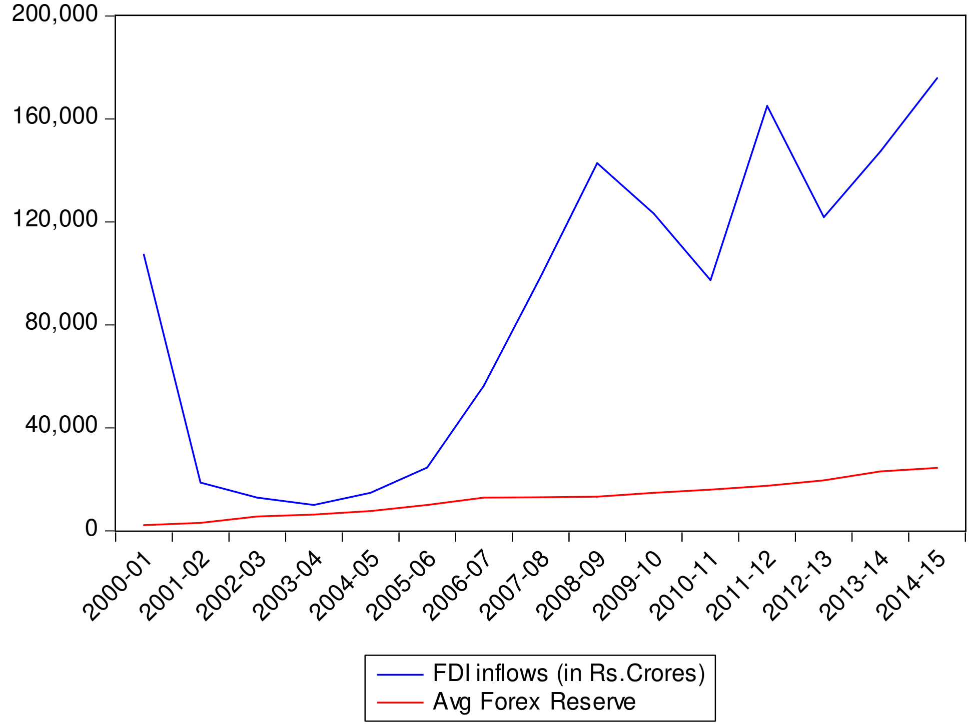

Table – 1 shows the regression results of FDI inflows on the average foreign exchange reserves. The R square shows a 59 percent of explanation of the variations in the FDI inflows by the average foreign exchange reserves with a coefficient value of 6.74. The probability of F statistic so meager to accept the null hypothesis of no influence rejecting the chance of complete independence. Autocorrelation between the variables is slightly present as positive as indicated by the Durbin Watson statistics. The results signify the influence of average foreign exchange reserves on FDI.

Figure 1 also confirms the results shown by the analysis. The average foreign exchange reserves increases in a stable manner where there is a more than proportionate increase in FDI inflows with a bit of reverse oscillations.

TABLE 2

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
FE_TURNOVER	0.232525	0.041968	5.540459	0.0001
C	9830.703	16566.89	0.593395	0.5631
R-squared	0.702495	Mean dependent var		87794.47
Adjusted R-squared	0.679610	S.D. dependent var		59826.07
S.E. of regression	33863.38	Akaike info criterion		23.82162
Sum squared resid	1.49E+10	Schwarz criterion		23.91603
Log likelihood	-176.6622	Hannan-Quinn criter.		23.82062
F-statistic	30.69669	Durbin-Watson stat		1.392707
Prob(F-statistic)	0.000095			

FIGURE 2

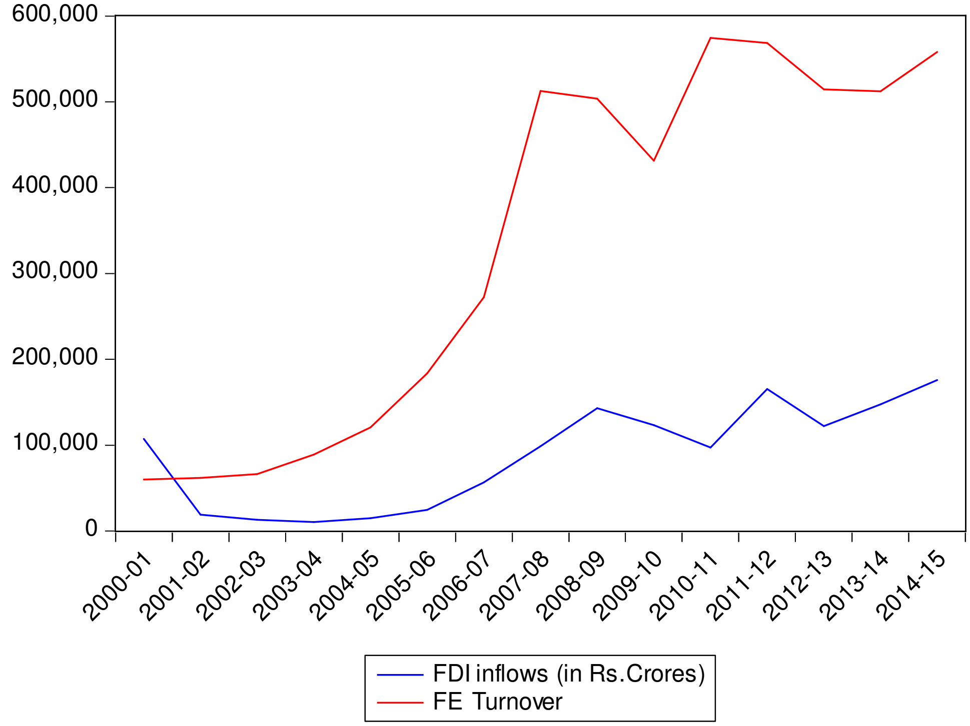

Table 2 shows the regression relationship of FDI inflows on Foreign Exchange Turnover. The existence of a strong relationship is substantiated by low probability of t statistic and F statistic. The regression coefficient is only 0.232 but the explanation level shown by the R squared is 70 percent. There is a tendency of positive autocorrelation of the residuals as signified by the D W statistic. Figure 2 also substantiates the strength of the relationship between the variables.

TABLE 3

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Date: 06/26/17 Time: 16:19				
Sample (adjusted): 6 15				
Included observations: 10 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
WP_INDEX	1344.404	346.1062	3.884367	0.0046
C	-74388.03	49736.89	-1.495631	0.1731
R-squared	0.653504	Mean dependent var		115334.2
Adjusted R-squared	0.610192	S.D. dependent var		47558.71
S.E. of regression	29693.08	Akaike info criterion		23.61207
Sum squared resid	7.05E+09	Schwarz criterion		23.67259
Log likelihood	-116.0604	Hannan-Quinn criter.		23.54569
F-statistic	15.08831	Durbin-Watson stat		1.648496
Prob(F-statistic)	0.004646			

Table 3 depicts the regression relationship of FDI inflows on WP index indicating the influence of inflationary pressures on FDI flows. It shows that the changes in WP index explain the FDI by 65 percent holding the other variables constant as shown by the R squared. There is a slight positive autocorrelation between the residuals.

It may be understood from the backdrop that the foreign exchange position and inflationary pressures possess significant Influence on FDI flows holding the other variables constant.

II. CORRELATION ANALYSIS

In order to understand the interrelationship among the eight related variables under consideration including the FDI Inflows, a covariance-correlation analysis is performed. The results are depicted in table 4.

TABLE 4

Covariance Analysis: Ordinary								
Date: 06/26/17 Time: 16:25								
Sample (adjusted): 6 15								
Included observations: 10 after adjustments								
Balanced sample (listwise missing value deletion)								
Correlation								
t-Statistic								
Probability	FDI_INFLOWS__IN_RS_CRORE	AVG_FOREX_RESERVE	BSE_100___BASE___1983_84	BSE_SENSEX___BASE___1978	FE_TURNOVER	MARKET_CAPITALISATION___	WP_INDEX	NIFTY
FDI_INFLOWS__IN_RS_CRORE	1.000000							

AVG_FOREX_RESERVE	0.760203	1.000000						
	3.309569	-----						
	0.0107	-----						
BSE_100___BASE___1983_84	0.310196	0.268055	1.000000					
	0.922890	0.786974	-----					
	0.3831	0.4540	-----					
BSE_SENSEX___BASE___1978	0.754759	0.909548	0.494495	1.000000				
	3.254231	6.190095	1.609150	-----				
	0.0116	0.0003	0.1462	-----				
FE_TURNOVER	0.840980	0.633534	0.408280	0.759044	1.000000			
	4.396233	2.315976	1.265028	3.297651	-----			
	0.0023	0.0492	0.2415	0.0109	-----			
MARKET_CAPITALISATION___	0.683067	0.897187	0.317802	0.968530	0.660586	1.000000		
	2.645294	5.745780	0.948029	11.00625	2.488737	-----		
	0.0295	0.0004	0.3709	0.0000	0.0376	-----		
WP_INDEX	0.808396	0.976224	0.167231	0.876737	0.719405	0.863105	1.000000	
	3.884367	12.73811	0.479758	5.155805	2.929473	4.833885	-----	
	0.0046	0.0000	0.6442	0.0009	0.0190	0.0013	-----	
NIFTY	0.761273	0.913549	0.478128	0.999439	0.764722	0.970494	0.885702	1.000000
	3.320638	6.352908	1.539755	84.37889	3.356755	11.38395	5.396058	-----
	0.0105	0.0002	0.1622	0.0000	0.0100	0.0000	0.0006	-----

It may be seen from the above that among the three stock market indices, the two NSE Nifty and BSE Sensex, are closely related to the FDI flows. These two indices represent the short term fluctuations in the economy. Therefore it may be understood that the swift and short term changes in the economy are highly related to the FDI flows. Note that the correlation of FDI with BSE 100 is very low with a probability of t statistic of 0.38. As the values of the short – term indices are obtained from the daily data and the indices themselves represent short-term oscillations of the economy, we believe that the short-term oscillations leading to form a long term trend has a direct effect on the FDI inflows and vice versa. The other variables, WP index, Forex reserves and turnover considered earlier in the simple regression model confirm strong relationship with FDI inflows.

In order to explain further the relationship between stock market oscillations and FDI inflows simple regression models are fitted by taking the two indices as independent variables. The results are summarized in tables 5 and 6.

TABLE 5

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Date: 06/26/17 Time: 16:29				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
BSE_SENSEX___BASE___1978	6.786164	1.286502	5.274894	0.0002
C	3183.012	18415.26	0.172846	0.8654
R-squared	0.681564	Mean dependent var		87794.47
Adjusted R-squared	0.657069	S.D. dependent var		59826.07
S.E. of regression	35034.35	Akaike info criterion		23.88961
Sum squared resid	1.60E+10	Schwarz criterion		23.98402
Log likelihood	-177.1721	Hannan-Quinn criter.		23.88861
F-statistic	27.82451	Durbin-Watson stat		1.557616
Prob(F-statistic)	0.000150			

TABLE 6

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Date: 06/26/17 Time: 16:32				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
NIFTY	22.99850	4.336154	5.303895	0.0001
C	1359.200	18622.43	0.072987	0.9429
R-squared	0.683939	Mean dependent var		87794.47
Adjusted R-squared	0.659627	S.D. dependent var		59826.07
S.E. of regression	34903.45	Akaike info criterion		23.88212
Sum squared resid	1.58E+10	Schwarz criterion		23.97653
Log likelihood	-177.1159	Hannan-Quinn criter.		23.88112
F-statistic	28.13130	Durbin-Watson stat		1.571202
Prob(F-statistic)	0.000143			

As per table 5 the regression relationship of FDI inflows on BSE Sensex shows a good strength with R squared 0.68 and a low probability of accepting the null hypothesis of the coefficient being zero. There is only a slight positive autocorrelation between the residuals. It confirms the influence of BSE Sensex representing the short- term oscillations in the economy on the FDI inflows.

Table 6 shows the strength of influence of Nifty on FDI flows. Here also we obtain evidences of strong influence with a positive coefficient and low possibility of accepting the null hypothesis of the coefficient being zero along with a 68 percent explanatory power.

Both the above analysis indicates a somewhat strong influence of stock market on FDI inflows. The national economic with respect to industrial performance is thus said to make imperative influence on FDI flows.

III. MULTIPLE REGRESSION MODEL

A multiple regression model is fitted by taking general economic variables such as average foreign exchange reserves, annual foreign exchange turnover and whole sale price index, and the variables representing vibrancy of the economy related to the stock market like NSE Nifty, BSE Sensex, BSE 100 and the annual market capitalization as independent variable and the FDI inflows as dependent. This model is expected to provide the extent of influence of general and stock market related economic variables on the FDI. Table 7 Exhibits the results.

TABLE 7

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Date: 06/26/17 Time: 16:27				
Sample (adjusted): 6 15				
Included observations: 10 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVG_FOREX_RESERVE	32.54775	57.56373	0.565421	0.6288
BSE_100___BASE___1983_84	-10.93425	50.59244	-0.216124	0.8489
BSE_SENSEX___BASE___1978	-58.65010	157.2420	-0.372993	0.7450
FE_TURNOVER	0.445670	0.462889	0.962802	0.4372
MARKET_CAPITALISATION___	-1.235081	8.357134	-0.147788	0.8961
WP_INDEX	-4492.434	10538.34	-0.426294	0.7114
NIFTY	194.5940	588.6645	0.330569	0.7724
C	154564.2	544478.5	0.283876	0.8032
R-squared	0.831201	Mean dependent var		115334.2
Adjusted R-squared	0.240407	S.D. dependent var		47558.71
S.E. of regression	41449.62	Akaike info criterion		24.09291
Sum squared resid	3.44E+09	Schwarz criterion		24.33498
Log likelihood	-112.4645	Hannan-Quinn criter.		23.82736
F-statistic	1.406921	Durbin-Watson stat		3.103043
Prob(F-statistic)	0.476433			

While considering the whole variables at a time, BSE 100, BSE Sensex, Market capitalization and WP Index have shown negative coefficients. However, NSE Nifty, Forex turnover and Forex reserves showed positive coefficients. It implies that the Forex related variables have more impact than the stock market related variables. It should be noted that NSE Nifty makes a positive incidence on FDI because it has a wide conceptual and objective coverage than the other stock market indices and also has international reputation and acceptance.

The value of R Squared is fairly high but the adjusted R Squared is as low as 24 per cent. It may also be noticed that the probability of t statistic for all the independent variables at 5 per cent level of significance is very high denoting the acceptance of the null hypothesis of the regression coefficients are being zero. The same is substantiated by the probability of F statistic of 48 per cent.

Therefore the fit cannot be considered adequate when all the variables are considered collectively. The Durbin Watson statistic imply a negative autocorrelation among the residuals which is of high concern as the value is more than 3 which is not very common signifying the rejection of a good fit. It may be noted that the number of observations of the sample is reduced to ten for adjustment when WP index is considered along with other variables. Therefore another model is fitted by excluding the WP index from the list of independent variables. The results are shown in table 8.

TABLE 8

Dependent Variable: FDI_INFLOWS__IN_RS_CRORE				
Method: Least Squares				
Date: 07/03/17 Time: 05:20				
Sample: 1 15				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AVG_FOREX_RESERVE	-3.215673	4.940981	-0.650817	0.5334
BSE_100___BASE___1983_84	-21.81933	13.25258	-1.646421	0.1383
BSE_SENSEX___BASE___1978	36.66437	76.86476	0.476999	0.6461
FE_TURNOVER	0.079358	0.131807	0.602076	0.5638
MARKET_CAPITALISATION___	-5.373917	2.890375	-1.859246	0.1000
NIFTY	-5.830911	250.5494	-0.023273	0.9820
C	-4760.018	39966.71	-0.119100	0.9081
R-squared	0.822988	Mean dependent var		87794.47
Adjusted R-squared	0.690229	S.D. dependent var		59826.07
S.E. of regression	33297.42	Akaike info criterion		23.96907
Sum squared resid	8.87E+09	Schwarz criterion		24.29950
Log likelihood	-172.7680	Hannan-Quinn criter.		23.96555
F-statistic	6.199123	Durbin-Watson stat		2.514709
Prob(F-statistic)	0.010863			

When the sample size is increased by excluding the WP index, the fit is justified by fairly high R squared and adjusted R squared. All the variables except BSE Sensex have shown a negative or negligible influence on the FDI inflows. The fit is supported by a low probability of F statistic and almost negligible level of autocorrelation of the residuals. However the probability of t statistic challenges the fit a bit. It may be deduced from the backdrop that variables under consideration makes only a negative influence when all the variables are taken together.

CONCLUSION

When the variables are taken individually for dependence of FDI a positive relationship of influence is exhibited. Also the variables are found to be correlated with FDI inflows. Both the variables representing general economic conditions and stock market related variables have depicted almost the same relationship. However, when all the variables are collectively considered to test the influence on FDI a uniformly strong positive result could not be traced. Further, in the analysis by excluding the WP index to improve the sample size, the result is a much supporting one regarding the collective influence of the variables on FDI inflows. The subsequent clarity on conclusion with a more cognitive picture can be obtained by a further detailed analysis with respect to multicollinearity, Hetroksedasticity etc. of the predictor variables. The use of a more frequently occurring temporal data may also be expected to provide more accuracy.

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