



Notice for the PhD Viva Voce Examination

Ms Sukanya R (Registration Number: 1810075), PhD scholar at the School of Commerce, Finance and Accountancy, CHRIST (Deemed to be University), Bengaluru will defend her PhD thesis at the public viva-voce examination on Friday, 2 December, 2022 at 2.00 pm in the Syndicate Room (Room No. 802), Ground Floor, Auditorium Block, CHRIST (Deemed to be University), Bengaluru – 560029.

Title of the Thesis : **Outward Foreign Direct Investment from India: A Sectoral Analysis**

Discipline : **Commerce**

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The members of the Research Advisory Committee of the Scholar, the faculty members of the Department and the School, interested experts and research scholars of all the branches of research are cordially invited to attend this open viva.

Place: Bengaluru
Date: 24 November 2022


Registrar

ABSTRACT

New opportunities have arisen as the global economy has been more integrated, with globalisation and liberalization of government policies. As the world becomes more globalised, businesses boost their investments to keep up with demand. Trade and foreign investments are two notable paths to global integration, with trade being the traditional path. As an FDI pioneer and promoter, the FDI of the upper-middle-income countries became an essential source of integration with the low and middle-income countries. With globalization and liberalization policies India has become the most significant emerging economy. Economic policies urged Indian enterprises to compete internationally to keep up with fierce competitive environment and the adoption of new technology, such as expanding into new markets, acquiring assets and resources, and integrating their overseas operations. Outward FDI (OFDI) has been used by Indian enterprises to meet these strategic needs. India's overseas investments have increased significantly since the 1990s. The majority of empirical research has focused on FDI from upper-middle-income nations. As low- and middle-income nations like India become more important players in the FDI flow, it's necessary to understand the patterns, motivations, and factors that influence the location and impact of OFDI from these countries.

Existing Studies focused on Inward FDI (IFDI), but this study focuses on Outward FDI (OFDI) from India. Earlier OFDI research has mostly focused on firm-specific advantages. This study examines India's OFDI trends, as well as changes in host country location determinants, sectoral composition, and their influence on both the home and host countries. In view of the changing direction of OFDI in India, this study compares investment motives and location factors between the upper-middle-income and low and middle-income countries complying with the international categorization established by the United Nations Conference on Trade and Development (UNCTAD) in its publication, the World Investment Report (WIR). This study analyzes the determinants and impact of India's OFDI in the home and host country during the period 1991-2020 in the context of Dunning's eclectic paradigm (OLI paradigm) and Investment Development Path (IDP) theory, using OFDI data from 1991 to 2020, which is longer than other studies by India's OFDI. This study employs panel data methodologies to identify crucial aspects and empirically test the nature of India's OFDI, which includes market seeking, resource seeking, technology and strategic asset seeking.

The study uses a time series method to empirically test the relationship between India's OFDI, Trade and GDP. The results reveal that India's OFDI is motivated by market seeking, resource seeking, and technology seeking motives in upper-middle-income and low and middle-income countries. The results emphasize strategic assets as a significant motivation for investing in upper-middle-income countries rather than low and middle-income countries. India's OFDI is also actively linked to host country policies such as openness, corruption and market size. OFDI from India affects exports, as OFDI and exports are two means of internationalization. Theoretically, OFDI leads to further exports (positive or complements) or replaces exports with production (negative or substitution). Empirical testing of the OFDI-trade relationship shows a significant long-term positive relationship between the two.

The study divided into five chapters. Chapter one comprises the introduction, backdrop of Global Outward FDI, India's FDI inflows and outflows, India's outward FDI, Need and Significance of the study. The second chapter consists of the literature review, theories of FDI, Statement of Problem. The third chapter deals with the methodology, research gap, research question, objectives of the study, and statistical tools used for the study. The fourth chapter focuses on the determinants of India's OFDI towards upper-middle and low and middle-income countries and the impact of India's OFDI on upper-middle and low and middle-income countries are analyzed in chapter three. It followed by a Geographical and sectoral analysis of India's OFDI in upper-middle and low and middle-income countries and a region-wise analysis in chapter five. Chapter six presents the study results, factors affecting India's Outward FDI among upper-middle and low and middle-income countries, followed by practical, theoretical and policy implications of the Study.

Keywords: India's Outward Foreign direct investment, Upper-middle-income countries, Low and middle-income countries, Determinants, Impact.