

## **Foreign Direct Investment (FDI), Economic Growth and Sustainable Development Goals (SDG): A Study On Associations**

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### **Abstract**

**Introduction:** According to the UNCTAD, developing countries face a \$2.2 trillion yearly investment shortfall for the energy transition, out of a \$4 trillion annual financing gap for the Sustainable Development Goals. India is one of the top 10 countries for FDI, and for the previous two years, it has been the top country for greenfield investments. In order to increase sustainable FDI in India, there is a need to bring quality FDI into India.

**Aim:** This study's goal was to examine how India's FDI reforms have affected the nation's economic situation and the Sustainable Development Goals.

**Method:** This study analyzed the local effects of FDI inflows into India since 2000 and mapped out their regional distribution. Websites and reports from UNCTAD, UNO, RBI, and other organizations are used to gather information on FDI inflows. The study used textual analysis of the FDI policy, secondary data from reports that were published, a review of the FDI literature, cross-country analysis, and information about India's position in terms of FDI inflows, FDI in the SDGs, challenges they face in advancing positive economic impact and SDG goals, and their expectations from the government.

**Findings:** The study found that SDGs, which provide favorable conditions for investment, require government investment in terms of inclusionary labor market reforms, social security measures, reducing the effects of climate change, sustainable urban planning, access to energy etc. Making sure that investments consider Environmental, Social, and Governance (ESG) concerns is necessary to lessen the harmful effects of pandemic-like events. In addition, competition for FDI among Indian states will promote long-term, sustainable growth for the entire economy and equal distribution of advantages from FDI while utilizing the concepts of sustainable development.

**Originality and value:** The study contributes towards the status of sustainable FDI rather than usual FDI which will provide insight into SDG attainment as well.

**Key Words:** Foreign Direct Investments, SDG, Sustainable FDI, Economic Growth, ESG

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