

## **India has huge potential to attract FDI from Europe: Report**

European companies invested \$198 billion in India between 2004 and 2013 and there is huge potential to boost this investment flow, the Europe India Chamber of Commerce (EICC) Wednesday said in a report.

The Indian economy has greatly benefited in the process. FDI from the EU has boosted India's export competitiveness, generated employment, strengthened the skills base, enhanced technological capabilities and increased financial resources for development, the report said.

The Brussels-based EICC released the study report titled "European Companies in India: Reigniting Economic Growth" at a function here.

The report offers a comprehensive review of investment by some high value European companies in key industries in India and will help develop better understanding of the potential for investment in India to foster economic and social growth, said Sunil Prasad, secretary general of EICC.

According to the report, European companies were the largest investors in India with total investments amounting to \$198 billion during 2004-2013. During the same period, US firms put in \$138 billion, while Japan pumped in \$50.7 billion.

Britain, Germany and France accounted for 64 percent of the total European investments in India. British companies pumped in \$70 billion or about 35.5 percent of the overall EU investments in India during the 2004-13 period.

Germany is the second largest EU investor with \$34.47 billion, while France is at third place with \$21.64 billion investments during the period under review.

Prasad said the foreign direct investment (FDI) has played an important role in the long-term development of India not only as a source of capital but also for enhancing competitiveness of the domestic economy through transfer of technology, strengthening infrastructure, raising productivity and generating new employment opportunities.

"However, investors have been deterred by the poor investment climate in India and vexing tax issues," Prasad said.

"While India has all the right ingredients to thrive many obstacles remain and unless these are addressed urgently with all seriousness, India risks losing out to other emerging countries," he said.

The EICC Study was supported by the EU-funded European Business and Technology Centre (EBTC) and comes just few days before the result of the General election in India.

Head of EU Delegation to India João Cravinho released the report at a function here.

"I believe this study will make a substantial contribution to developing a deeper understanding of the potential for investment in India and will provide a foundation of analysis that can help EU and India identify smart, sustainable economic and trade policies," the EICC secretary general said.

*(Economic Times)*