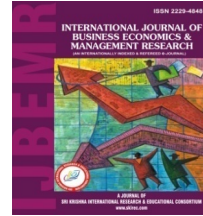




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## **FDI IN INDIA AND CHINA; A COMPARATIVE ANALYSIS**

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### **ABSTRACT**

*China opened its doors to FDI in 1979 and has been progressively liberalizing its investment regime. India allowed FDI long before that but did not take comprehensive steps towards liberalization until 1991. China and India are the giants of the developing world. Both enjoy healthy rates of economic growth. But there are significant differences in their FDI performance. Why China gets 100 billion dollars FDI annually as compared to India that does not even get 50 billion dollars is an intriguing question? Why the Chinese diaspora has big proportion in FDI inflows in compare to Indian diaspora? This paper explores the determinants of FDI in such emerging economies to answer the above questions. Furthermore study investigate what has India done till now to attract FDI? What has been China's strategy to become the most FDI attracting country in the world? What lessons India can learn from China and improve its FDI inflow? This study fills the gap in the literature by comparing the two most FDI favored nation for the period 1990-2009.*

**KEYWORDS:** BRIC, Diaspora, FDI, Globalization India Vs. China.