



With Musk set to visit India, here's a look at which Indian states are favourites for auto FDI & why



Government data shows MNCs have favourite states when it comes to where to invest. Auto companies especially look for specific advantages that some states have & concentrate on those.

TCA SHARAD RAGHAVAN 15 April, 2024 10:31 am IST



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New Delhi: With Elon Musk confirming that he will be visiting India and speculation rife about his expected investment announcements, a look at India's state-wise foreign direct investments (FDI) shows that multinational companies seem to favour just a few states, and stick with those over the years.

Further, auto companies, especially foreign ones, have particular requirements — such as access to ports, a network of ancillary services, and a ready catchment area for talent — that not only make them gravitate towards particular states but also make it difficult for other states to catch up as attractive investment destinations.

Coming just about a month after the central government eased import duties for foreign electric vehicle makers, Musk's announcement elicited much speculation about a potential investment by Tesla in India.

The Ministry of Commerce and Industry provides state-wise FDI data only from October 2019. However, a look at this data up to December 2023 — the latest period for which data is available — provides some insight into which states foreign companies prefer to invest in.