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News: Karnataka leading in FDI in 202122: Minister

- Karnataka has attracted foreign direct investments (FDIs) worth ₹1.6 lakh crore so far in the current fiscal which was more than 50% of such investments received in the entire country.

Foreign Direct Investment (FDI)

- Foreign Direct Investment (FDI) is the **process whereby residents of one country (the home country) acquire ownership of assets for the purpose of controlling the production distribution and other activities of a firm in another country (the host country).**
- It is different from Foreign Portfolio Investment **where the foreign entity merely buys stocks and bonds of a company. FPI does not provide the investor with control over the business.**
- Flows of FDI comprise capital provided (either directly or through other related enterprises) by a foreign direct investor to an enterprise.