















14. After post liberalization in India flow of FDI come from automatic route, FIPB route , moreover, role of FIIA, role of FIPC and role of SIA to boost output, employment and GDP in host country.
15. It is found that in developing economies FDI and economic growth are mutually supporting. In other words economic growth increases the size of the host country market and strengthens the incentives for market seeking FDI. It is also observed that bidirectional causality exist between FDI and economic growth i.e. growth in GDP attract FDI and FDI also contribute to an increase in output.
16. The main determinants of FDI in developing countries are inflation, infrastructural facilities, debts, burden, exchange rate, FDI spillovers, stable political environment etc.
17. Management expert in developed countries showed that Inter relationship and complementarities between FDI and institution for growth and efficient utilization of FDI depends upon clear property rights by the government of India rising facility to the business committees and facility to earn foreign exchange without forcing exchange restriction.
18. Majorities of the studies recommended positive and liberal policy to absorb FDI and advocated for the free trade of commodities and factors of production as happened in the case of china, Mexico, Korea and other countries.

#### Emerging gap in the research

This researcher has visualized following glaring gaps on the basis of review of literature as well as issues sorted out:

1. Very few studies are carried out from theoretical application point of view. These studies are specifically concentrating on application of the Eclectic Theory with regard to FDI.
2. There are very limited studies, which have defined Impact of FDI with reference to economic and Political factors.
3. Very scant attention is paid by researchers to know inter-relationship between WTO rules, TRIM provision and FDI utilization in efficient way.
4. Research can be conducted on effect of TRIMs on Performance Requirement, Local Content Requirement and Technology transfer requirement.
5. Very fewer studies are found on Impact of TRIMs on sector specific considering on FDI inflow and outflow from different countries.

#### Possible Hypothesis to be tested:

This researcher has proposed and formulated following hypotheses on the basis of review of literature issues shorted out so far and examining prevailing gap for possible research.

- **H1 Economic Performance**

H: The higher the economic performance of a host country indicated by GDP and growth, the higher the foreign investment inflows. GDP indicates also market size, therefore, the larger the market size of a host country, the higher the foreign investment inflows.

- **H2 Price Stability**

H: The higher the price instability of a host country reflected by high inflation rate, the lower the foreign investment inflows.

- **H3 Infrastructure**

H: Foreign investment inflows will be positively related to a host Country's infrastructure for international trade.

- **H4 Employment**

H: The higher a host country's international competitiveness indicated by employment in public and private attracts positive the foreign investment inflows.

- **Performance Requirement**

Foreign investment inflows will be positively related to performance by a host country.

- **H5 Export Performance Requirement**

H : Foreign investment inflows will be positively related to export performance.

- **H6 Exchange Rate**

H: currency depreciation, there is mixed evidence on the impact of depreciation of real exchange rate of host country currency on FDI inflows

- **H7 Technology Transfer**

H : Higher the Technology transfer , Increase M&A,R&D higher the foreign investment flow.

- **H8 Liquidity Position**

H: The higher the international liquidity position of a host country reflected by the reserves the higher its creditworthiness, therefore the higher the foreign investment inflows.

- **H9 External Debt Position**

H: The lower a host country's external debt obligations relative to its output or export revenues, the higher is its creditworthiness, the higher the foreign investment inflows.

- **H10 SSI Unit**

H: positive flow of FDI protect small scale Unit

- **H11 TRIMs Agreements**

H : Foreign investment inflows will be positively related to a host country.

## 6. Conclusion

There are empirical studies carried out by the researchers but the third part of the paper inspires the young researcher to go in for formulations for proper hypothesis and testing of impact country wise and commodity in general and India in particular. There is vast potentiality for construction of models with theoretical frame work so as to prescribe macro policy for further growth of trade. The government of India can learn a lot for experiment and experiences made by other member countries of WTO for trade development.

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