



## Private sector manufacturing investments drive record new investments in India in 2022-23



India witnessed a record surge in new investments in the January-to-March quarter of 2022, with total fresh investments reaching ₹14.6 lakh crore (\$196 billion), according to data from investment monitoring firm Projects Today. Private sector investments accounted for ₹10.5 lakh crore (\$140 billion) of the total, marking an all-time high. The fourth-quarter surge in investments was driven by a significant uptick in manufacturing [investments](#), which led to a total of ₹37 lakh crore (\$496 billion) in new investment projects announced during the financial year 2022-23, a 92% increase compared to the previous year.

The data also revealed a notable shift in the nature of investments, with private-sector manufacturing investments surpassing public-sector-driven infrastructure-focused capital expenditures as the dominant source of capital formation. This trend is seen as positive for the Indian government, which has been urging the private sector to invest more to boost economic growth amid a slowing global economy. Manufacturing investments in the fourth quarter of 2022-23 were almost three times the average of the previous three quarters, totaling nearly ₹9.6 lakh crore (\$128 billion), with the share of planned manufacturing outlays increasing from an average of 45% in the first three quarters to almost 66% in the fourth quarter. Overall, the share of private investments increased from an average of 65% in the first three quarters to 72% in the fourth quarter.

The manufacturing sector accounted for a significant share of total fresh investments, with its share increasing from 41.93% in 2021-22 to 53.66% in 2022-23. New project outlay in the manufacturing sector more than doubled from ₹8.08 lakh crore (\$108 billion) in 2021-22 to over ₹19.85 lakh crore (\$265 billion) in 2022-23, although the number of new manufacturing projects declined from 2,759 in 2021-22 to 1,912 in 2022-23.

In terms of government and private sector investments, Central and State government investment projects grew by 95% to ₹11.68 lakh crore (\$156 billion) in 2022-23 from just under ₹6 lakh crore (\$80 billion) in 2021-22. Private sector investments jumped by 90.7% to ₹25.32 lakh crore (\$338 billion) in 2022-23 from ₹13.27 lakh crore (\$177 billion) in the previous year. Foreign investments also grew at a faster rate, though on a smaller base, reaching ₹4.73 lakh crore (\$63 billion) in 2022-23 compared to ₹2.17 lakh crore (\$29 billion) in 2021-22.

Andhra Pradesh emerged as the top state for fresh investments in 2022-23, attracting 306 projects worth ₹7.65 lakh crore (\$102 billion), including 57 mega projects with investments of ₹7.28 lakh crore (\$97 billion). Gujarat, which topped the list of investment plans in 2021-22, slipped to a distant second in 2022-23 with 1,008 new projects worth ₹4.44 lakh crore (\$59 billion). Maharashtra, which recorded the second-highest investment intent in 2021-22, slipped to fourth place in 2022-23 but secured the highest number of new projects across states at 1,639. Karnataka secured investment projects worth ₹4.33 lakh crore (\$58 billion), surpassing Maharashtra in terms of investments. Other states that attracted significant investments in 2022-23 included Odisha, Uttar Pradesh, Rajasthan, Tamil Nadu, Telangana, and West Bengal.

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