

The Newspaper's Staff Reporter

Foreign investment jumps 238pc

KARACHI: The foreign direct investment (FDI) in the first four months of current fiscal year jumped by 238 per cent to \$650 million from \$192m during the same period last fiscal year, reported the State Bank of Pakistan (SBP) on Monday.

The government is struggling to increase foreign investment in the country but the size of inflows continues to remain low.

The foreign private investment, which includes portfolio investments, reached to \$665.7m compared to net outflow during the corresponding period last year.

The highest inflows during the period came from Norway reaching \$263.7m, followed by \$122m from China — the biggest investor in the country particularly due to the ongoing China-Pakistan Economic Corridor.

Telecommunications sector emerged as investors' pick attracting investments worth \$267m. The sector has been a prime attraction for foreign investors along with the oil and gas exploration and power sectors.

On the other hand, the electrical machinery sector also attracted \$72m in FDI. The oil and gas exploration, during the period under review, attracted investment worth \$40m against \$120m in the same period of last fiscal.

Moreover, foreign investment in both equity market and government security debts has also seen significant increase during the period under review.

The latest data released by the SBP showed that foreigners invested over \$800m in the market treasury bills. For the first time, the market treasury bills attracted such a huge amount and set a new record.

High interest rates have also pulled foreign investors to invest in to government debts. The yield on government backed papers is about 13pc which is very high as the dollar depositors get below 3pc world over.

Analysts and researches wrote in their reports that improvement in ease of doing business has increased the foreign investors' confidence.