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Jul-Jan FDI posts 66pc growth

KARACHI: Foreign Direct Investment (FDI) maintained upward momentum and registered some 66 percent growth during first seven months of this fiscal year (FY20), supported by massive inflows in telecom and power sector.

The State Bank of Pakistan (SBP) Monday reported that Pakistan fetched FDI amounting to \$1.564 billion during July-Jan of FY20 compared to \$943.6 million in the same period of FY19, showing an increase of 65.7 percent or \$ 620 million. During the period under review FDI inflows stood at \$2.028 billion against the outflow of \$ 464 million.

The detailed analysis revealed that some five sectors, including communication, power, financial business, oil & gas and electrical machinery contributed some 84 percent to overall FDI.

Net FDI in communication sector stood at \$446 million with some \$543 million inflows and \$99 million outflows during the firsts seven months of FY20. Power sector and financial business fetched some \$404 million and \$179 million foreign investment, respectively during the July-Jan of FY20. During the period under review, FDI in oil & gas and electrical machinery stood at \$158 million and \$ 133 million.

According to the SBP, with some improvement in stock market, portfolio investment also witnessed some surge. Portfolio investment increased by 105 percent to \$21.5 million in first seven months of current fiscal year as against outflow of \$408 million in the same period of last fiscal year.

During the period, foreign public investment stood at \$1.839 billion and most of the investment arrived in government securities on higher profit supported by tight monetary policy stance.

Total foreign investment, including FDI, portfolio investment and foreign public investment, in the country surged to \$3.425 billion in July-Jan of FY20 compared to \$534.7 million in the corresponding period of FY19, depicting an increase of 540 percent or \$2.89 billion.