

By Our Staff Reporter

### **FDI surges to \$1.5bn in seven months**

KARACHI: The foreign direct investment (FDI ) increased by over 65 per cent in the first seven months of this fiscal year reflecting improved confidence of investors on the country's economic fundamentals.

The country attracted \$1,563.7 million in FDI during the July-January period of FY20, an increase of 65.7pc over the corresponding period last year, according to the State Bank's latest data.

However, the FDI inflows do not match the rapid increase in the portfolio investment (hot money), in the treasury bills that crossed \$3.1bn in the current fiscal year.

The significant improvement in FDI was attributed to growing inflows from China registering a sharp increase of 89pc to \$532.8m in July-January period from \$282m in the same period last year.

The Chinese contribution to the total FDI during July-January period was 34pc negating the media reports that Beijing has reduced its investment due to some reservations.

The higher FDI along with large buying of domestic debt papers (T-bills) helped the State Bank to improve its foreign exchange reserves which soared to \$12.43bn on Feb 7 from \$7.2bn in June 2019.