

FDI grows 88pc in FY20

KARACHI: Despite Covid-19 pandemic, Pakistan has managed to fetch a healthy Foreign Direct Investment (FDI) during the last fiscal year.

According to the State Bank of Pakistan (SBP), FDI has posted a notable increase of 88 percent during FY20 supported by sufficient investment inflows from China and Norway.

Pakistan has fetched FDI amounting to \$2.561 billion during July-June of FY20 compared to \$1.362 billion in the corresponding period of FY19, depicting an increase of \$1.198 billion. SBP statistics released on Friday revealed that during the period under review, FDI inflows were \$3.286 billion against the outflows of \$724 million.

The lower outflows resulted in the massive surge in FDI during the last fiscal year. During FY19, overall outflows were \$1.422 billion versus \$2.785 billion inflows.

Month on Month basis, foreign direct investment in the country also witnessed an upward trend and mounted up by 71 percent during the last month of FY20. Some \$175 million FDI arrived in June 2020 compared to \$103 million in June 2019.

A country-wise analysis showed that with 33 percent highest share, China remained the largest investor with an investment of \$843 million in Pakistan during the last fiscal year. Norway stood second with an investment of \$403 million in Pakistan. Malta ranked third with investment inflows of \$222 million. Hong Kong is also among the leading investors in Pakistan with \$215 million foreign direct investment during FY20.

The SBP's statistics showed that portfolio investment remained negative as foreign investors withdrew some \$282 million from the equity market in July-June of last fiscal year.

The country's total foreign investment including FDI, portfolio investment and foreign public investment posted a notable increase to \$2.038 billion at the end of the last fiscal year compared to a negative growth of \$54.8 million in FY19.

During the last fiscal year, major investment was poured in the Power sector amounting to \$764 million followed by Communication sector \$664 million and oil & Gas sector worth \$311 million.