

### **FDI jumps 88pc to \$2.561bln in FY20**

KARACHI: Foreign direct investment (FDI) in Pakistan jumped 88 percent in the fiscal year of 2019/20, with most of the inflows going into power and communications sectors, led by China, numbers released by State Bank of Pakistan (SBP) showed on Friday.

Pakistan attracted \$2.561 billion FDI in July to June FY2020, compared with \$1.362 billion in the previous fiscal year.

The direct investment, however, was lower than the government's target of \$4.34 billion set for FY2020. This was due to the COVID-19 pandemic's negative impact on investments that were felt strongly.

The FDI was up 70.53 percent year-on-year to \$174.8 million in June. It stood at \$102.5 million during the same month of last fiscal year.

The SBP data showed that China remained the largest investor with a net FDI of \$844.1 million in FY2020, followed by Norway (402 million) and Hong Kong (\$190.7 million).

FDI in the power sector attracted \$764.3 million foreign capital in July-June FY2020. However, investors pulled out \$323.9 million from this sector in FY2019. The increase in the FDI in energy companies is attributed to an ongoing work on the CEPC-related projects especially in the thermal and coal-fired projects. Eight energy projects have been completed and nine are currently under construction.

Communications sector inflows in the FY2020 stood at \$663.9 million, while the communications businesses saw an outflow of \$55.7 million a year earlier.

Foreign funds managers pulled \$241.3 million from the government securities such as treasury bills and Pakistan Investment Bonds in FY2020. That compared with \$1 billion outflows in FY2019. Outflows from the stock market stood at \$281.7 million, compared with \$415.2 million in previous year.

Total foreign investment amounted to \$2.038 billion in FY2020 against the outflows of \$54.8 million in FY2019.