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Jul-Feb FDI jumps 75pc YoY

KARACHI: The country fetched Foreign Direct Investment (FDI) amounting to \$1.8 billion, up by 75 percent, during the first eight months of this fiscal year (FY20), supported mainly by massive inflows from China.

The State Bank of Pakistan (SBP) reported Monday that FDI amounting to \$1.853 billion arrived during July-Feb of FY20 compared to \$1.059 billion in the same period of last fiscal year (FY19), depicting an increase of \$794 million. During the period under review, FDI inflows stood at \$2.36 billion against outflow of \$ 507 million.

During the period, foreign public investment stood at \$2.161 billion and most of the investment was arrived in federal government's debt securities on higher margins.

The detailed analysis revealed that most of the investment was made by Chinese investors. Foreign direct investment from China surged by 133 percent to \$696 million during first eight months of this fiscal year against \$298 million in the corresponding period of last fiscal year. Norway is the second largest contributor to FDI with \$289 million investment, while Malta ranked third with \$148 million FDI.

Sector-wise analysis showed that most of the investment worth \$1.532 billion was attracted by communication, power financial business, oil & gas and electrical machinery. The cumulative share of these five sectors in overall FDI is some 84 percent.

Net FDI in power sector was \$576 million with some \$661 million inflows and \$ 86 million outflows during the firsts eight months of FY20. Communication and financial business fetched some \$472 million and \$195 million foreign investment, respectively during July-Feb of FY20. During the period under review, net FDI in oil & gas and Electrical Machinery was \$177 million and \$ 143 million respectively.

The SBP data showed, portfolio investment was remained stood negative with \$26 million outflows during the July-Feb of FY20. Total foreign investment, including FDI, portfolio investment and foreign public investment, arrive in the country was \$3.988 billion in July-Feb of this fiscal year compared to \$651 million in same period of FY19, depicting an increase of 513 percent or \$3.337 billion.