

India's outward FDI falls 12.14% to \$1.88 bn in Oct

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Reflecting a slack in global economic growth, India's outward foreign direct investment (FDI) commitments fell by 12.14 per cent sequentially to \$1.88 billion in October, compared to over \$2.14 billion in September. They also saw over \$2.66 billion in October 2022, according to Reserve Bank of India (RBI) data.

Outbound FDI, expressed as a financial commitment, comprises three components: equity, loans, and guarantees.

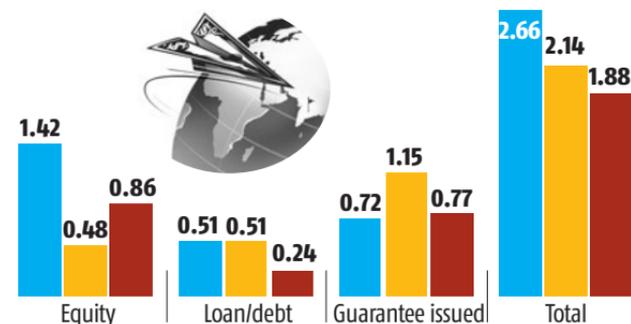
A slowdown in economic and business activities, especially in developed markets, has impacted direct investment flows, both inbound and outbound.

Most investments (outward FDI) are in subsidiaries or stakes in foreign companies. A slowdown in the developed markets means fewer opportunities, according to bankers.

Just like weak outbound FDI numbers, inward FDI — overseas money flowing

SHRINKING GROWTH

■ October 2022 ■ September 2023 ■ October 2023 (\$ bn)



Source: RBI data

into India — has also been sluggish.

RBI data showed net FDI into India sharply declined to \$2.99 billion in April-August 2023-24, down from \$18.03 billion in April-August 2022-23, due to a moderation in global investment activity and a rise in repatriation.

Looking at the components of outbound FDI, equity commitments increased to \$865.28 million in October 2023, up from \$485.08 million in September 2023 but signifi-

cantly lower than the \$1.42 billion recorded in October 2022.

Debt commitments decreased to \$245.81 million in October, down from \$510.29 million in September, also lower compared to \$515.56 billion in October 2022.

Guarantees for overseas units declined to \$774.19 million in October from \$1.14 billion in September. However, they were slightly higher compared to \$721.43 million a year ago, revealed RBI data.