

# Outward FDI fell 50% in H1 2023

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India's outward Foreign Direct Investment (FDI) fell about 50 per cent to \$11.12 billion in January-June (H1 2023) from \$23.57 billion in the same period last year, indicative of the slowdown in the global economy, according to the Reserve Bank of India data.

The outward FDI expressed as the total financial commitment, has three components, namely equity, loan and guarantees. The sharp contraction in the commitments (outward FDI) was prominent in the April-June 2023 period.

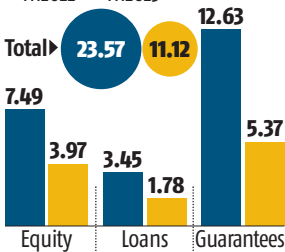
They declined from \$2.52 billion in April 2023 (\$4.03 billion in April 2022) to \$ 1.29 billion in May 2023 (\$4.04 billion in May 2022) and was further down to \$ 0.97 billion in June 2023 (\$1.93 billion in June 2022).

Madan Sabnavis, chief economist, Bank of Baroda said this contraction is

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Outward FDI (in \$bn)

■ H12022 ■ H12023



Source: RBI data

reflecting slowdown in the global economy.

The decisions on the investments are made keeping in mind a long-term view.

At present, the picture is not conducive in the backdrop of the existing slow down and risk of recession in some developed regions, even if short lived. The trend of decline in pace of overseas investment is expected to continue, said bankers associated with overseas investments