

India's outward FDI halves to \$1.55 bn in Nov: RBI data

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India's outward foreign direct investment (FDI) commitments fell by 19.6 per cent sequentially to \$1.55 billion in November 2023, compared to over \$1.93 billion in October 2023.

They halved compared to \$3.67 billion in November 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 world over has impacted direct investment flows, both inbound and outbound. Most investments (outward FDIs) are in subsidiaries or stakes in foreign firms. A slowdown in developed markets means fewer opportunities.

The inward foreign direct investment (FDI) — overseas money flowing as direct investment into India — has also

been on downward trail. RBI data showed net FDI in India declined sharply in April-September 2023 to \$4.5 billion from \$19.6 billion in the same period last year. This is on moderation in global investment activities and a rise in repatriation. Looking at the components of outbound FDI, equity commitments declined to \$729.57 million in November 2023 from \$870.37 million in October 2023. It was lower than the \$1.69 billion recorded in November 2022.