

# Net FDI in India down 38% in Apr-Jan

## MODERATING DIRECT INVESTMENT FLOWS

	9MFY24 (\$ bn)	Y-o-Y growth in %
Net FDI	15.4	-38.4
FDI into India	25.53	-30.53
FDI from India	10.11	-13.95
Repatriation/disinvestment	34	36

Source: RBI bulletin March 2024

### ABHIJIT LELE

Mumbai, 19 March

Net foreign direct investment (FDI) in India, inflows minus outflows, declined 38.4 per cent year-on-year to \$15.41 billion in the first 10 months of this financial year due to an increase in the repatriation of capital.

According to the Reserve Bank of India's data in the March 2024 bulletin, FDI in India was \$25.53 billion and outflows were \$10.11 billion in April 2023-January 2024. In the same period last year, FDI inflows stood at \$36.75 billion and outflows at \$11.75 billion.

Repatriation and divestment by those who made direct investments in India rose to \$34 billion in the 10 months of the financial year from \$24.99 billion in the year-ago period, according to RBI

data. The "state of economy" report in the RBI's monthly bulletin for March 2024 noted that manufacturing, computer services, electricity, and other energy sectors, financial services, and transport accounted for about two-thirds of the FDI equity inflows in the 10 months of the financial year.

Around 80 per cent of the equity flows were received from Singapore, Mauritius, the US, the Netherlands, Japan, and the United Arab Emirates.

The report mentioned that despite global FDI flows remaining weak in 2023, with only a modest increase of 3 per cent over 2022, India fared better than its Asian peers.

FDI into India is expected to receive a boost from the trade and economic partnership agreement signed with the European Free Trade Association on March 10.

# Flows into NRI deposits zoom 70%

The amount flowing into non-resident Indians' (NRIs') deposits surged 70.35 per cent to \$10.1 billion in the first 10 months of this financial year, from \$5.96 billion in the year-ago period.

Flows into foreign currency non-resident (FCNR) accounts increased to \$4.15 billion in the April 2023-January 2024 period, compared to an inflow of \$1.28 billion in the year-ago period,

according to data from the Reserve Bank of India (RBI). Outstanding NRI deposits rose by \$823 million to \$147.73 billion at the end of January 2024, up from \$146.90 billion in December 2023. As for the annual trend, NRI deposits grew from \$136.82 billion at the end of January 2023.

FCNR deposits were at \$23.51 billion in January 2024, up from \$22.81 billion in December 2023. This was high-

er than the \$18.20 billion at the end of January 2023.

Non-resident external deposits were at \$97.46 billion in January, down from \$97.69 billion in December 2023 and \$95.49 billion at the end of January 2023.

Non-resident ordinary deposits reached \$26.74 billion in January, up from \$26.40 billion in December 2023 and \$23.12 billion a year ago.

ABHIJIT LELE

# Outward remittances increase 24%

### AATHIRA VARIER

Mumbai, 19 March

Outward remittances under the Reserve Bank of India's (RBI's) Liberalised Remittance Scheme (LRS) in the April-January period of financial year 2023-24 (FY24) increased 24 per cent year-on-year to \$27.42 billion. Overseas remittances in January 2024 stood at \$2.62 billion, nearly 9 per cent higher than \$2.40 billion in December 2023.

In the April-January period

TOP 5 SEGMENTS	9MFY24 (In \$ bn)	Y-o-Y growth in %
Travel	14.95	30.67
Maintenance of close relatives	3.95	22.67
Studies abroad	3.04	2.02
Gift	3.03	31.17
Investment in equity/debt	1.15	29.21
<b>TOTAL</b>	<b>27.42</b>	<b>24.18</b>

Source: RBI

of FY24, the international travel segment rose to \$14.95 billion, 30.67 per cent up from \$11.44 billion in the year-ago period. This growth was fol-

lowed by funds used for the maintenance of close relatives and overseas education, which stood at \$3.95 billion and \$3.04 billion, respectively.