

FDI equity inflow ebbs 15% in Apr-Dec period

During the first half of FY23, contraction was 14%

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Foreign direct investment (FDI) in equity during the first three quarters of this fiscal year declined 15 per cent year-on-year to \$36.75 billion, according to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT) on Wednesday.

In all, FDI, which includes the equity capital of unincorporated bodies, reinvest earnings, and other capital, stood at \$55 billion during April-December from \$60.4 billion a year ago, an 8 per cent fall.

FDI inflows have been declining since the beginning of the year due to challenges

in the external sector such as recessionary trends in major developed economies.

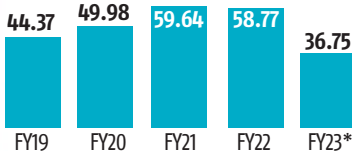
During the first half of the year (April-September), the contraction was 14 per cent.

Last fiscal year, FDI equity inflows dropped by 1 per cent after robust growth of 19 per cent and 13 per cent during FY21 and FY20, respectively.



SLOWING INFLOWS

Trend in FDI equity investments (\$ bn)



Note: *Apr-Dec period

Source: DPIIT

According to the data shared by the DPIIT, Singapore was the top investing country with equity inflows of \$13.07 billion during April-December. This was followed by the US (\$4.95 billion), Mauritius (\$4.73 billion), the United Arab Emirates (\$3.1 billion), and the Netherlands (\$2.16 billion). Turn to Page 6 ▶

tenterhooks,” said U R Bhat, co-founder, Alphaniti Fintech.

Banking stocks were the biggest drag on the markets, with the sectoral gauge dropping nearly 1.7 per cent. Reliance Industries, HDFC Bank, and HDFC each dropped close to 2 per cent and accounted for over 40 per cent of the index losses.

FDI...

Others being the UK (\$1.61 billion), Japan (\$1.43 billion), Cyprus (\$1.15 billion), the Cayman Islands (\$624 million), and Germany (\$350 million).

Computer software and

hardware manufacturing were the highest recipient of FDI at \$8.07 billion.

This was closely followed by the services sector -- encompassing financial, banking, insurance, and outsourcing, among others -- at \$6.56 billion. The telecommunications and trading sectors garnered \$5.33 billion and \$4.14 billion, respectively.

Among states, Maharashtra continued to be the most favoured destination of investors, receiving \$10.76 billion. This was followed by Karnataka with \$8.77 billion and Delhi with \$6.11 billion.

Jury...