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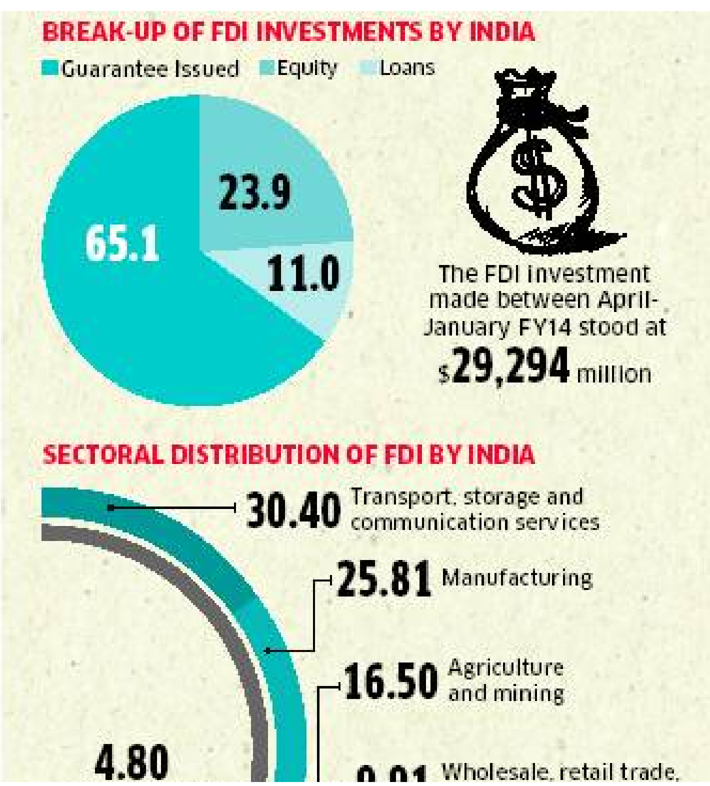
Still A Long Way to Go For FDI

After witnessing a sharp increase during FY07-11,outward FDI had been declining in the subsequent period.This has been largely due to the impact of the global financial crisis of 2008 and a strong rupee which was associated with such outflows.These outflows have tended to concentrate in sectors such as transport,storage,communications,and manufacturing and also in geographies like the Netherlands,Singapore,Mauritius,British Virgin Islands,USA,the UK and UAE.With outflows being around $10 billion this year so far,it does not appear to be a serious concern in terms of pressure on our forex reserves,notes a report by Care Ratings



Graphic: MAHESH

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