

## India continues to remain highest receiver of FDI: Nirmala Sitharaman



File Photo of Union Finance Minister Nirmala Sitharaman (PTI)

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- Replying to a question asked by Congress member Shashi Tharoor in Lok Sabha, Sitharaman said foreign investments have to be gauged, not just by looking at FIIs and FPIs which by very nature depend on the interest rates and they keep on 'moving up and down.'

India continues to remain the highest receiver of the foreign direct investment (FDI), the Parliament was informed on Monday. Finance Minister Nirmala Sitharaman said Indian retail investors have created the capacity to absorb the shock due to outflow of foreign funds from the country's stock markets.

[Continuing their selling spree](#) for the sixth consecutive month, foreign investors pulled out a massive ₹41,000 crore from the Indian equity market in March on anticipation of rate hikes by the US Federal Reserve and the deteriorating geopolitical environment amid the Russia-Ukraine war.

This was way higher than net withdrawals of ₹35,592 crore in February and ₹33,303 crore in January.

Foreign investors have been withdrawing money from equities since the last six months, pulling out a net ₹1.48 lakh crore between October 2021 and March 2022.

However, replying to a question asked by Congress member Shashi Tharoor in Lok Sabha, Sitharaman said foreign investments have to be gauged, not just by looking at FIIs and FPIs which by very nature depend on the interest rates and they keep on "moving up and down."

"The FIIs and FPIs would come and go. But, today the Indian retail investors have proven that even if they come and go any shock that may come in is now taken care of because of the shock absorbing capacity that the Indian retailers have brought into the Indian market," she said during Question Hour.

"We in the House should should stand up and appreciate the Indian retailer who has invested a lot of confidence in the markets today in India," she added.

Pointing out that overseas investors has pulled out over ₹1.14 lakh crore from the Indian market so far, Tharoor had urged the finance minister to explain the worrying trend of "steadily" declining investment by the foreign investors.

The Congress member had also sought to now from the government as to what measures were being taken to reverse the trend.

"The FPI and FIIs obvious obviously going to be very typical of their very nature coming and going out. But, what's there to look at with fairness and objectivity is the inflow of the FDIs which is remaining unabated," she said in her reply.

Recently, Sitharaman said the FDI received during the seven-and-a-half-year rule of the Narendra Modi government is 65% higher than the inflow received during the ten-year rule of the Congress Party-led UPA government.

In the financial year 2020-21, FDI inflows to India surged to \$81.72 billion despite the global economic disruption caused by the Covid-19 pandemic