

FDI Falls 11% in H1

By [The Moscow Times](#)

August 19, 2010

The  **Moscow Times**

Foreign direct investment fell an annual 11 percent to \$5.4 billion in the first half, the State Statistics Service said Thursday, easing its decline after an 18 percent plunge in the first quarter.

Overall foreign investment, including credits and flows into the securities markets, slid 5.5 percent to \$30.4 billion.

Russia's vulnerability to the pace of the global economic recovery makes it "a less attractive investment proposition right now" than countries like Turkey, said Chris Weafer, chief strategist at UralSib.

The world's biggest energy supplier has been slow to recover from its worst contraction on record, lagging behind its peers in emerging markets. Gross domestic product may expand more than 4 percent this year after contracting 7.9 percent last year, according to the Economic Development Ministry. Brazil has achieved the fastest economic growth in 15 years, while India's government predicts that GDP will expand this year at the quickest rate since

2008.

The manufacturing industry received the largest amount of investment, attracting \$10.9 billion, followed by the mining sector and the wholesale and retail industry, according to the statistics service. Cyprus was the largest foreign investor in Russia, followed by the Netherlands, Luxembourg and Germany.

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