

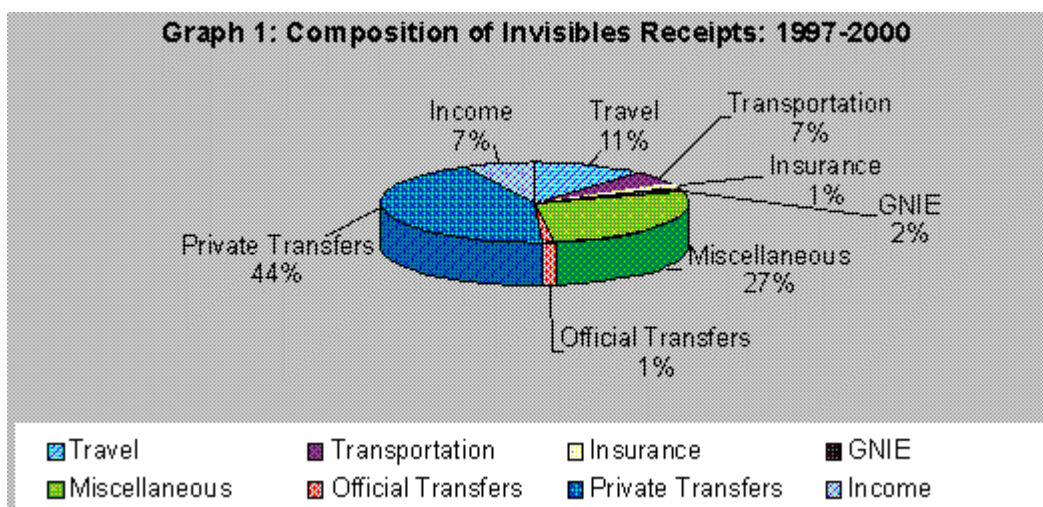
International trade in services witnessed a significant growth during the 1990s following trade liberalisation and multilateral trade negotiations, which covered services apart from goods. This process was aided by technological innovations that have reduced the time and cost of transportation and communication. Services encompass activities from financial services, transportation, travel, telecommunications, computer services to professional services such as engineering, legal and health services. While services sector accounts for a major share of output and employment in advanced industries, many emerging economies would also be fast catching up with the process.

The data on international trade in services form a part of 'invisibles' under the balance of payments (BoP) statistics and the standard presentation of BoP statistics provides information on broad heads under 'invisibles'. The BoP statistics in the standard format are disseminated at quarterly intervals in the RBI Bulletin. Keeping in view the rising contribution of invisibles in India's BoP, this article provides disaggregated data on various components of 'invisibles' for the period 1997-98 to 1999-2000\*\*.

India's BoP statistics are compiled in accordance with the IMF's Balance of Payments Manual, Fifth Edition (BPM5) with some adjustments to reflect country-specific nuances. Under the standard presentation of BoP, 'invisibles' are a part of current account along with merchandise trade. Invisibles chiefly encompass non-factor services, transfers and income. Non-factor services, on the other hand, comprise travel, transportation, insurance, government not included elsewhere (GNIE), and miscellaneous (i.e., other services); transfers constitute private transfers and official transfers; income includes investment income and compensation of employees. Data on invisibles are compiled mainly on the basis of information made available by authorised dealers (ADs), supplemented by information from other sources such as, Indian embassies, National Association of Software Service Companies (NASSCOM), financial institutions and Reserve Bank's own records.

ADs report all receipts transactions to Reserve Bank with purpose-wise classification over a threshold transactions limit equivalent to Rs.1,00,000/-. For small value transactions of under Rs.1,00,000/-, the Reserve Bank conducts a quarterly survey for apportioning these receipts under various purposes. Similarly, a survey of freight and insurance receipts on merchandise exports facilitates compilation of transportation receipts. A foreign investment survey is also conducted for computing retained earnings of foreign direct investors.

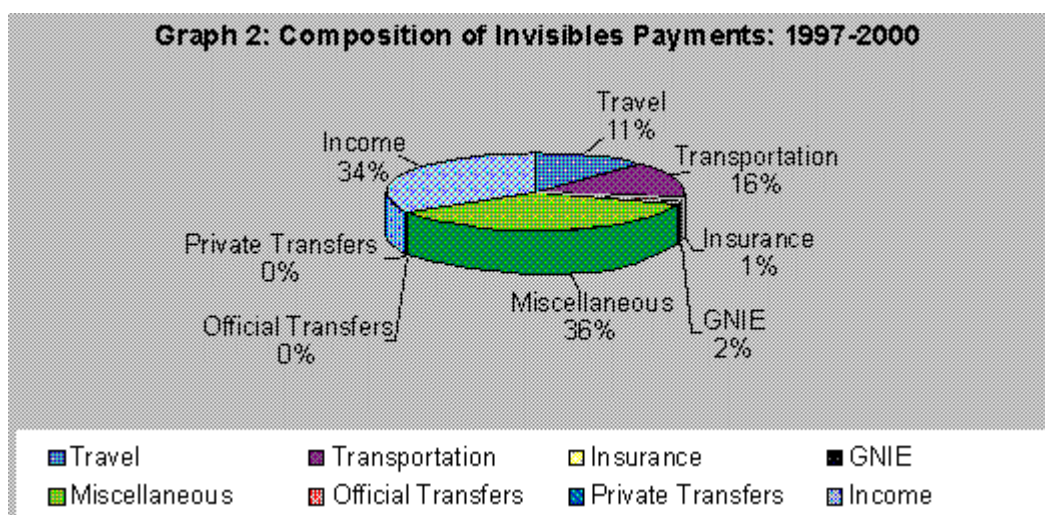
The statistics on India's invisibles, both receipts and payments, during 1997-98 to 1999-2000 under broad aggregates are presented in [Table 1](#). It could be seen that invisibles receipts increased steadily from US \$ 23.2 billion during 1997-98 to US \$ 30.3 billion in 1999-2000. Similar rising trend was also seen for invisibles payments, which expanded from US \$ 13.2 billion to US \$ 17.4 billion during the period. Private transfers and miscellaneous services were the major contributors to the invisibles receipts during 1997-2000 ([Graph 1](#)), while invisibles payments were dominated by miscellaneous services payments, investment income payments, transportation and travel payments ([Graph 2](#)). As regards annual variations, the share of non-factor services in gross invisibles receipts showed a marked rise from 40.6 per cent in 1997-98 to 51.8 per cent in 1999-2000, while the proportion of private transfers declined from 51.1 per cent to 40.5 per cent during the same period.



**TABLE 1: INVISIBLES BY CATEGORY**

	(Rs crore)			(US \$ million)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
<b>A. Receipts</b>	<b>86245</b>	<b>108460</b>	<b>131498</b>	<b>23244</b>	<b>25770</b>	<b>30324</b>
<b>1. Services</b>	<b>35102</b>	<b>55528</b>	<b>68186</b>	<b>9429</b>	<b>13186</b>	<b>15721</b>
Travel	10880	12604	13166	2914	2993	3036
Transportation	6805	8109	7560	1836	1925	1745
Insurance	890	945	1025	240	224	236
GNIE	1038	2520	2523	276	597	582
Miscellaneous	15489	31350	43912	4163	7447	10122
<b>2. Transfers</b>	<b>45348</b>	<b>44799</b>	<b>54939</b>	<b>12254</b>	<b>10649</b>	<b>12672</b>
Official Transfers	1418	1305	1659	379	308	382
Private Transfers	43930	43494	53280	11875	10341	12290
<b>3. Income</b>	<b>5795</b>	<b>8133</b>	<b>8373</b>	<b>1561</b>	<b>1935</b>	<b>1931</b>
Investment Income	5795	7953	7727	1561	1893	1783
Compensation of Employees	0	180	646	0	42	148
<b>B. Payments</b>	<b>49323</b>	<b>69769</b>	<b>75378</b>	<b>13237</b>	<b>16562</b>	<b>17389</b>
<b>1. Services</b>	<b>30159</b>	<b>46411</b>	<b>51424</b>	<b>8110</b>	<b>11021</b>	<b>11865</b>
Travel	5339	7326	9268	1437	1743	2139

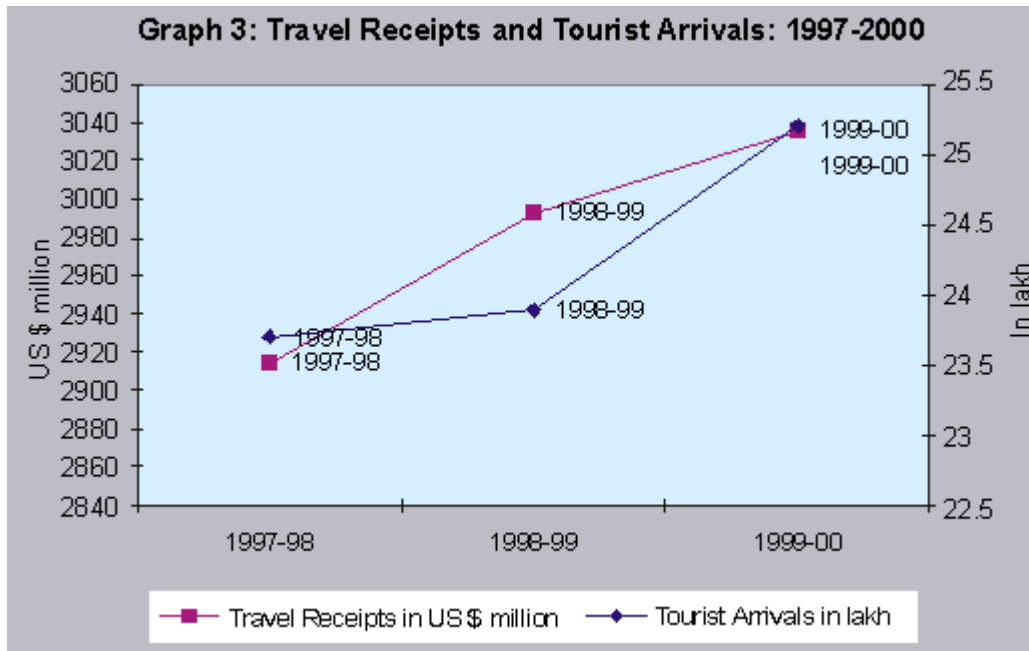
Transportation	9353	11265	10450	2522	2680	2410
Insurance	680	472	525	183	112	122
GNIE	594	1359	1167	160	325	270
Miscellaneous	14193	25989	30014	3808	6161	6924
<b>2. Transfers</b>	<b>165</b>	<b>257</b>	<b>150</b>	<b>45</b>	<b>62</b>	<b>34</b>
Official Transfers	0	5	2	0	1	0
Private Transfers	165	252	148	45	61	34
<b>3. Income</b>	<b>18999</b>	<b>23101</b>	<b>23804</b>	<b>5082</b>	<b>5479</b>	<b>5490</b>
Investment Income	18764	23032	23747	5020	5462	5478
Compensation of Employees	235	69	57	62	17	12
<b>C. Net (A-B)</b>	<b>36922</b>	<b>38691</b>	<b>56120</b>	<b>10007</b>	<b>9208</b>	<b>12935</b>



**Travel** receipts constituted the second largest share in non-factor services receipts. Travel receipts represent all the expenditure including internal travel by foreign tourists in India. However, all expenditure on the cross-border carriage of tourists, both inward and outward, are excluded from the travel account. Travel receipts largely depend on the trend in foreign tourist arrivals in India during a given period ([Graph 3](#)). Although travel receipts increased from US \$ 2,914 million in 1997-98 to US \$ 3,036 million in 1999-2000, its share in invisibles receipts earnings declined marginally from 12.5 per cent to 10.0 per cent during the period. On the other hand, travel payments which represent all the expenditure incurred by Indian tourists abroad depend on the number of Indians going abroad on business and tourism etc. and their per capita expenditure. There was an increase in travel payments from US \$ 1,437 million in 1997-98 to US \$ 2,139 million during 1999-2000. Its share in non-factor service payments increased from 17.7 per cent to 18.0 per cent during the period. Among travel payments, business related and basic travel quota (BTQ) payments were the major constituents ([Statement](#)

I).

**Transportation** account records receipts and payments on account of the carriage of goods and natural persons as well as other distributive services (like port charges, bunker fuel, stevedoring, cabotage, warehousing etc.) performed on merchandise trade. Transportation receipts comprise freight on exports, remittances of surplus passage fare and freight collection by Indian shipping and airline companies operating abroad and operating expenses of foreign shipping and airline companies operating in India. Transportation receipts increased from US \$ 1,836 million during 1997-98 to US \$ 1,925 million in 1998-99 and thereafter declined to US \$ 1,745 million during 1999-2000 (Statement II). While there was a steady increase in the freight on exports during the period under review, the remittance of surpluses by Indian airline companies operating abroad declined from US \$ 252 million in 1997-98 to US \$ 180 million in 1999-2000. Similarly, operating expenses of foreign shipping companies operating in India decreased from US \$ 308 million during 1997-98 to US \$ 161 million during 1999-2000.



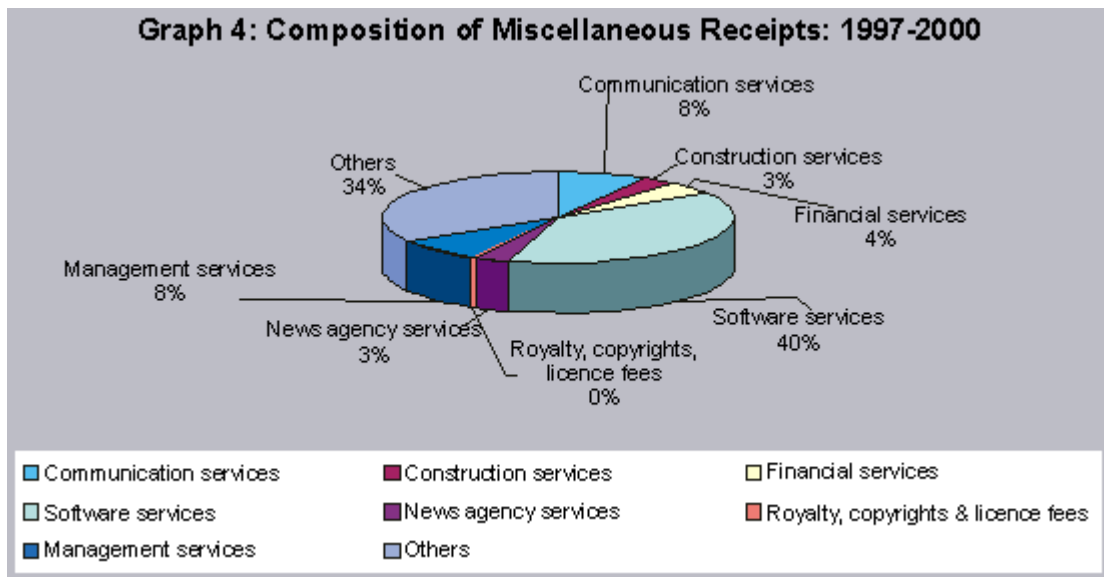
On the payments side, the remittances of surplus fare and freight collection by foreign shipping companies operating in India declined from US \$ 649 million in 1997-98 to US \$ 387 million in 1999-2000, while remittances of surplus fare and freight collection by foreign airline companies operating in India increased to US \$ 821 million in 1999-2000 from US \$ 610 million in 1997-98. Operating expenses of Indian shipping companies operating abroad also rose from US \$ 290 million in 1997-98 to US \$ 406 million in 1999-2000 ([Statement II](#)).

**Insurance** receipts consist of insurance on exports, premium on life and non-life policies and reinsurance premium from foreign insurance companies. Insurance on exports is directly linked with total exports from India. Insurance receipts on account of exports declined from US \$ 184 million in 1997-98 to US \$ 176 million in 1998-99 and subsequently increased to US \$ 198 million during 1999-2000 ([Statement III](#)). Insurance payments, also showed a similar trend falling from US \$ 183 million in 1997-98 to US \$ 112 million in 1998-99 before increasing to US \$ 122 million in 1999-2000.

**Government not included elsewhere (GNIE)** receipts represent remittance towards

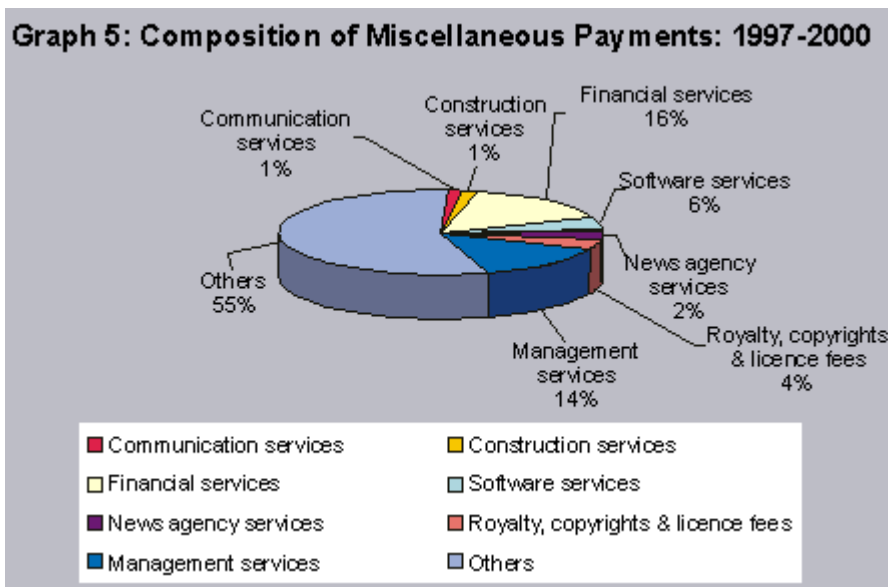
maintenance of foreign embassies, diplomatic missions and international/regional institutions in India, while GNIE payments record the remittances on account of maintenance of Indian embassies and diplomatic missions abroad and remittances by foreign embassies on their account. GNIE receipts increased from US \$ 276 million in 1997-98 to US \$ 582 million in 1999-2000 ([Statement IV](#)). Receipts on account of maintenance of international and regional institutions increased sharply from US \$ 151 million in 1997-98 to US \$ 419 million in 1998-99 and then fell to US \$ 378 million in 1999-2000. Similarly payments for maintenance of Indian embassies and diplomatic missions abroad rose from US \$ 139 million in 1997-98 to US \$ 293 million in 1998-99 before falling to US \$ 236 million in 1999-2000.

**Miscellaneous** receipts constitute the second largest chunk of invisibles receipts after private transfers while miscellaneous payments account for the largest part of non-factor services payments. Miscellaneous services encompass communication services, construction services, financial services, software services, news agency services, royalties, copyright and license fees, management services and others. Miscellaneous receipts increased from US \$ 4,163 million in 1997-98 to US \$ 10,122 million during 1999-2000([Statement V](#)). Under miscellaneous receipts, software services constitutes the largest share followed by communication services and management services ([Graph 4](#)). Software services, with an average growth rate of around 50 per cent, have emerged as an important source of services earnings contributing substantially to invisible receipts. Software exports increased sharply from US \$ 1,760 million in 1997-98 to US \$ 2,626 million in 1998-99 and further to US \$ 4,015 million in 1999-2000 reflecting the competitiveness of India's information technology sector. Communication services earnings also recorded a marked rise from US \$ 171 million during 1997-98 to US \$ 1,063 million in 1999-2000.



Miscellaneous payments showed a sharp increase from US \$ 3,808 million in 1997-98 to US \$ 6,161 million in 1998-99 and then moderated to US \$ 6,924 million in the following year. Under miscellaneous payments, major constituents were financial services, management services, software services and other services ([Graph 5](#)). Financial services payments which stood at US \$ 647 million in 1997-98 more than doubled to US \$ 1,333 million in 1999-2000. Management services payments declined marginally from US \$ 841 million in 1997-98 to US \$ 796 million in

1999-2000. Payments on account of royalties, copyrights and license fees, which move in tandem with foreign direct investment doubled from US \$ 166 million in 1997-98 to US \$ 312 million in 1999-2000. Other services (advertisement charges/ rentals, remittances for offices abroad, exhibition expenses, prizes etc.) payments increased over two fold from US \$ 1,637 million in 1997- 98 to US \$ 3,716 million during 1999-2000 ([Statement V](#)).



**Transfers** represent one-sided transactions, i.e. transactions which do not have any *quid pro quo*, such as grants, gifts, remittances for family maintenance, repatriation of savings and migrant transfers.

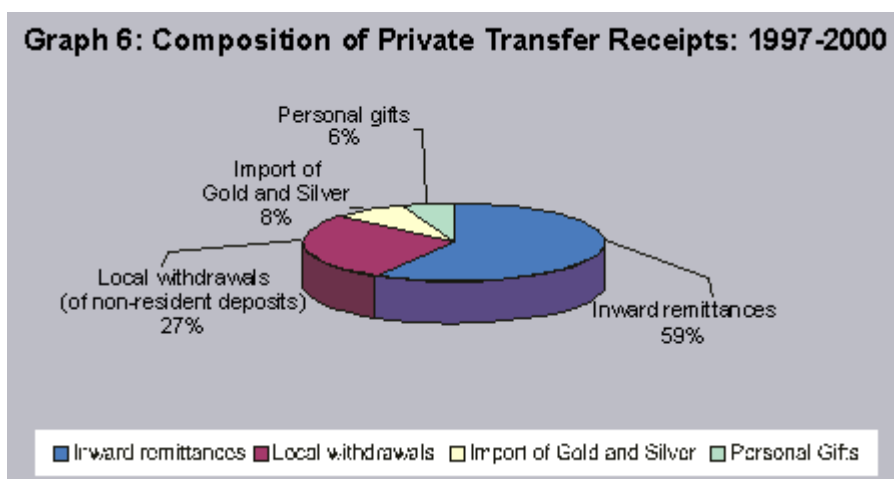
**Official transfer** receipts record grants and donations from non-residents to Government and other assistance received by Government from bilateral and multilateral institutions. Similarly, payments by India to other countries are recorded under official transfer payments ([Statement VI](#)). While official transfer payments were insignificant, receipts of grants by India fluctuated around US \$ 300 million during the period under review.

**Private transfer** receipts have been providing cushion to balance of payments over the years enhancing economy's resilience to external shocks. Such receipts constitute remittances by non-residents for family maintenance, repatriation of savings by Indian residents abroad and personal gifts and donations to religious and charitable institutions in India. In addition, other components such as import of gold and silver brought in as baggage by returning Indians and local withdrawals/ redemptions of non-resident deposits held in India were included under private transfer receipts since 1992-93 and 1996-97, respectively. Among the various components of private transfer receipts, inward remittances comprising the largest part of private transfer receipts increased to US \$ 7,423 million during 1999-2000 from US \$ 5,232 million in 1997- 98 ([Statement VII](#) and [Graph 6](#)). Local withdrawals/ redemption of non-resident deposits amounted to US \$ 4,120 million in 1999-2000 as against US \$ 3,418 million in 1997-98. The import of gold and silver brought in as baggage, however, declined sharply from US \$ 2,699 million in 1997-98 to US \$ 13 million in 1999-2000 on account of further liberalisation of gold and silver import through open general license (OGL) by designated agencies. Private transfer payments were, however, very nominal.

**Income**, under invisibles represent receipts and payments on account of compensation of

employees (wages/salaries) and investment income such as dividend and profits, interest on loans/deposits etc. Receipts and payments under compensation of employees record wages and salaries received by Indian workers abroad and foreign workers in India, respectively ([Statement VIII](#)). Transactions on account of compensation of employees formed a very small part of the income account.

**Investment income** transactions are in the form of interest, dividend, profit and others for servicing of capital transactions. The largest component of investment income receipts was the earnings on deployment of foreign currency assets of the Reserve Bank which rose from US \$ 1,105 million in 1997-98 to US \$ 1,383 million in 1999-2000 reflecting continued build up of foreign exchange reserves. Investment income payments move in tandem with India's external liabilities. Interest payments represent servicing of debt liabilities, while the dividend and profit payments reflect the servicing of non-debt (foreign direct investment and portfolio investment) liabilities. Total investment income payments rose from US \$ 5,020 million in 1997-98 to US \$ 5,462 million in 1998-99 and remained around that level during the following year. Interest payments on NRI deposits rose from US \$ 1,436 million in 1997-98 to US \$ 1,742 million in 1999-2000. Payments of interest on loans also increased from US \$ 2,799 million in 1997-98 to US \$ 3,037 million in 1999-2000. Payments of dividend and profits to non-resident shareholders amounted to US \$ 537 million in 1999-2000.



\* Prepared in the Division of International Finance (DIF), Department of Economic Analysis and Policy (DEAP).

\*\* Such data for the period 1989-90 to 1996-97 were published in the RBI Bulletin for April 1999 in an article entitled "Invisibles in India's Balance of Payments : 1989-90 to 1996-97". Data for the period 1956-57 to 1989-90 were published in July 1993 in "Monograph on India's Balance of Payments".

### STATEMENT I : TRAVEL ACCOUNT

	(Rs. Crore)			(US \$ mn)		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
<b>A. Receipts</b>						
Tourist Expenses in India	10880	12604	13166	2914	2993	3036
<b>TOTAL-A</b>	<b>10880</b>	<b>12604</b>	<b>13166</b>	<b>2914</b>	<b>2993</b>	<b>3036</b>

**B. Payments**

Business	2391	3687	5490	643	877	1268
Health Related	21	40	13	6	9	3
Education Related	210	218	263	57	52	61
Basic travel quota ( BTQ)	1256	1532	1638	340	363	379
Pilgrimage	329	292	602	85	69	137
Others (includes settlements of international credit cards)	1132	1557	1262	306	373	291
<b>TOTAL-B</b>	<b>5339</b>	<b>7326</b>	<b>9268</b>	<b>1437</b>	<b>1743</b>	<b>2139</b>
<b>Travel Net (A-B)</b>	<b>5541</b>	<b>5278</b>	<b>3898</b>	<b>1477</b>	<b>1250</b>	<b>897</b>

**STATEMENT II: TRANSPORTATION ACCOUNT**

	(Rs. Crore)			(US \$ mn)		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
<b>A. Receipts</b>						
<b>a. Sea Transport</b>						
Surplus remitted by Indian companies operating abroad	181	207	262	47	49	62
Operating expenses of foreign companies in India.	1139	844	696	308	201	161
Charter hire charges	176	104	181	49	25	41
<b>b. Air Transport</b>						
Surplus remitted by Indian companies operating abroad	937	700	781	252	167	180
Operating expenses of foreign companies in India.	301	251	87	81	60	21
Charter hire charges	72	374	103	19	89	24
<b>c. Freight on exports</b>	<b>3570</b>	<b>4318</b>	<b>4777</b>	<b>966</b>	<b>1026</b>	<b>1102</b>
<b>d. Others (includes port charges, bunker, stevedoring, demurrage and other port facilities)</b>	<b>429</b>	<b>1311</b>	<b>673</b>	<b>114</b>	<b>308</b>	<b>154</b>
<b>TOTAL-A</b>	<b>6805</b>	<b>8109</b>	<b>7560</b>	<b>1836</b>	<b>1925</b>	<b>1745</b>
<b>B. Payments</b>						
<b>a. Sea Transport</b>						
Surplus remitted by Foreign companies operating in India	2396	1834	1681	649	388	387
Operating expenses of Indian companies abroad	1070	1353	1757	290	319	406
Charter hire charges	663	656	501	179	155	116



**b. Air Transport**

Surplus remitted by Foreign companies operating in India	2249	3226	3561	610	769	821
Operating expenses of Indian companies abroad	779	966	580	208	232	134
Charter hire charges	529	345	324	144	177	75
<b>c. Freight on imports</b>	<b>1004</b>	<b>1584</b>	<b>1317</b>	<b>268</b>	<b>380</b>	<b>304</b>
<b>d. Remittance of passage booking abroad.</b>	<b>430</b>	<b>332</b>	<b>104</b>	<b>114</b>	<b>31</b>	<b>23</b>
<b>e. Others (includes port charges, bunker, stevedoring, demurrage and other port facilities)</b>	<b>233</b>	<b>969</b>	<b>625</b>	<b>60</b>	<b>229</b>	<b>144</b>
<b>TOTAL-B</b>	<b>9353</b>	<b>11265</b>	<b>10450</b>	<b>2522</b>	<b>2680</b>	<b>2410</b>
<b>Transportation Net (A-B)</b>	<b>-2548</b>	<b>-3156</b>	<b>-2890</b>	<b>-686</b>	<b>-755</b>	<b>-665</b>

**STATEMENT III: INSURANCE ACCOUNT**

	(Rs. Crore)			(US \$ mn)		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
<b>A. Receipts</b>						
<b>a. Insurance on export</b>	683	744	853	184	176	198
<b>b. Premium</b>						
Life	19	2	3	5	0	0
Non-life	1	34	31	0	8	7
Reinsurance from foreign companies	50	78	43	12	19	10
<b>c. Commission on Business received from foreign companies</b>	5	15	2	1	4	0
<b>d. Others (includes settlement of claims on account of insurance &amp; reinsurance)</b>	132	72	93	38	17	21
<b>TOTAL-A</b>	<b>890</b>	<b>945</b>	<b>1025</b>	<b>240</b>	<b>224</b>	<b>236</b>
<b>B. Payments</b>						
<b>a. Premium</b>						
Life	4	2	3	1	0	1
Non-life	197	93	45	54	34	10
Reinsurance	333	192	328	89	46	77
<b>b. Commission on Business</b>	12	6	3	3	1	1
<b>c. Others (includes settlement of claims on account of insurance &amp; reinsurance)</b>	134	179	146	36	31	33
<b>TOTAL-B</b>	<b>680</b>	<b>472</b>	<b>525</b>	<b>183</b>	<b>112</b>	<b>122</b>
<b>Insurance Net (A-B)</b>	<b>210</b>	<b>473</b>	<b>500</b>	<b>57</b>	<b>112</b>	<b>114</b>

**STATEMENT IV: GOVERNMENT NOT INCLUDED ELSEWHERE (GNIE) ACCOUNT**

	(Rs. Crore)			(US \$ mn)		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
<b>A. Receipts</b>						

a. Maintenance of foreign embassies and diplomatic missions in India	457	749	887	125	178	204
b. Maintenance of international and regional institutions in India	581	1771	1636	151	419	378
<b>TOTAL-A</b>	<b>1038</b>	<b>2520</b>	<b>2523</b>	<b>276</b>	<b>597</b>	<b>582</b>
<b>B. Payments</b>						
a. Maintenance of Indian embassies and diplomatic missions abroad	515	1227	1023	139	293	236
b. Remittances by foreign embassies and missions in India	79	132	144	21	32	34
<b>TOTAL-B</b>	<b>594</b>	<b>1359</b>	<b>1167</b>	<b>160</b>	<b>325</b>	<b>270</b>
<b>GNIE Net (A-B)</b>	<b>444</b>	<b>1161</b>	<b>1356</b>	<b>116</b>	<b>272</b>	<b>312</b>

### **STATEMENT V: MISCELLANEOUS ACCOUNT**

	(Rs. Crore)			(US \$ mn)		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
<b>A. Receipts</b>						
Communication services	624	2552	4601	171	601	1063
Construction services	370	634	1691	101	150	390
Financial services	1112	1190	1569	296	283	361
Software services	6570	11064	17412	1760	2626	4015
News agency services	586	1106	1485	156	262	341
Royalties, copyright and license fees	80	73	237	21	18	55
Management services	2044	2477	2790	549	590	643
Other services (Advertising, rentals, office maintenance, prizes, exhibitions & other services not enumerated elsewhere)	4103	12254	14127	1109	2917	3254
<b>TOTAL-A</b>	<b>15489</b>	<b>31350</b>	<b>43912</b>	<b>4163</b>	<b>7447</b>	<b>10122</b>
<b>B. Payments</b>						
Communication services	323	435	826	87	103	190
Construction services	239	414	220	65	98	50
Financial services	2402	2885	5785	647	687	1333
Software services	829	1461	1600	223	348	368
News agency services	530	431	693	142	104	159
Royalties, copyright and license fees	618	1055	1351	166	250	312

Management services	3132	2802	3456	841	663	796
Other services (Advertising, rentals, office maintenance, prizes, exhibitions & other services not enumerated elsewhere)	6120	16506	16083	1637	3908	3716
<b>TOTAL-B</b>	<b>14193</b>	<b>25989</b>	<b>30014</b>	<b>3808</b>	<b>6161</b>	<b>6924</b>
<b>Miscellaneous Net (A-B)</b>	<b>1296</b>	<b>5361</b>	<b>13898</b>	<b>355</b>	<b>1286</b>	<b>3198</b>

### STATEMENT VI: OFFICIAL TRANSFERS

	(Rs. Crore)			(US \$ mn)		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
<b>A. Receipts</b>						
Donations received from Non- residents	6	0	174	2	0	40
Grant under PL 480 II	386	400	414	105	94	97
Grants from other Governments	1026	905	1071	272	214	245
<b>TOTAL-A</b>	<b>1418</b>	<b>1305</b>	<b>1659</b>	<b>379</b>	<b>308</b>	<b>382</b>
<b>B. Payments</b>						
Grants/donations from official sector	0	5	2	0	1	0
<b>TOTAL-B</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Official Transfers Net (A-B)</b>	<b>1418</b>	<b>1300</b>	<b>1657</b>	<b>379</b>	<b>307</b>	<b>382</b>

### STATEMENT VII: PRIVATE TRANSFERS

	(Rs. Crore)			(US \$ mn)		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
<b>A. RECEIPTS</b>						
Inward remittance from Indian workers abroad for family maintainance etc.	19303	32253	32192	5232	7661	7423
Local withdrawals/redemptions of non-resident deposits	12773	7808	17849	3418	1859	4120
Gold and silver brought through passenger baggage Personal gifts/donations to charitable/religious institutions in India.	9900	705	57	2699	171	13
<b>TOTAL -A</b>	<b>43930</b>	<b>43494</b>	<b>53280</b>	<b>11875</b>	<b>10341</b>	<b>12290</b>
<b>B. PAYMENTS</b>						
Remittance by foreign workers for family maintenance etc.	153	219	125	42	53	28
Personal gifts/donations to charitable/religious institutions in India.	12	33	23	3	8	6
<b>TOTAL -B</b>	<b>165</b>	<b>252</b>	<b>148</b>	<b>45</b>	<b>61</b>	<b>34</b>
<b>PRIVATE TRANSFERS NET (A-B)</b>	<b>43765</b>	<b>43242</b>	<b>53132</b>	<b>11830</b>	<b>10280</b>	<b>12256</b>

## STATEMENT VIII: INCOME ACCOUNT

	(Rs. Crore)			(US \$ mn)		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
<b>1. Receipts (I+II)</b>	<b>5795</b>	<b>8133</b>	<b>8373</b>	<b>1561</b>	<b>1935</b>	<b>1931</b>
<b>2. Payments (I+II)</b>	<b>18999</b>	<b>23101</b>	<b>23804</b>	<b>5082</b>	<b>5479</b>	<b>5490</b>
<b>Net Income (1-2)</b>	<b>-13204</b>	<b>-14968</b>	<b>-15431</b>	<b>-3521</b>	<b>-3544</b>	<b>-3559</b>
<b>I. Compensation of Employees</b>						
<b>A. Receipts</b>						
Wages received by the Indians working on foreign contracts or the foreigners working in India on foreign contracts.	0	180	646	0	42	148
<b>B. Payments</b>						
Payment of wages/salary to Non-residents working in India or Indians working on projects abroad	235	69	57	62	17	12
<b>Compensation of Employees Net (A-B)</b>	<b>-235</b>	<b>111</b>	<b>589</b>	<b>-62</b>	<b>25</b>	<b>136</b>
<b>II. Investment Income</b>						
<b>A. Receipts</b>						
Interest received on loans to non-residents	171	294	688	46	69	159
Dividend/profit received by Indians on foreign investment	95	103	68	25	25	16
Interest received on debentures, FRNs, CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds	44	20	50	12	5	11
Interest received on overdraft of VOSTRO accounts of foreign correspondents / branches by the ADs	55	40	38	14	10	10
Payment of taxes by the non-residents/refund of taxes by foreign governments to Indians	1315	1799	854	358	426	195
Interest/discount etc. earnings on RBI investment	4113	5691	5992	1105	1357	1383
Interest/remuneration on SDR holdings	2	6	37	1	1	9
<b>TOTAL-A</b>	<b>5795</b>	<b>7953</b>	<b>7727</b>	<b>1561</b>	<b>1893</b>	<b>1783</b>
<b>B. Payments</b>						
Payment of interest on non-resident deposits	5384	6919	7549	1436	1637	1742
Payment of interest on loans from non-	10442	11657	13167	2799	2762	3037

residents						
Payment of dividend/profit to non-resident share holders	2170	2752	2333	578	658	537
Payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities etc.	106	936	512	28	221	119
Charges on SDRs	317	258	132	85	62	30
Interest paid on overdraft on NOSTRO Account	156	13	2	41	4	0
Payment of taxes by the Indians/refund of taxes by government to non-residents	189	497	52	53	118	13
<b>TOTAL-B</b>	<b>18764</b>	<b>23032</b>	<b>23747</b>	<b>5020</b>	<b>5462</b>	<b>5478</b>
<b>Investment Income Net (A-B)</b>	<b>-12969</b>	<b>-15079</b>	<b>-16020</b>	<b>-3459</b>	<b>-3569</b>	<b>-3695</b>