

*India's Balance of Payments Developments during the Fourth Quarter (January-March 2009) of 2008-09 and 2008-09 (April-March) **

The data on India's balance of payments (BoP) are compiled and published by the Reserve Bank on a quarterly basis with a lag of one quarter. Accordingly, the preliminary data on India's BoP for the fourth quarter (Q4) of the financial year 2008-09, *i.e.*, January-March 2009 and financial year 2008-09 along with the partially revised data for the first three quarters *i.e.*, April-June 2008 (Q1), July-September 2008 (Q2) and October-December 2008 (Q3) were released by the Reserve Bank on June 30, 2009. The developments in India's BoP for January-March 2009 quarter and full year 2008-09 are presented here.

Major Highlights of BoP January-March (Q4) of 2008-09

- (i) On a BoP basis, India's merchandise exports recorded a sharp decline of 24.2 per cent in Q4 of 2008-09 as against an increase of 47.2 per cent in Q4 of 2007-08. The decline in exports became more pronounced during Q4 of 2008-09 as compared with Q3 of 2008-09 attributed to a more synchronised global economic downturn.
- (ii) Import growth turned negative (decline of 27.3 per cent) during Q4 of 2008-09 after a gap of almost 7 years, mainly led by lower crude oil prices and lower non-oil imports reflecting slowdown of domestic economy.
- (iii) The current account balance witnessed a turnaround recording a surplus of US\$ 4.7 billion during the quarter due to lower trade deficit and sustained support from surplus in invisibles account.

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- (iv) The net outflows in the capital account as witnessed in Q3 of 2008-09 continued during Q4 of 2008-09, mainly due to net outflows under portfolio investment, banking capital and short-term trade credit.

Financial Year 2008-09 (April-March)

- (i) Despite higher net invisibles surplus (7.7 per cent of GDP), the large trade deficit (10.3 per cent of GDP) led to a higher current account deficit (CAD) of 2.6 per cent of GDP during 2008-09.
- (ii) Notwithstanding the adverse impact of the global crisis, software services exports (4.1 per cent of GDP) and private transfer receipts (4.0 per cent of GDP) were higher during 2008-09 than the previous year.
- (iii) Net capital inflows (0.8 per cent of GDP) were much lower as compared with the previous year mainly due to net outflows under portfolio investment, banking capital and short-term trade credit.
- (iv) In the capital account, inflows under foreign direct investment (FDI) to India were higher during 2008-09 than the previous year reflecting the attractiveness of India as a long-term investment destination. NRI deposits witnessed higher inflows since September 2008 responding to the hikes in ceiling interest rates on such deposits.
- (v) Despite apprehensions in the second half of 2008-09 on the availability of short-term trade credit due to tightness in the global credit markets, the gross disbursements reached US\$ 39.7 billion

during 2008-09, while repayments stood at US\$ 45.5 billion. The gap between the disbursements and repayments of short-term trade credit to India was limited to an outflow of US\$ 5.8 billion during 2008-09. Thus, financing of short-term trade credit did not pose much of a problem in India.

- (vi) The foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) declined mainly due to higher current account deficit coupled with lower net capital inflows.

1. Balance of Payments for January-March (Q4) of 2008-09

The major items of the BoP for the fourth quarter (Q4) of 2008-09 are set out below in Table 1.

Merchandise Trade

Exports

- (i) On a BoP basis, India's merchandise exports recorded a sharp decline of 24.2 per cent in Q4 of 2008-09 as against an increase of 47.2 per cent in Q4 of 2007-08.
- (ii) As per the commodity-wise data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S) for the period January-February 2009, merchandise exports declined by 25.1 per cent, reflecting a fall in exports of all commodity groups. Amongst the commodities, the exports of raw cotton, rice, sugar and molasses, iron and steel, gems and jewellery, and petroleum products showed maximum fall in export growth during this period.

Table 1: Major Items of India's Balance of Payments

Table 1: Major Items of India's Balance of Payments								
(US\$ million)								
Item	April-June		July-September		October-December		January-March	
	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (P)
1	2	3	4	5	6	7	8	9
1. Exports	34,356	49,120	38,273	48,987	40,985	37,257	52,549	39,820
2. Imports	56,346	80,545	59,510	87,663	67,038	71,961	74,895	54,418
3. Trade Balance (1-2)	-21,990	-31,425	-21,237	-38,676	-26,053	-34,705	-22,346	-14,598
4. Invisibles, net	15,310	22,406	16,940	26,164	21,522	21,672	20,820	19,345
5. Current Account Balance (3+4)	-6,680	-9,019	-4,297	-12,512	-4,531	-13,032	-1,526	4,747
6. Capital Account Balance*	17,880	11,254	33,533	7,778	31,269	-4,848	26,516	-4,447
7. Change in Reserves# (-Indicates increase; + indicates decrease)	-11,200	-2,235	-29,236	4,734	-26,738	17,881	-24,990	-300

*: Including errors and omissions. #: On BoP basis (i.e., excluding valuation).
P: Preliminary. PR: Partially Revised.

Imports

- (i) Import payments, on a BoP basis, also registered a sharp decline of 27.3 per cent in Q4 of 2008-09 as against a high growth of 55.8 per cent in Q4 of 2007-08. According to the data released by DGCI&S, the decline in imports is mainly attributed to the sharp fall in oil import payments due to lower crude oil prices during Q4 of 2008-09.
- (ii) The commodity-wise break-up of imports data released by DGCI&S revealed a sharp decline in imports of certain commodities like gold and silver, consumption goods, capital goods, and crude oil and related products leading to a decline in imports by 31.8 per cent during January-February 2009 as against an increase of 55.4 per cent during the corresponding period of previous year.

Trade Balance

- (i) The sharp decline in both exports and imports during Q4 of 2008-09 led to a

lower trade deficit. The trade deficit on a BoP basis in Q4 of 2008-09 (US\$ 14.6 billion) was less than half of the average trade deficit (US\$ 34.9 billion) recorded in the first three quarters of 2008-09. The trade deficit during Q4 of 2008-09 was much lower than that of Q4 of 2007-08 (US\$ 22.3 billion).

Invisibles

- (i) Both invisibles receipts and payments recorded a negative growth during Q4 of 2008-09 reflecting the impact of global economic slowdown. In net terms, the invisibles balance (US\$ 19.3 billion) was marginally lower than that in the corresponding period of the previous year (US\$ 20.8 billion) (Table 2).
- (ii) Invisibles receipts registered a decline of 16.6 per cent in Q4 of 2008-09 (as against an increase of 28.8 per cent in Q4 of 2007-08) on account of a decline in almost all categories of services, private transfers and investment

Table 2: Net Invisibles

(US\$ million)								
Item	April-June		July-September		October-December		January-March	
	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (P)
1	2	3	4	5	6	7	8	9
A. Services (1 to 5)	8,974	11,618	8,998	14,057	12,026	13,152	7,567	10,991
1. Travel	182	341	201	82	876	971	836	69
2. Transportation	-573	-717	-468	-780	-244	-638	-215	424
3. Insurance	188	122	57	61	177	75	173	20
4. Govt. not included elsewhere	-16	20	-60	-14	15	-136	15	-272
5. Miscellaneous	9,193	11,853	9,268	14,708	11,202	12,880	6,758	10,750
<i>Of Which:</i>								
<i>Software</i>	8,157	11,299	8,249	11,296	8,756	10,864	12,080	10,727
<i>Non-Software</i>	1,036	554	1,019	3,412	2,446	2,016	-5,322	23
B. Transfers	8,196	11,653	9,300	12,890	10,935	10,150	13,513	9,586
<i>Private</i>	8,208	11,612	9,254	12,936	10,861	9,963	13,382	9,536
<i>Official</i>	-12	41	46	-46	74	187	131	50
C. Income	-1,860	-865	-1,358	-783	-1,439	-1,631	-260	-1,232
<i>Investment</i>								
<i>Income</i>	-1,745	-690	-1,170	-741	-1,278	-1,481	-88	-1,105
<i>Compensation of Employees</i>	-115	-175	-188	-42	-161	-150	-172	-127
Invisibles (A+B+C)	15,310	22,406	16,940	26,164	21,522	21,671	20,820	19,345

P: Preliminary. PR: Partially Revised.

- income receipts. Overall services exports, however, witnessed a decline of 6.6 per cent during the quarter (as against a positive growth of 13.6 per cent in Q4 of 2007-08).
- (iii) The slowdown in private transfer receipts observed during Q3 of 2008-09 continued during Q4 of 2008-09. The decline, however, was not that significant despite the deepening of the global crisis.
- (iv) Software services receipts also declined by 12.7 per cent during Q4 of 2008-09. However, when compared with the performance in the first three quarters of 2008-09, software exports at US\$ 11.2 billion during Q4 of 2008-09 were almost in line with the average software exports of US\$ 11.9 billion recorded in the first three quarters of 2008-09.
- (v) Invisibles payments declined by 24.7 per cent during Q4 of 2008-09, mainly led by sharp decline in payments under transportation, software services, business services and financial services account.
- (vi) With the decline in invisibles payments being higher than the decline in invisibles receipts, the net invisibles receipts (invisibles receipts *minus* invisibles payments) were marginally lower than that in the corresponding period of the previous year.

Current Account Balance

- (i) The net surplus under invisibles not only fully financed the lower trade deficit observed during the quarter but also led to a surplus in the current account; last recorded during the

fourth quarter of 2006-07. The current account surplus during the Q4 of 2008-09 stood at US \$ 4.7 billion as against a deficit of US\$ 1.5 billion in Q4 of 2007-08.

Capital Account and Reserves

- (i) As was observed during Q3 of 2008-09, the capital account balance continued to be negative showing outflows of US\$ 5.3 billion during Q4 of 2008-09 (net inflows of US\$ 26.0 billion during Q4 of 2007-08) mainly due to net outflows under portfolio investment, banking capital and short-term trade credit (Table 3).
- (ii) The gross capital inflows to India during Q4 of 2008-09 slowed down remarkably to less than half at US\$ 57.1 billion as compared with US\$ 141.2 billion in Q4 of 2007-08. The gross capital outflows from India also slowed down to US\$ 62.4 billion from US\$ 115.2 billion in Q4 of 2007-08.
- (iii) Net FDI inflows (net inward FDI *minus* net outward FDI) amounted to US\$ 3.2 billion in Q4 of 2008-09 (US\$ 8.5 billion in Q4 of 2007-08). Net inward FDI stood at US\$ 8.0 billion during Q4 of 2008-09 (US\$ 14.2 billion in Q4 of 2007-08). Net outward FDI remained buoyant at US\$ 4.8 billion in Q4 of 2008-09 (US\$ 5.7 billion in Q4 of 2007-08).
- (iv) Portfolio investment primarily comprising foreign institutional investors' (FIIs) investments and American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs) continued to witness net outflows of US\$ 2.7 billion in Q4 of 2008-09 (net outflows of US\$ 3.7 billion in Q4 of 2007-08) on top of net outflows of US\$

Table 3: Net Capital Flows

(US\$ million)								
Item	April-June		July-September		October-December		January-March	
	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (PR)	2007-08 (PR)	2008-09 (P)
1	2	3	4	5	6	7	8	9
1. Foreign Direct Investment	2,736	8,967	2,128	4,900	2,041	444	8,496	3,185
Inward FDI	7,457	11,876	4,709	8,773	7,873	6,323	14,197	8,010
Outward FDI	4,721	2,909	2,581	3,873	5,832	5,879	5,701	4,825
2. Portfolio Investment								
Of which	7,542	-4,211	10,899	-1,310	14,851	-5,820	-3,736	-2,693
FIIs	7,089	-5,177	8,419	-1,437	8,964	-5,794	-4,144	-2,609
ADRs/GDRs	316	999	2,477	136	5,597	7	379	20
3. External Assistance	241	351	468	518	565	992	840	777
4. External Commercial Borrowings	6,953	1,467	4,210	1,690	6,247	3,884	5,223	1,117
5. NRI Deposits	-447	814	369	259	-853	1,042	1,110	2,175
6. Banking Capital excluding NRI Deposits	-472	1,882	6,274	1,865	1060	-5,998	4,716	-5,436
7. Short-term Trade Credits	1,962	2,397	4,627	1,292	4,130	-3,992	6,464	-5,492
8. Rupee Debt Service	-43	-30	-2	-3	0	0	-76	-68
9. Other Capital	-680	-502	4,182	-1,646	2,976	5,182	2,992	1,147
Total (1 to 9)	17,792	11,135	33,155	7,565	31,017	-4,266	26,029	-5,288

P: Preliminary. PR: Partially Revised.

5.8 billion observed during Q3 of 2008-09. The FIIs continued their large sales of equities in the Indian stock market, while net inflows under ADRs/GDRs dried up. In the context of portfolio flows, the trend of decline in gross inflows and outflows observed during Q3 of 2008-09 became more pronounced in Q4 of 2008-09. During Q4 of 2008-09, the gross inflows and outflows under portfolio investment were less than half of the average gross inflows and outflows observed during the first two quarters of 2008-09.

- (v) Net External Commercial Borrowings (ECBs) remained lower at US\$ 1.1 billion in Q4 of 2008-09 (US\$ 5.2 billion in Q4 of 2007-08) due to drying up of liquidity abroad.
- (vi) Lower disbursements reflecting tightness in the overseas markets and increased repayments, as roll over was difficult, reflected in net outflows of US\$ 5.5 billion during Q4 of 2008-09 under short-term trade credit to India (as against inflows of US\$ 6.5 billion in Q4 of 2007-08).
- (vii) The net inflows under non-resident Indian (NRI) deposits were higher at US\$ 2.2 billion during Q4 of 2008-09 (inflow of US\$ 1.1 billion during Q4 of 2007-08) responding to the hike in ceiling interest rates on NRI deposits.
- (viii) The foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) increased marginally by US\$ 0.3 billion in Q4 of 2008-09 as compared with an accretion to reserves of US\$ 25.0 billion in Q4 of 2007-08. The increase in the reserves was mainly due to surplus in

the current account, as there was net outflow under the capital account.

2. Balance of Payments for the Financial Year 2008-09 (April-March)

- (i) As mentioned earlier, taking into account the partially revised data for Q1, Q2 and Q3 of 2008-09 and the preliminary data for Q4 of 2008-09, the BoP data for the financial year 2008-09 (April-March) have been compiled. While the detailed data are set out in Statements I and II in the standard format of BoP presentation, the major items are presented in Table 4.

Merchandise Trade

Exports

- (i) Due to sharp decline in exports during the second half of 2008-09, India's merchandise exports, on a BoP basis, posted a lower growth of 5.4 per cent during 2008-09 (28.9 per cent in the corresponding period of the previous year).
- (ii) Reflecting the impact of the global financial crisis, the merchandise trade performance suffered drastically during the second half of 2008-09 leading to sharp decline in exports and imports. According to the data available from the DGCI&S, both exports and imports declined by 20.0 per cent and 16.6 per cent, respectively, during the second half of 2008-09 as against an increase of 32.4 per cent and 53.1 per cent, respectively, in the first half of 2008-09. The fall in exports was more pronounced in the Q4 of 2008-09 at

Table 4: Major Items of India's Balance of Payments

(US\$ million)			
Item	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4
1. Exports	128,888	166,163	175,184
2. Imports	190,670	257,789	294,587
3. Trade Balance (1-2)	-61,782	-91,626	-119,403
4. Invisibles, net	52,217	74,592	89,586
5. Current Account Balance (3+4)	-9,565	-17,034	-29,817
6. Capital Account Balance*	46,171	109,198	9,737
7. Change in Reserves# (-Indicates increase; + indicates decrease)	-36,606	-92,164	20,080

*: Including errors and omissions. #: On BoP basis (*i.e.*, excluding valuation).
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27.6 per cent as compared with a decline of 10.8 per cent observed in Q3 of 2008-09. On the other hand, growth in imports, after slowing down to 8.9 per cent in Q3 of 2008-09 collapsed in Q4 of 2008-09 witnessing a sharp decline of 35.9 per cent.

- (iii) According to the commodity-wise data available for April-February 2008-09 from the DGCI&S, growth in exports of certain agricultural and allied products like tobacco and oil meal, and exports of engineering goods remained positive, while there was a decline in exports of raw cotton, rice, sugar and molasses, iron ore, carpets and handicrafts during the same period.

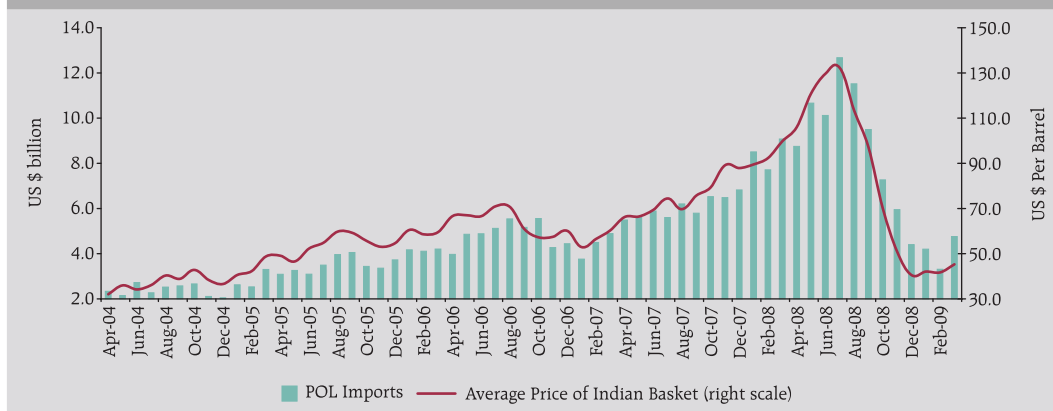
Imports

- (i) Import payments, on BoP basis, slowed down to 14.3 per cent during 2008-09 from high import growth of 35.2 per cent in 2007-08, mainly due to a sharp fall in imports during Q4 of 2008-09.
- (ii) According to the DGCI&S data, oil imports recorded a lower growth of 16.9 per cent during 2008-09 as compared

with a high growth of 39.4 per cent in 2007-08. During the same period, the growth in non-oil imports slowed down to 13.2 per cent in 2008-09 from 33.6 per cent in the previous year. In absolute terms, oil imports accounted for about 32.4 per cent of total imports during 2008-09 (31.7 per cent in 2007-08).

- (iii) The sharp increase in oil prices averaging US\$ 116.5 per barrel during the first half of 2008-09 led to an increase in oil import payments during this period. With the decline in oil prices during the second half of 2008-09 (average of US\$ 48.3 per barrel), the oil import payments came down significantly (Chart 1). For the full year 2008-09, however, the oil import payments were higher at US\$ 93.2 billion as compared with US\$ 79.7 billion in the previous year. According to the DGCI&S data, out of the total increase in imports of US\$ 36.3 billion in 2008-09 over the previous year, oil imports contributed to an increase of US\$ 13.5 billion (37.2 per cent in 2008-09 as compared with 34.3 per cent in 2007-08), while non-oil imports

Chart 1: India's POL Imports and International Crude Prices



contributed an increase of US\$ 22.8 billion (62.8 per cent in 2008-09 as compared with 65.7 per cent in 2007-08).

- (iv) According to the commodity-wise DGCIS data available for April-February 2008-09, the items under non-oil imports which showed a higher growth were edible oil, fertilizers, paper and paper products, manufactures of metals, project goods, export related items like pearls, precious and semi-precious stones, coal, coke and briquettes, and chemical

materials and products, while imports of items like pulses, non-ferrous metals, transport equipments, textile yarn and fabric declined.

Trade Deficit

- (i) On BoP basis, a sharp slowdown in exports and imports growth outpacing the growth in exports led to a widening of trade deficit to US\$ 119.4 billion (or 10.3 per cent of GDP) in 2008-09 from US\$ 91.6 billion (or 7.8 per cent of GDP) in 2007-08 (Chart 2).

Chart 2: Quarterly Movements in Trade Balance

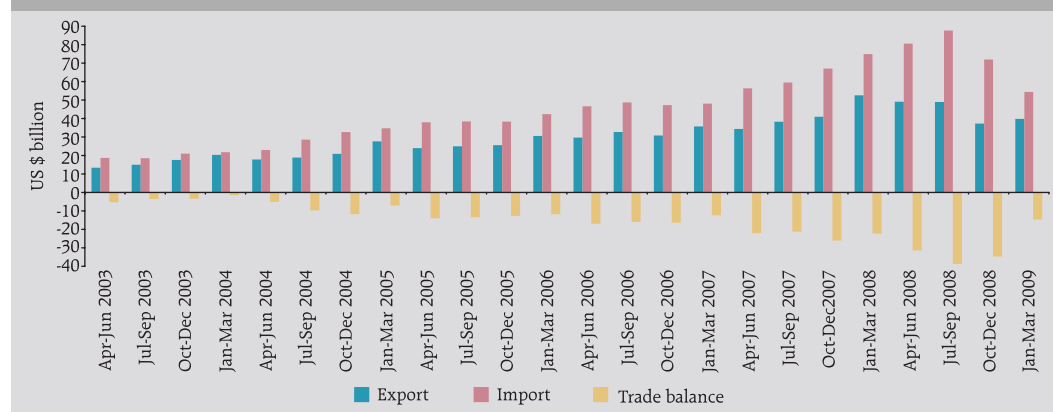


Table 5: Invisibles Gross Receipts and Payments

(US\$ million)						
Item	Invisibles Receipts			Invisibles Payments		
	2006-07	2007-08 (PR)	2008-09 (P)	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4	5	6	7
A. Services (1 to 5)	73,780	90,077	101,224	44,311	52,512	51,406
1. Travel	9,123	11,349	10,894	6,684	9,254	9,432
2. Transportation	7,974	10,014	11,066	8,068	11,514	12,777
3. Insurance	1,195	1,639	1,409	642	1,044	1,131
4. Govt. not included elsewhere	253	330	389	403	376	791
5. Miscellaneous	55,235	66,745	77,466	28,514	30,324	27,275
<i>Of Which:</i>						
<i>Software</i>	31,300	40,300	47,000	2,267	3,058	2,814
<i>Non-Software</i>	23,935	26,445	30,466	26,247	27,266	24,461
B. Transfers (1+2)	31,470	44,259	47,025	1,391	2,315	2,746
1. Private	30,835	43,506	46,380	1,010	1,801	2,333
2. Official	635	753	645	381	514	413
C. Income (1+2)	9,308	14,268	14,307	16,639	19,185	18,818
1. Investment Income	8,926	13,808	13,482	15,688	18,089	17,499
2. Compensation of Employees	382	460	825	951	1,096	1,319
Invisibles (A+B+C)	114,558	148,604	162,556	62,341	74,012	72,970

P: Preliminary.

PR: Partially Revised.

Note: Details of Non-software services under Miscellaneous (Item 5) are given in Table 8.

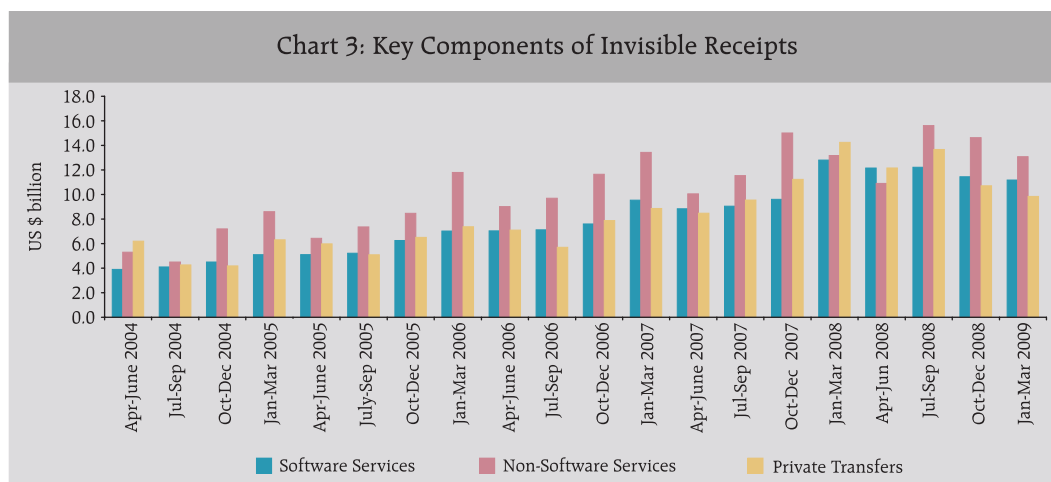
Invisibles

Invisibles Receipts

- (i) Invisibles receipts at US\$ 162.6 billion (14.0 per cent of GDP) witnessed a slower growth of 9.4 per cent during the financial year 2008-09 as compared with a growth of 29.7 per cent in the previous year (US\$ 148.6 billion or 12.7 per cent of GDP) mainly due to slow pace of growth in software services and private transfer receipts along with a decline in receipts under business services, travel and investment income account (Table 5 and Chart 3).
- (ii) Travel receipts at US\$ 10.9 billion during 2008-09 declined by 4.0 per cent as against an increase of 24.4 per cent

in 2007-08 reflecting a slowdown in tourist arrivals in the country, particularly during the second half of the year. According to the data released by the Ministry of Tourism, foreign tourist arrivals declined by 9.5 per cent in the second half of 2008-09 as against an increase of 8.9 per cent in the first half of 2008-09.

- (iii) Private transfers are mainly in the form of (i) Inward remittances from Indian workers abroad for family maintenance, (ii) Local withdrawals from NRI Rupee deposits, (iii) Gold and silver brought through passenger baggage, and (iv) Personal gifts/donations to charitable/religious institutions.



- (iv) Private transfer receipts, comprising mainly remittances from Indians working overseas, increased to US\$ 46.4 billion (4.0 per cent of GDP) during 2008-09 from US\$ 43.5 billion (3.7 per cent of GDP) in the previous year. Private transfer receipts constituted 13.7 per cent of current receipts in 2008-09 (13.8 per cent in 2007-08).
- (v) NRI deposits, when withdrawn domestically, form part of private transfers because once withdrawn for local use these become unilateral transfers and do not have any *quid pro quo*. Such local withdrawals/redemptions from NRI deposits cease to exist as liability in the capital account of the balance of payments and assume the form of private transfers, which is included in the current account of balance of payments.
- (vi) Under the NRI deposits, both inflows as well as outflows remained large in the recent past. A major part of outflows from NRI deposits is in the form of local withdrawals. These withdrawals, however, are not actually repatriated but are utilised domestically. During the financial year 2008-09, the share of local withdrawals in total outflows from NRI deposits declined marginally to 62.9 per cent from 64.7 per cent in 2007-08 (Table 6).
- (vii) Under Private transfers, the inward remittances for family maintenance accounted for about 50 per cent of the total private transfer receipts, while local withdrawals accounted for about 44 per cent in 2008-09 (Table 7).
- (viii) Software receipts at US\$ 47.0 billion grew by 16.6 per cent during 2008-09 in line with the estimate of the NASSCOM.

Table 6: Inflows and Outflows from NRI Deposits and Local Withdrawals

(US\$ million)			
Year	Inflows	Outflows	Local Withdrawals
1	2	3	4
2006-07	19,914	15,593	13,208
2007-08 (PR)	29,401	29,222	18,919
2008-09 (P)	37,089	32,799	20,617

P: Preliminary. PR: Partially Revised.

Table 7: Details of Private Transfers to India

(US \$ million)					
Year	Total Private Transfers	Of Which:			
		Inward remittances for family maintenance		Local withdrawals/ redemptions from NRI Deposits	
		Amount	Percentage Share in Total	Amount	Percentage Share in Total
1	2	3	4	5	6
2006-07	30,835	14,740	47.8	13,208	42.8
2007-08 (PR)	43,506	21,920	50.4	18,919	43.5
2008-09 (P)	46,380	23,148	49.9	20,617	44.5

P: Preliminary.

PR: Partially Revised.

- (ix) Miscellaneous receipts, excluding software exports, stood at US\$ 30.5 billion in 2008-09 (US\$ 26.4 billion in 2007-08). The break-up of these data is presented in Table 8.
- (x) The key components of the business services receipts and payments are mainly the trade related services, business and management consultancy services, architectural, engineering and other technical services, and services relating to maintenance of offices abroad. These

reflect the underlying momentum in trade of professional and technology related services. While receipts under business and management consultancy services increased, the receipts under trade related services, architectural, engineering, and other technical services declined during 2008-09 (Table 9).

- (xi) Investment income receipts amounted to US\$ 13.5 billion in 2008-09 as compared with the US\$ 13.8 billion in 2007-08.

Table 8: Break-up of Non-Software Receipts and Payments under Miscellaneous Services

(US\$ million)						
Item	Receipts			Payments		
	2006-07	2007-08 (PR)	2008-09 (P)	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4	5	6	7
1. Communication Services	2,262	2,408	2,170	796	859	996
2. Construction	700	763	866	737	758	889
3. Financial Services	3,106	3,217	3,939	2,991	3,138	2,961
4. News Agency	334	503	799	226	326	385
5. Royalties, Copyrights & License Fees	97	157	132	1,030	1,088	1,755
6. Business Services	14,544	16,771	16,251	15,866	16,715	15,269
7. Personal, Cultural and Recreational	243	562	729	117	199	306
8. Others	2,649	2,064	5,580	4,484	4,183	1,900
Total (1 to 8)	23,935	26,445	30,466	26,247	27,266	24,461

P: Preliminary. PR: Partially Revised.

Note: Details of Business Services (item 6) are given in Table 9.

Table 9: Details of Business Services

(US\$ million)						
Item	Receipts			Payments		
	2006-07	2007-08 (PR)	2008-09 (P)	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4	5	6	7
1. Trade Related	1,325	2,233	2,008	1,801	2,285	1,642
2. Business & Management Consultancy	4,476	4,433	4,847	3,486	3,653	3,512
3. Architectural, Engineering, and other Technical Services	3,457	3,144	1,759	3,025	3,173	3,106
4. Maintenance of Offices abroad	2,638	2,861	2,980	4,032	3,496	3,283
5. Others	2,648	4,100	4,657	3,522	4,108	3,726
Total (1 to 5)	14,544	16,771	16,251	15,866	16,715	15,269

P: Preliminary. PR: Partially Revised.

Invisibles Payments

- (i) Invisibles payments at US\$ 73.0 billion (6.3 per cent of GDP) showed a marginal negative growth of 1.4 per cent in 2008-09 as against an increase of 18.7 per cent (US\$ 74.0 billion or 6.3 per cent of GDP) in 2007-08 mainly on account of a slowdown in payments relating to travel and transportation, and decline in payments under software, business and financial services, and investment income account.
- (ii) Travel payments growth remained lower at 1.9 per cent during 2008-09 (38.5 per cent in 2007-08) reflecting a sharp reduction in outbound travels.
- (iii) Investment income payments, reflecting mainly the interest payments on commercial borrowings, external assistance and non-resident deposits, and reinvested earnings of the foreign direct investment (FDI) enterprises operating in India declined marginally to US\$ 17.5 billion during 2008-09 (US\$ 18.1 billion in 2007-08) mainly due to a

decline in profit and dividends; and reinvested earnings of FDI companies in India (Table 10).

Invisibles Balance

- (i) Net invisibles (invisibles receipts minus invisibles payments) stood higher at US\$ 89.6 billion (7.7 per cent of GDP) during 2008-09 (US\$ 74.6 billion or 6.4 per cent of GDP during 2007-08), mainly led by receipts under private transfers and software services. At this level, the invisibles surplus financed about 75.0 per cent of the trade deficit during 2008-09 as against 81.4 per cent during 2007-08.

Current Account Balance

- (i) Despite higher net invisibles surplus, the large trade deficit mainly on account of higher growth in imports as compared with the export growth led to a higher current account deficit at US\$ 29.8 billion (2.6 per cent of GDP) during 2008-09 as compared with US\$ 17.0 billion (1.5 per cent of GDP) during 2007-08. As a result of surplus in the fourth quarter of 2008-09, the

Table 10: Details of Receipts and Payments of Investment Income

(US \$ million)			
	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4
A. Receipts	8,926	13,808	13,482
<i>Of which:</i>			
1. Reinvested Earnings on Indian Investment Abroad	1,076	1,084	1,084
2. Interest/discount Earnings on Foreign exchange reserves	6,641	10,124	10,480
B. Payments	15,688	18,089	17,499
<i>Of which:</i>			
1. Interest Payment on NRI deposits	1,969	1,813	1,547
2. Interest Payment on ECBs	1,709	2,655	2,702
3. Interest Payments on External Assistance	982	1,143	1,010
4. Dividends and Profits	3,486	3,576	3,168
5. Reinvested Earnings of FDI companies in India	5,828	7,168	6,426
C. Net Investment Income (A-B)	-6,762	-4,281	-4,017

P: Preliminary.

PR: Partially Revised.

current account deficit during 2008-09 was lower than that observed during April-December 2008-09 (Chart 4).

Capital Account

(i) Both gross capital inflows to India and outflows from India declined in 2008-09 as compared with last year. While gross capital inflows to India declined to US\$ 302 billion in 2008-09 from US\$ 433 billion in 2007-08, the gross capital

outflows from India declined to US\$ 293 billion from US\$ 325 billion during the same period (Table 11).

(ii) As a result, net capital flows at US\$ 9.1 billion (0.8 per cent of GDP) in 2008-09 remained much lower as compared with US\$ 108.0 billion (9.2 per cent of GDP) in 2007-08. Under net capital flows, all the major components except FDI and NRI deposits, showed a decline during 2008-09 from their level

Chart 4: Movement in Current Account Balance

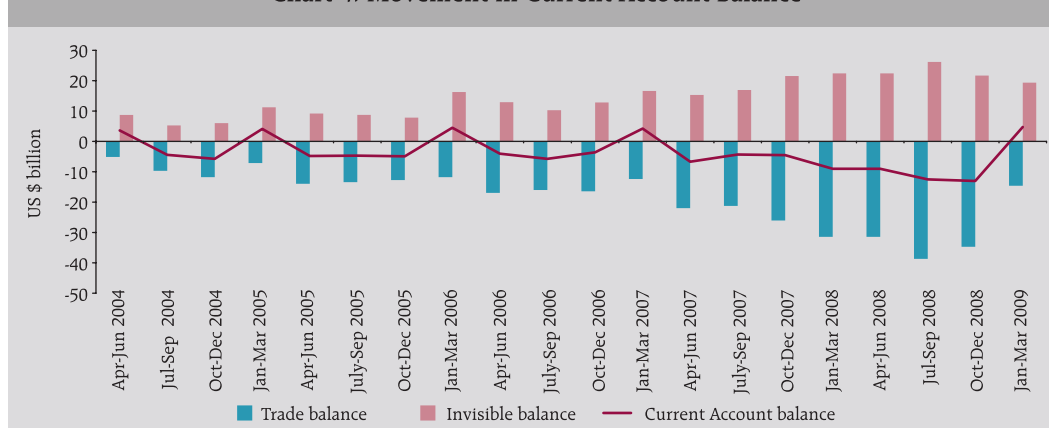


Table 11: Gross Capital Inflows and Outflows

(US\$ million)						
Item	Gross Inflows			Gross Outflows		
	2006-07	2007-08 (PR)	2008-09 (P)	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4	5	6	7
1. Foreign Direct Investment	23,590	36,838	36,258	15,897	21,437	18,762
2. Portfolio Investment						
<i>Of which:</i>						
FIIs	109,620	235,924	128,651	102,560	206,368	142,685
ADR/GDRs	3,776	8,769	1,162	–	–	–
3. External Assistance	3,767	4,241	5,042	1,992	2,127	2,404
4. External Commercial Borrowings	20,883	30,376	15,382	4,780	7,743	7,224
5. NRI Deposits	19,914	29,401	37,089	15,593	29,222	32,799
6. Banking Capital excluding Non Resident Deposits	17,295	26,412	27,909	19,703	14,834	35,596
7. Short-term Trade Credit	29,992	48,911	39,734	23,380	31,728	45,529
8. Rupee Debt Service	0	0	0	162	121	101
9. Other Capital	8,230	20,904	12,391	4,021	11,434	8,210
Total (1 to 9)	233,291	433,007	302,456	188,088	325,014	293,310

P: Preliminary.

PR: Partially Revised.

in the previous year (Table 12). There were net outflows under portfolio investment, short-term trade credit to India and banking capital.

(iii) Net inward FDI into India remained buoyant at US\$ 35.0 billion (3.0 per cent of GDP) during 2008-09 (US\$ 34.2 billion or 2.9 per cent of GDP in 2007-08)

Table 12: Net Capital Flows

(US \$ million)			
Item	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4
1. Foreign Direct Investment (FDI)	7,693	15,401	17,496
Inward FDI	22,739	34,236	34,982
Outward FDI	15,046	18,835	17,486
2. Portfolio Investment	7,060	29,556	-14,034
<i>Of which:</i>			
FIIs	3,225	20,327	-15,017
ADR/GDRs	3,776	8,769	1,162
3. External Assistance	1,775	2,114	2,638
4. External Commercial Borrowings	16,103	22,633	8,158
5. NRI Deposits	4,321	179	4,290
6. Banking Capital excluding NRI Deposits	-2,408	11,578	-7,687
7. Short-term Trade Credits	6,612	17,183	-5,795
8. Rupee Debt Service	-162	-121	-101
9. Other Capital	4,209	9,470	4,181
Total (1 to 9)	45,203	107,993	9,146

P: Preliminary. PR: Partially Revised.

Note: Details of Other Capital (Item 9) are given in Table 13.

- reflecting relatively better investment climate in India and the continuing liberalisation measures to attract the FDI.
- (iv) During 2008-09, FDI to India was channeled mainly into manufacturing sector (21.1 per cent) followed by financial services (19.4 per cent) and construction sector (9.9 per cent).
- (v) The Indian corporate continued to invest overseas with the objectives of reaping economies of scale, access to technology knowhow and capturing off-shore markets to face the global competition. The liberalised external payments regime has been facilitating the process of acquisition of foreign companies by Indian corporates, both in the manufacturing and services sectors. As a result, net outward FDI from India continued to remain high at US\$ 17.5 billion during 2008-09 as compared with US\$ 18.8 billion in 2007-08.
- (vi) Due to large inward FDI, the net FDI (net inward FDI minus net outward FDI) was higher at US\$ 17.5 billion in 2008-09 as compared with US\$ 15.4 billion in 2007-08.
- (vii) Portfolio investment comprising, mainly foreign institutional investors (FIIs) investments and American depository receipts (ADRs)/global depository receipts (GDRs) witnessed large net outflows of US\$ 14.0 billion during 2008-09 (net inflows of US\$ 29.6 billion in 2007-08) due to large sales of equities by the FIIs in the Indian stock market reflecting bearish market conditions and a slowdown in the global economy. The net outflows under FIIs at US\$ 15.0 billion were spread throughout the year. However, the month of October 2008 saw the maximum net outflow of US\$ 5.3 billion due to heightened uncertainty following the collapse of Lehman Brothers. The inflows under ADRs/GDRs slowed down significantly to US\$ 1.2 billion in 2008-09 (US\$ 8.8 billion in 2007-08), as new issuances almost dried up during the second half of 2008-09.
- (viii) The disbursements of external commercial borrowings (ECBs) to India at US\$ 13.4 billion during 2008-09 were less than half of the previous year (US\$ 28.8 billion), mainly due to tight liquidity conditions in the overseas markets. As a result, net ECBs inflow slowed down to US\$ 8.2 billion in 2008-09 (US\$ 22.6 billion in 2007-08).
- (ix) Banking capital mainly consists of foreign assets and liabilities of commercial banks. NRI deposits constitute major part of the foreign liabilities. Banking capital (net), including NRI deposits, were negative at US\$ 3.4 billion during 2008-09 as against a positive net inflow of US\$ 11.8 billion during 2007-08. Among the components of banking capital, NRI deposits witnessed higher inflows at US\$ 4.3 billion in 2008-09, particularly during the second half of 2008-09 with the revision in ceiling interest rate on NRI deposits.
- (x) Despite apprehensions in the second half of 2008-09 on the availability of short-term trade credit due to tightness in the global credit markets, the gross disbursements reached US\$ 39.7 billion during 2008-09 (US\$ 48.9 billion in 2007-08), facilitated by policy

Table 13: Details of 'Other Capital' (Net)

(US \$ million)			
Item	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4
1. Lead and Lags in Exports	217	983	5,424
2. Net Funds Held Abroad	619	-5,487	-2,056
3. Advances Received Pending Issue of Shares under FDI	-	8,700	1,003
4. Other capital not included elsewhere (<i>n.i.e.</i>) [*]	3,373	5,274	-190
Total (1 to 4)	4,209	9,470	4,181

P: Preliminary. PR: Partially Revised.
*: Includes transaction related to derivatives and hedging, migrant transfers, outflows under Liberalised Remittance Scheme (LRS) and other capital transfers.

measures undertaken. Repayments of short-term trade credit were higher at US\$ 45.5 billion in 2008-09 as compared with US\$ 31.7 billion in 2007-08. The gap between the disbursements and repayments of short-term trade credit to India was limited to an outflow of US\$ 5.8 billion (inclusive of suppliers' credit up to 180 days) during 2008-09 (net inflows of US\$ 17.2 billion during 2007-08). Thus, financing of short-term trade credit did not pose much of a problem in India.

- (xi) Other capital includes leads and lags in exports, funds held abroad,

advances received pending for issue of shares under FDI and other capital not included elsewhere (*n.i.e.*). Other capital recorded net inflows of US\$ 4.2 billion in 2008-09. The details of other capital are set out in Table 13.

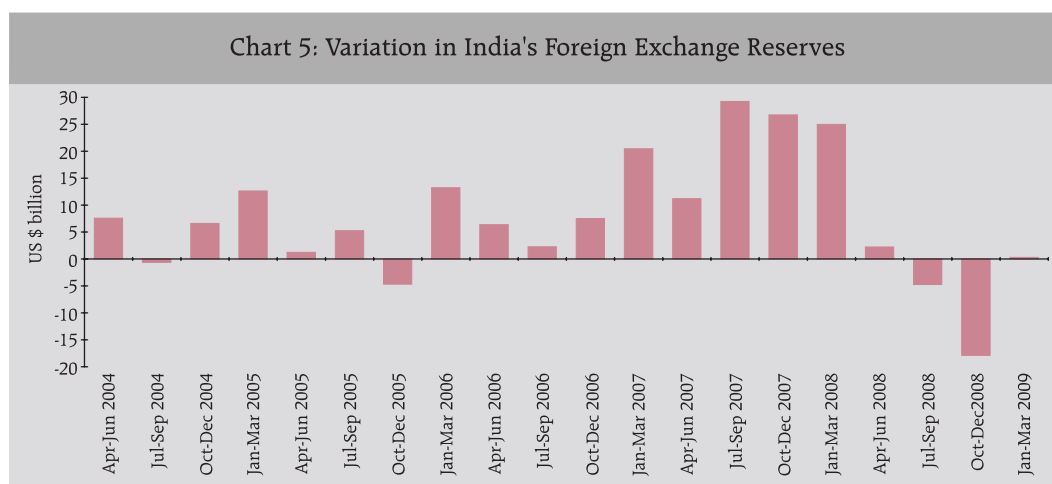
Variation in Reserves

- (i) The decline in foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) was US\$ 20.1 billion in 2008-09 (as against an accretion to reserves of US\$ 92.2 billion in 2007-08) (Table 14 & Chart 5). Taking into account the valuation loss, foreign exchange

Table 14: Sources of Variation in Reserves (BoP Basis) in 2008-09

(US \$ million)			
Item	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4
A. Current Account Balance	-9,565	-17,034	-29,817
B. Capital Account*	46,171	109,198	9,737
<i>Of Which</i>			
(i) Foreign Direct Investment	7,693	15,401	17,496
(ii) Portfolio Investment	7,060	29,556	-14,034
(iii) External Commercial Borrowings	16,103	22,633	8,158
(iv) Banking Capital	1,913	11,757	-3,397
(v) Short-term Trade Credits	6,612	17,183	-5,795
C. Change in Reserves: (-) indicates increase; (+) indicates decrease)#	-36,606	-92,164	20,080

*: Including errors and omissions. #: On BoP basis (*i.e.*, excluding valuation).
P: Preliminary. PR: Partially Revised.



reserves recorded a decline of US\$ 57.7 billion during 2008-09 (as against an accretion to reserves of US\$ 110.5 billion in 2007-08). Details on sources of variation in foreign exchange reserves is at Annex A.

- (ii) At the end of March 2009, outstanding foreign exchange reserves stood at US\$ 252.0 billion.
- (iii) To sum up, the key features of India's BoP that emerged during 2008-09 were: (i) widening of trade deficit led by a sharp slowdown in exports, (ii) increase in invisibles surplus, led by remittances from overseas Indians and software services exports, (iii) higher current account deficit due to large trade deficit, (iv) lower net capital inflows mainly led by large net outflows under banking capital, portfolio investment and large

repayments under short-term trade credit, and (v) decline in reserves.

3. Reconciliation of Import Data

- (i) During 2008-09, based on the records of Customs imports data and the BoP merchandise imports, the difference between the two data sets works out to about US\$ 6.8 billion (Table 15).

Table 15 : Customs and the BoP Import Data

(US \$ million)			
Item	2006-07	2007-08 (PR)	2008-09 (P)
1	2	3	4
1. BoP Imports (Banking Channel)	1,90,670	2,57,789	2,94,587
2. Customs Imports	1,85,749	2,51,439	2,87,759
3. Difference (1-2)	4,921	6,350	6,828

Note: Customs Import data for 2008-09 is sourced from the Press Release of Department of Commerce, Ministry of Commerce and Industry dated May 1, 2009.

4. External Sector Indicators

(i) The details of key external sector indicators are set out in Table 16.

Table 16: Key External Sector Indicators			
Item	2006-07	2007-08	2008-09
1	2	3	4
Merchandise Trade			
1. Exports (US \$ on BoP basis) Growth Rate (%)	22.6	28.9	5.4
2. Imports (US \$ on BoP basis) Growth Rate (%)	21.4	35.2	14.3
3. Crude Oil Prices US \$ Per Barrel (Indian Basket)	62.4	79.2	82.4
4. Trade Balance (US \$ billion)	-61.8	-91.6	-119.4
5. Exports / GDP (%)	14.1	14.2	15.1
6. Imports / GDP (%)	20.9	22.0	25.5
7. Trade Balance / GDP (%)	-6.8	-7.8	-10.3
Invisibles			
8. Net Invisibles (US \$ billion)	52.2	74.6	89.6
9. Net Invisible Surplus / Trade Deficit (%)	84.5	81.4	75.0
10. Invisibles Receipts / Current Receipts (%)	47.1	47.2	48.1
11. Services Receipts / Current Receipts (%)	30.3	28.6	30.0
12. Private Transfers Receipts / Current Receipts (%)	12.7	13.8	13.7
13. Net Invisibles / GDP (%)	5.7	6.4	7.7
14. Private Transfers Receipts / GDP (%)	3.4	3.7	4.0
15. Software exports / GDP (%)	3.4	3.4	4.1
16. Services (net) / GDP (%)	3.2	3.2	4.3
Current Account			
17. Current Receipts (US \$ billion)	243.4	314.8	337.7
18. Current Payments (US \$ billion)	253.0	331.8	367.6
19. Current Account Balance (US \$ billion)	-9.6	-17.0	-29.8
20. Current Account Balance / GDP (%)	-1.1	-1.5	-2.6
Capital Account			
21. Gross Capital Inflows (US \$ billion)	233.3	433.0	302.5
22. Gross Capital Outflows (US \$ billion)	188.1	325.0	293.3
23. Net Capital Flows (US \$ billion)	45.2	108.0	9.1
24. Net FDI / Net Capital Flows (%)	17.0	14.3	191.3
25. Net Portfolio Investment / Net Capital Flows (%)	15.6	27.4	-153.4
26. Net ECBs / Net Capital Flows (%)	35.6	21.0	89.2
Openness Indicators			
27. Exports plus Imports of Goods / GDP (%)	35.0	36.1	40.6
28. Current Receipts plus Current Payments / GDP (%)	54.4	55.1	61.0
29. Net Capital Inflows / GDP (%)	4.9	9.2	0.8
30. Gross Capital Inflows plus Outflows / GDP (%)	46.0	64.6	51.5
31. Current Receipts plus Current Payments & Gross Capital Inflows plus Outflows / GDP (%)	100.4	119.7	112.4
Reserves			
32. Import Cover of Reserves (in months)	12.5	14.4	10.3
33. Outstanding Reserves as at end period (US\$ billion)	199.2	309.7	252.0

Annex A:
Sources of Variation in Foreign Exchange Reserves in India: 2008-09 (April-March)

During 2008-09, there was a decline in foreign exchange reserves. The variation in the main components of foreign exchange reserves during 2008-09 are set out in Table A1.

The foreign exchange reserves (including the valuation effects) declined by US\$ 57,738 million during 2008-09 as against an increase of US\$ 110,544 million during 2007-08 (Table A2). On balance of payments basis (*i.e.*, excluding valuation effects), the foreign exchange reserves declined by US\$ 20,080 million during 2008-09 as against an increase of US\$ 92,164 million during 2007-08. The valuation loss, reflecting the depreciation of major currencies against the US dollar, accounted for US\$ 37,658 million during 2008-09 as against a valuation gain of US\$ 18,380 million during 2007-08. Accordingly, valuation loss during 2008-09 accounts for 65.2 per cent of the total decline in foreign exchange reserves. Apart from the current account deficit, outflows under portfolio investments, banking capital and short-term trade credits were the other major sources

Table A1: Sources of Variation in Foreign Exchange Reserves

(US \$ million)		
Items	2007-08	2008-09
I. Current Account Balance	(-) 17,034	(-) 29,817
II. Capital Account (net) (a to f)	109,198	9,737
a. Foreign Investment (i+ii)	44,957	3,462
(i) Foreign Direct Investment	15,401	17,496
(ii) Portfolio Investment		
Of which:	29,556	(-) 14,034
FIIs	20,327	(-) 15,017
ADRs/GDRs	8,769	1,162
b. External Commercial Borrowings	22,633	8,158
c. Banking Capital	11,757	(-) 3,397
of which: NRI Deposits	179	4,290
d. Short-Term Trade Credit	17,183	(-) 5,795
e. External Assistance	2,114	2,638
f. Other items in capital account*	10,554	4,671
III. Valuation Change	18,380	(-) 37,658
Total (I+II+III)	110,544	(-) 57,738

Note: (i) * : 'Other items in capital account' apart from 'Errors and Omissions' also include leads and lags in exports, funds held abroad, advances received pending issue of shares under FDI and transactions of capital receipts not included elsewhere.
(ii) Increase in reserves (+) / Decrease in reserves (-).

contributing to decline in foreign exchange reserves during 2008-09.

Table A2: Comparative Position

(US\$ million)		
	2007-2008	2008-2009
1. Change in Foreign Exchange Reserves (Including Valuation Effects)	110,544	(-) 57,738
2. Valuation Effects [Gain (+)/Loss (-)]	18,380	(-) 37,658
3. Change in Foreign Exchange Reserves on BoP basis (Excluding Valuation Effects)	92,164	(-) 20,080
4. Percentage of increase/decline in Reserves explained by Valuation Gain/Loss	16.6	65.2

Note: Increase in reserves (+)/Decrease in reserves (-).

ARTICLE

India's Balance of Payments
Developments during
the Fourth Quarter
(January-March 2009)
of 2008-09 and
2008-09 (April-March)

Statement I : India's Overall Balance of Payments						
(US\$ million)						
Item	2005-06			2006-07		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. Current Account						
I. Merchandise	105,152	157,056	-51,904	128,888	190,670	-61,782
II. Invisibles (a+b+c)	89,687	47,685	42,002	114,558	62,341	52,217
a) Services	57,659	34,489	23,170	73,780	44,311	29,469
i) Travel	7,853	6,638	1,215	9,123	6,684	2,439
ii) Transportation	6,325	8,337	-2,012	7,974	8,068	-94
iii) Insurance	1,062	1,116	-54	1,195	642	553
iv) G.n.i.e.	314	529	-215	253	403	-150
v) Miscellaneous	42,105	17,869	24,236	55,235	28,514	26,721
<i>of which</i>						
Software Services	23,600	1,338	22,262	31,300	2,267	29,033
Business Services	9,307	7,748	1,559	14,544	15,866	-1,322
Financial Services	1,209	965	244	3,106	2,991	115
Communication Services	1,575	289	1,286	2,262	796	1,466
b) Transfers	25,620	933	24,687	31,470	1,391	30,079
i) Official	669	475	194	635	381	254
ii) Private	24,951	458	24,493	30,835	1,010	29,825
c) Income	6,408	12,263	-5,855	9,308	16,639	-7,331
i) Investment Income	6,229	11,491	-5,262	8,926	15,688	-6,762
ii) Compensation of Employees	179	772	-593	382	951	-569
Total Current Account (I+II)	194,839	204,741	-9,902	243,446	253,011	-9,565
B. Capital Account						
1. Foreign Investment (a+b)	77,298	61,770	15,528	133,210	118,457	14,753
a) Foreign Direct Investment (i+ii)	9,178	6,144	3,034	23,590	15,897	7,693
i) In India	8,962	61	8,901	22,826	87	22,739
Equity	5,976	61	5,915	16,481	87	16,394
Reinvested Earnings	2,760	-	2,760	5,828	-	5,828
Other Capital	226	-	226	517	-	517
ii) Abroad	216	6,083	-5,867	764	15,810	-15,046
Equity	216	3,982	-3,766	764	13,368	-12,604
Reinvested Earnings	-	1,092	-1,092	-	1,076	-1,076
Other Capital	-	1,009	-1,009	-	1,366	-1,366
b) Portfolio Investment	68,120	55,626	12,494	109,620	102,560	7,060
i) In India	68,120	55,626	12,494	109,534	102,530	7,004
<i>of which</i>						
FIIs	-	-	9,926	105,756	102,530	3,226
GDRs/ADRs	2,552	-	2,552	3,776	-	3,776
ii) Abroad	-	-	-	86	30	56
2. Loans (a+b+c)	39,479	31,570	7,909	54,642	30,152	24,490
a) External Assistance	3,631	1,929	1,702	3,767	1,992	1,775
i) By India	24	88	-64	20	32	-12
ii) To India	3,607	1,841	1,766	3,747	1,960	1,787
b) Commercial Borrowings	14,343	11,835	2,508	20,883	4,780	16,103
i) By India	-	251	-251	626	966	-340
ii) To India	14,343	11,584	2,759	20,257	3,814	16,443
c) Short Term To India	21,505	17,806	3,699	29,992	23,380	6,612
i) Suppliers' Credit > 180 days & Buyers' Credit	19,372	17,647	1,725	25,482	22,175	3,307
ii) Suppliers' Credit up to 180 days	2,133	159	1,974	4,510	1,205	3,305
3. Banking Capital (a+b)	21,658	20,285	1,373	37,209	35,296	1,913
a) Commercial Banks	20,586	20,144	442	36,799	35,218	1,581
i) Assets	772	3,947	-3,175	14,466	17,960	-3,494
ii) Liabilities	19,814	16,197	3,617	22,333	17,258	5,075
<i>of which: Non-Resident Deposits</i>	17,835	15,046	2,789	19,914	15,593	4,321
b) Others	1,072	141	931	410	78	332
4. Rupee Debt Service	-	572	-572	-	162	-162
5. Other Capital	5,941	4,709	1,232	8,230	4,021	4,209
Total Capital Account (1 to 5)	144,376	118,906	25,470	233,291	188,088	45,203
C. Errors & Omissions	-	516	-516	968	-	968
D. Overall Balance	339,215	324,163	15,052	477,705	441,099	36,606
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	15,052	-15,052	-	36,606	-36,606
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	15,052	-15,052	-	36,606	-36,606

P: Preliminary. PR: Partially Revised.

Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	2007-08 PR			2008-09 P		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. Current Account						
I. Merchandise	166,163	257,789	-91,626	175,184	294,587	-119,403
II. Invisibles (a+b+c)	148,604	74,012	74,592	162,556	72,970	89,586
a) Services	90,077	52,512	37,565	101,224	51,406	49,818
i) Travel	11,349	9,254	2,095	10,894	9,432	1,462
ii) Transportation	10,014	11,514	-1,500	11,066	12,777	-1,711
iii) Insurance	1,639	1,044	595	1,409	1,131	278
iv) G.n.i.e.	330	376	-46	389	791	-402
v) Miscellaneous	66,745	30,324	36,421	77,466	27,275	50,191
<i>of which</i>						
Software Services	40,300	3,058	37,242	47,000	2,814	44,186
Business Services	16,771	16,715	56	16,251	15,269	982
Financial Services	3,217	3,138	79	3,939	2,961	978
Communication Services	2,408	859	1,549	2,170	996	1,174
b) Transfers	44,259	2,315	41,944	47,025	2,746	44,279
i) Official	753	514	239	645	413	232
ii) Private	43,506	1,801	41,705	46,380	2,333	44,047
c) Income	14,268	19,185	-4,917	14,307	18,818	-4,511
i) Investment Income	13,808	18,089	-4,281	13,482	17,499	-4,017
ii) Compensation of Employees	460	1,096	-636	825	1,319	-494
Total Current Account (I+II)	314,767	331,801	-17,034	337,740	367,557	-29,817
B. Capital Account						
1. Foreign Investment (a+b)	272,762	227,805	44,957	164,909	161,447	3,462
a) Foreign Direct Investment (i+ii)	36,838	21,437	15,401	36,258	18,762	17,496
i) In India	34,361	125	34,236	35,148	166	34,982
Equity	26,866	108	26,758	27,975	166	27,809
Reinvested Earnings	7,168	-	7,168	6,426	-	6,426
Other Capital	327	17	310	747	-	747
ii) Abroad	2,477	21,312	-18,835	1,110	18,596	-17,486
Equity	2,477	16,898	-14,421	1,110	14,668	-13,558
Reinvested Earnings	-	1,084	-1,084	-	1,084	-1,084
Other Capital	-	3,330	-3,330	-	2,844	-2,844
b) Portfolio Investment	235,924	206,368	29,556	128,651	142,685	-14,034
i) In India	235,688	206,294	29,394	128,511	142,366	-13,855
<i>of which</i>						
FIIs	226,621	206,294	20,327	127,349	142,366	-15,017
GDRs/ADRs	8,769	-	8,769	1,162	-	1,162
ii) Abroad	236	74	162	140	319	-179
2. Loans (a+b+c)	83,528	41,598	41,930	60,158	55,157	5,001
a) External Assistance	4,241	2,127	2,114	5,042	2,404	2,638
i) By India	24	28	-4	24	32	-8
ii) To India	4,217	2,099	2,118	5,018	2,372	2,646
b) Commercial Borrowings	30,376	7,743	22,633	15,382	7,224	8,158
i) By India	1,592	1,624	-32	2,005	785	1,220
ii) To India	28,784	6,119	22,665	13,377	6,439	6,938
c) Short Term To India	48,911	31,728	17,183	39,734	45,529	-5,795
i) Suppliers' Credit >180 days & Buyers' Credit	42,641	31,728	10,913	38,814	38,352	462
ii) Suppliers' Credit up to 180 days	6,270	-	6,270	920	7,177	-6,257
3. Banking Capital (a+b)	55,813	44,056	11,757	64,998	68,395	-3,397
a) Commercial Banks	55,734	43,624	12,110	64,885	67,810	-2,925
i) Assets	19,562	12,668	6,894	25,673	28,726	-3,053
ii) Liabilities	36,172	30,956	5,216	39,212	39,084	128
<i>of which: Non-Resident Deposits</i>	29,401	29,222	179	37,089	32,799	4,290
b) Others	79	432	-353	113	585	-472
4. Rupee Debt Service	-	121	-121	-	101	-101
5. Other Capital	20,904	11,434	9,470	12,391	8,210	4,181
Total Capital Account (1 to 5)	433,007	325,014	107,993	302,456	293,310	9,146
C. Errors & Omissions	1,205	-	1,205	591	-	591
D. Overall Balance	748,979	656,815	92,164	640,787	660,867	-20,080
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	92,164	-92,164	20,080	-	20,080
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	92,164	-92,164	20,080	-	20,080

India's Balance of Payments
Developments during
the Fourth Quarter
(January-March 2009)
of 2008-09 and
2008-09 (April-March)

Statement I : India's Overall Balance of Payments (Contd.)						
(US\$ million)						
Item	Apr-Jun 2006			Jul-Sep 2006		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
A. Current Account						
I. Merchandise	29,663	46,613	-16,950	32,701	48,717	-16,016
II. Invisibles (a+b+c)	24,934	12,421	12,513	24,866	14,597	10,269
a) Services	16,042	8,475	7,567	16,416	9,966	6,450
i) Travel	1,708	1,488	220	1,796	1,811	-15
ii) Transportation	1,715	1,997	-282	1,973	1,978	-5
iii) Insurance	238	129	109	315	154	161
iv) G.n.i.e.	40	79	-39	61	122	-61
v) Miscellaneous	12,341	4,782	7,559	12,271	5,901	6,370
<i>of which</i>						
Software Services	7,039	415	6,624	7,121	405	6,716
Business Services	3,386	2,646	740	3,436	3,300	136
Financial Services	509	318	191	716	703	13
Communication Services	475	108	367	569	180	389
b) Transfers	7,170	289	6,881	6,218	361	5,857
i) Official	69	82	-13	119	100	19
ii) Private	7,101	207	6,894	6,099	261	5,838
c) Income	1,722	3,657	-1,935	2,232	4,270	-2,038
i) Investment Income	1,659	3,461	-1,802	2,160	4,042	-1,882
ii) Compensation of Employees	63	196	-133	72	228	-156
Total Current Account (I+II)	54,597	59,034	-4,437	57,567	63,314	-5,747
B. Capital Account						
1. Foreign Investment (a+b)	34,299	33,067	1,232	22,485	18,219	4,266
a) Foreign Direct Investment (i+ii)	3,477	1,739	1,738	4,545	2,429	2,116
i) In India	3,413	8	3,405	4,400	2	4,398
Equity	1,946	8	1,938	2,886	2	2,884
Reinvested Earnings	1,457	-	1,457	1,457	-	1,457
Other Capital	10	-	10	57	-	57
ii) Abroad	64	1,731	-1,667	145	2,427	-2,282
Equity	64	1,189	-1,125	145	1,868	-1,723
Reinvested Earnings	-	269	-269	-	269	-269
Other Capital	-	273	-273	-	290	-290
b) Portfolio Investment	30,822	31,328	-506	17,940	15,790	2,150
i) In India	30,801	31,327	-526	17,929	15,789	2,140
<i>of which</i>						
FIIs	29,540	31,327	-1,787	17,469	15,789	1,680
GDRs/ADRs	1,261	-	1,261	460	-	460
ii) Abroad	21	1	20	11	1	10
2. Loans (a+b+c)	11,499	6,288	5,211	11,228	6,446	4,782
a) External Assistance	577	526	51	788	449	339
i) By India	5	8	-3	5	8	-3
ii) To India	572	518	54	783	441	342
b) Commercial Borrowings	5,051	1,073	3,978	2,680	920	1,760
i) By India	87	223	-136	114	170	-56
ii) To India	4,964	850	4,114	2,566	750	1,816
c) Short Term To India	5,871	4,689	1,182	7,760	5,077	2,683
i) Suppliers' Credit >180 days & Buyers' Credit	5,082	4,689	393	6,579	5,077	1,502
ii) Suppliers' Credit up to 180 days	789	-	789	1,181	-	1,181
3. Banking Capital (a+b)	9,909	4,848	5,061	5,754	7,472	-1,718
a) Commercial Banks	9,837	4,848	4,989	5,754	7,428	-1,674
i) Assets	5,257	1,877	3,380	1,568	3,553	-1,985
ii) Liabilities	4,580	2,971	1,609	4,186	3,875	311
<i>of which: Non-Resident Deposits</i>	4,246	2,944	1,302	4,185	3,277	908
b) Others	72	-	72	-	44	-44
4. Rupee Debt Service	-	67	-67	-	-	-
5. Other Capital	342	1,054	-712	1,084	554	530
Total Capital Account (1 to 5)	56,049	45,324	10,725	40,551	32,691	7,860
C. Errors & Omissions	91	-	91	157	-	157
D. Overall Balance	110,737	104,358	6,379	98,275	96,005	2,270
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	6,379	-6,379	-	2,270	-2,270
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	6,379	-6,379	-	2,270	-2,270

Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Oct-Dec 2006			Jan-Mar 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	20	21	22	23	24	25
A. Current Account						
I. Merchandise	30,824	47,257	-16,433	35,700	48,083	-12,383
II. Invisibles (a+b+c)	29,704	16,875	12,829	35,054	18,448	16,606
a) Services	18,451	12,371	6,080	22,871	13,499	9,372
i) Travel	2,621	1,638	983	2,998	1,747	1,251
ii) Transportation	2,092	2,102	-10	2,194	1,991	203
iii) Insurance	288	201	87	354	158	196
iv) G.n.i.e.	87	97	-10	65	105	-40
v) Miscellaneous	13,363	8,333	5,030	17,260	9,498	7,762
<i>of which</i>						
Software Services	7,602	684	6,918	9,538	763	8,775
Business Services	3,690	4,267	-577	4,032	5,653	-1,621
Financial Services	828	647	181	1,053	1,323	-270
Communication Services	597	239	358	621	269	352
b) Transfers	8,961	333	8,628	9,121	408	8,713
i) Official	287	89	198	160	110	50
ii) Private	8,674	244	8,430	8,961	298	8,663
c) Income	2,292	4,171	-1,879	3,062	4,541	-1,479
i) Investment Income	2,193	3,936	-1,743	2,914	4,249	-1,335
ii) Compensation of Employees	99	235	-136	148	292	-144
Total Current Account (I+II)	60,528	64,132	-3,604	70,754	66,531	4,223
B. Capital Account						
1. Foreign Investment (a+b)	38,646	32,179	6,467	37,780	34,992	2,788
a) Foreign Direct Investment (i+ii)	10,008	7,110	2,898	5,560	4,619	941
i) In India	9,855	7	9,848	5,158	70	5,088
Equity	8,203	7	8,196	3,446	70	3,376
Reinvested Earnings	1,457	-	1,457	1,457	-	1,457
Other Capital	195	-	195	255	-	255
ii) Abroad	153	7,103	-6,950	402	4,549	-4,147
Equity	153	6,454	-6,301	402	3,857	-3,455
Reinvested Earnings	-	269	-269	-	269	-269
Other Capital	-	380	-380	-	423	-423
b) Portfolio Investment	28,638	25,069	3,569	32,220	30,373	1,847
i) In India	28,625	25,063	3,562	32,179	30,351	1,828
<i>of which</i>						
FIIs	28,418	25,063	3,355	30,329	30,351	-22
GDRs/ADRs	207	-	207	1,848	-	1,848
ii) Abroad	13	6	7	41	22	19
2. Loans (a+b+c)	14,731	8,250	6,481	17,184	9,168	8,016
a) External Assistance	1,113	494	619	1,289	523	766
i) By India	5	8	-3	5	8	-3
ii) To India	1,108	486	622	1,284	515	769
b) Commercial Borrowings	5,418	1,369	4,049	7,734	1,418	6,316
i) By India	425	345	80	-	228	-228
ii) To India	4,993	1,024	3,969	7,734	1,190	6,544
c) Short Term To India	8,200	6,387	1,813	8,161	7,227	934
i) Suppliers' Credit >180 days & Buyers' Credit	5,660	6,387	-727	8,161	6,022	2,139
ii) Suppliers' Credit up to 180 days	2,540	-	2,540	-	1,205	-1,205
3. Banking Capital (a+b)	7,160	10,273	-3,113	14,386	12,703	1,683
a) Commercial Banks	6,944	10,239	-3,295	14,264	12,703	1,561
i) Assets	556	4,530	-3,974	7,085	8,000	-915
ii) Liabilities	6,388	5,709	679	7,179	4,703	2,476
<i>of which: Non-Resident Deposits</i>	6,325	4,862	1,463	5,158	4,510	648
b) Others	216	34	182	122	-	122
4. Rupee Debt Service	-	2	-2	-	93	-93
5. Other Capital	1,976	994	982	4,828	1,419	3,409
Total Capital Account (1 to 5)	62,513	51,698	10,815	74,178	58,375	15,803
C. Errors & Omissions	294	-	294	426	-	426
D. Overall Balance	123,335	115,830	7,505	145,358	124,906	20,452
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	7,505	-7,505	-	20,452	-20,452
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	7,505	-7,505	-	20,452	-20,452

Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Apr-Jun 2007PR			Jul-Sep 2007 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	26	27	28	29	30	31
A. Current Account						
I. Merchandise	34,356	56,346	-21,990	38,273	59,510	-21,237
II. Invisibles (a+b+c)	29,880	14,570	15,310	34,013	17,073	16,940
a) Services	18,890	9,916	8,974	20,587	11,589	8,998
i) Travel	2,088	1,906	182	2,248	2,047	201
ii) Transportation	1,953	2,526	-573	2,091	2,559	-468
iii) Insurance	373	185	188	341	284	57
iv) G.n.i.e.	94	110	-16	68	128	-60
v) Miscellaneous	14,382	5,189	9,193	15,839	6,571	9,268
<i>of which</i>						
Software Services	8,836	679	8,157	9,050	801	8,249
Business Services	3,758	3,163	595	3,894	3,537	357
Financial Services	528	449	79	916	702	214
Communication Services	513	231	282	613	180	433
b) Transfers	8,628	432	8,196	9,708	408	9,300
i) Official	153	165	-12	158	112	46
ii) Private	8,475	267	8,208	9,550	296	9,254
c) Income	2,362	4,222	-1,860	3,718	5,076	-1,358
i) Investment Income	2,279	4,024	-1,745	3,608	4,778	-1,170
ii) Compensation of Employees	83	198	-115	110	298	-188
Total Current Account (I+II)	64,236	70,916	-6,680	72,286	76,583	-4,297
B. Capital Account						
1. Foreign Investment (a+b)	43,034	32,756	10,278	54,205	41,178	13,027
a) Foreign Direct Investment (i+ii)	8,270	5,534	2,736	5,502	3,374	2,128
i) In India	7,477	20	7,457	4,728	19	4,709
Equity	5,574	20	5,554	2,822	19	2,803
Reinvested Earnings	1,792	-	1,792	1,792	-	1,792
Other Capital	111	-	111	114	-	114
ii) Abroad	793	5,514	-4,721	774	3,355	-2,581
Equity	793	4,758	-3,965	774	2,515	-1,741
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	485	-485	-	569	-569
b) Portfolio Investment	34,764	27,222	7,542	48,703	37,804	10,899
i) In India	34,706	27,216	7,490	48,698	37,781	10,917
<i>of which</i>						
FIIs	34,305	27,216	7,089	46,199	37,781	8,418
GDRs/ADRs	316	-	316	2,477	-	2,477
ii) Abroad	58	6	52	5	23	-18
2. Loans (a+b+c)	16,749	7,593	9,156	19,742	10,437	9,305
a) External Assistance	732	491	241	983	515	468
i) By India	6	7	-1	6	7	-1
ii) To India	726	484	242	977	508	469
b) Commercial Borrowings	8,291	1,338	6,953	6,290	2,080	4,210
i) By India	359	345	14	443	503	-60
ii) To India	7,932	993	6,939	5,847	1,577	4,270
c) Short Term To India	7,726	5,764	1,962	12,469	7,842	4,627
i) Suppliers' Credit >180 days & Buyers' Credit	6,883	5,764	1,119	11,012	7,842	3,170
ii) Suppliers' Credit up to 180 days	843	-	843	1,457	-	1,457
3. Banking Capital (a+b)	8,560	9,479	-919	13,714	7,071	6,643
a) Commercial Banks	8,560	9,473	-913	13,690	7,000	6,690
i) Assets	2,543	2,861	-318	4,404	358	4,046
ii) Liabilities	6,017	6,612	-595	9,286	6,642	2,644
<i>of which: Non-Resident Deposits</i>	5,252	5,699	-447	6,975	6,606	369
b) Others	-	6	-6	24	71	-47
4. Rupee Debt Service	-	43	-43	-	2	-2
5. Other Capital	1,151	1,831	-680	7,378	3,196	4,182
Total Capital Account (1 to 5)	69,494	51,702	17,792	95,039	61,884	33,155
C. Errors & Omissions	88	-	88	378	-	378
D. Overall Balance	133,818	122,618	11,200	167,703	138,467	29,236
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	11,200	-11,200	-	29,236	-29,236
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	11,200	-11,200	-	29,236	-29,236

Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Oct-Dec 2007PR			Jan-Mar 2008 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	32	33	34	35	36	37
A. Current Account						
I. Merchandise	40,985	67,038	-26,053	52,549	74,895	-22,346
II. Invisibles (a+b+c)	39,553	18,031	21,522	45,158	24,338	20,820
a) Services	24,618	12,592	12,026	25,982	18,415	7,567
i) Travel	3,395	2,519	876	3,618	2,782	836
ii) Transportation	2,799	3,043	-244	3,171	3,386	-215
iii) Insurance	438	261	177	487	314	173
iv) G.n.i.e.	90	75	15	78	63	15
v) Miscellaneous	17,896	6,694	11,202	18,628	11,870	6,758
<i>of which</i>						
Software Services	9,608	852	8,756	12,806	726	12,080
Business Services	4,588	4,245	343	4,531	5,770	-1,239
Financial Services	882	763	119	891	1,224	-333
Communication Services	601	183	418	681	265	416
b) Transfers	11,428	493	10,935	14,495	982	13,513
i) Official	195	121	74	247	116	131
ii) Private	11,233	372	10,861	14,248	866	13,382
c) Income	3,507	4,946	-1,439	4,681	4,941	-260
i) Investment Income	3,401	4,679	-1,278	4,520	4,608	-88
ii) Compensation of Employees	106	267	-161	161	333	-172
Total Current Account (I+II)	80,538	85,069	-4,531	97,707	99,233	-1,526
B. Capital Account						
1. Foreign Investment (a+b)	86,531	69,639	16,892	88,992	84,232	4,760
a) Foreign Direct Investment (i+ii)	8,316	6,275	2,041	14,750	6,254	8,496
i) In India	7,916	43	7,873	14,240	43	14,197
Equity	6,022	43	5,979	12,448	26	12,422
Reinvested Earnings	1,792	-	1,792	1,792	-	1,792
Other Capital	102	-	102	-	17	-17
ii) Abroad	400	6,232	-5,832	510	6,211	-5,701
Equity	400	5,206	-4,806	510	4,419	-3,909
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	755	-755	-	1,521	-1,521
b) Portfolio Investment	78,215	63,364	14,851	74,242	77,978	-3,736
i) In India	78,096	63,345	14,751	74,188	77,952	-3,764
<i>of which</i>						
FIIs	72,309	63,345	8,964	73,808	77,952	-4,144
GDRs/ADRs	5,597	-	5,597	379	-	379
ii) Abroad	119	19	100	54	26	28
2. Loans (a+b+c)	21,543	10,601	10,942	25,494	12,967	12,527
a) External Assistance	1,109	544	565	1,417	577	840
i) By India	6	7	-1	6	7	-1
ii) To India	1,103	537	566	1,411	570	841
b) Commercial Borrowings	8,449	2,202	6,247	7,346	2,123	5,223
i) By India	363	384	-21	427	392	35
ii) To India	8,086	1,818	6,268	6,919	1,731	5,188
c) Short Term To India	11,985	7,855	4,130	16,731	10,267	6,464
i) Suppliers' Credit >180 days & Buyers' Credit	10,231	7,855	2,376	14,515	10,267	4,248
ii) Suppliers' Credit up to 180 days	1,754	-	1,754	2,216	-	2,216
3. Banking Capital (a+b)	12,588	12,381	207	20,951	15,125	5,826
a) Commercial Banks	12,585	12,029	556	20,899	15,122	5,777
i) Assets	5,636	3,939	1,697	6,979	5,510	1,469
ii) Liabilities	6,949	8,090	-1,141	13,920	9,612	4,308
<i>of which: Non-Resident Deposits</i>	6,456	7,309	-853	10,718	9,608	1,110
b) Others	3	352	-349	52	3	49
4. Rupee Debt Service	-	-	-	-	76	-76
5. Other Capital	6,612	3,636	2,976	5,763	2,771	2,992
Total Capital Account (1 to 5)	127,274	96,257	31,017	141,200	115,171	26,029
C. Errors & Omissions	252	-	252	487	-	487
D. Overall Balance	208,064	181,326	26,738	239,394	214,404	24,990
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)						
i) I.M.F.	-	26,738	-26,738	-	24,990	-24,990
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	-	-	-	-	-
	-	26,738	-26,738	-	24,990	-24,990

Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Apr-Jun 2008 PR			Jul-Sep 2008 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	38	39	40	41	42	43
A. Current Account						
I. Merchandise	49,120	80,545	-31,425	48,987	87,663	-38,676
II. Invisibles (a+b+c)	38,939	16,533	22,406	45,696	19,532	26,164
a) Services	23,059	11,441	11,618	27,832	13,775	14,057
i) Travel	2,504	2,164	340	2,786	2,704	82
ii) Transportation	2,611	3,328	-717	2,964	3,744	-780
iii) Insurance	350	228	122	367	306	61
iv) G.n.i.e.	130	110	20	81	95	-14
v) Miscellaneous	17,464	5,611	11,853	21,634	6,926	14,708
<i>of which</i>						
Software Services	12,156	857	11,299	12,220	924	11,296
Business Services	3,550	3,133	417	4,840	3,984	856
Financial Services	609	628	-19	1,670	965	705
Communication Services	510	226	284	740	296	444
b) Transfers	12,307	654	11,653	13,719	829	12,890
i) Official	148	107	41	51	97	-46
ii) Private	12,159	547	11,612	13,668	732	12,936
c) Income	3,573	4,438	-865	4,145	4,928	-783
i) Investment Income	3,418	4,108	-690	3,855	4,596	-741
ii) Compensation of Employees	155	330	-175	290	332	-42
Total Current Account (I+II)	88,059	97,078	-9,019	94,683	107,195	-12,512
B. Capital Account						
1. Foreign Investment (a+b)	52,901	48,145	4,756	51,774	48,184	3,590
a) Foreign Direct Investment (i+ii)	12,137	3,170	8,967	9,143	4,243	4,900
i) In India	11,898	22	11,876	8,825	52	8,773
Equity	10,240	22	10,218	7,304	52	7,252
Reinvested Earnings	1,492	-	1,492	1,492	-	1,492
Other Capital	166	-	166	29	-	29
ii) Abroad	239	3,148	-2,909	318	4,191	-3,873
Equity	239	2,346	-2,107	318	3,426	-3,108
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	531	-531	-	494	-494
b) Portfolio Investment	40,764	44,975	-4,211	42,631	43,941	-1,310
i) In India	40,745	44,923	-4,178	42,618	43,919	-1,301
<i>of which</i>						
FIIs	39,746	44,923	-5,177	42,482	43,919	-1,437
GDRs/ADRs	999	-	999	136	-	136
ii) Abroad	19	52	-33	13	22	-9
2. Loans (a+b+c)	13,845	9,630	4,215	16,282	12,782	3,500
a) External Assistance	909	558	351	1,095	577	518
i) By India	6	8	-2	6	8	-2
ii) To India	903	550	353	1,089	569	520
b) Commercial Borrowings	2,760	1,293	1,467	3,578	1,888	1,690
i) By India	404	193	211	532	138	394
ii) To India	2,356	1,100	1,256	3,046	1,750	1,296
c) Short Term To India	10,176	7,779	2,397	11,609	10,317	1,292
i) Suppliers' Credit >180 days & Buyers' Credit	9,256	7,779	1,477	11,609	9,766	1,843
ii) Suppliers' Credit up to 180 days	920	-	920	-	551	-551
3. Banking Capital (a+b)	21,952	19,256	2,696	16,208	14,084	2,124
a) Commercial Banks	21,952	19,105	2,847	16,208	14,081	2,127
i) Assets	11,457	10,533	924	6,446	5,154	1,292
ii) Liabilities	10,495	8,572	1,923	9,762	8,927	835
<i>of which: Non-Resident Deposits</i>	9,063	8,249	814	9,174	8,915	259
b) Others	-	151	-151	-	3	-3
4. Rupee Debt Service	-	30	-30	-	3	-3
5. Other Capital	2,176	2,678	-502	764	2,410	-1,646
Total Capital Account (1 to 5)	90,874	79,739	11,135	85,028	77,463	7,565
C. Errors & Omissions	119	-	119	213	-	213
D. Overall Balance	179,052	176,817	2,235	179,924	184,658	-4,734
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	2,235	-2,235	4,734	-	4,734
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	2,235	-2,235	4,734	-	4,734

Statement I : India's Overall Balance of Payments (Concl'd.)

(US\$ million)

Item	Oct-Dec 2008 PR			Jan-Mar 2009 P		
	Credit	Debit	Net	Credit	Debit	Net
1	44	45	46	47	48	49
A. Current Account						
I. Merchandise	37,257	71,961	-34,704	39,820	54,418	-14,598
II. Invisibles (a+b+c)	40,260	18,589	21,671	37,661	18,316	19,345
a) Services	26,075	12,923	13,152	24,258	13,267	10,991
i) Travel	2,924	1,953	971	2,680	2,611	69
ii) Transportation	2,572	3,210	-638	2,919	2,495	424
iii) Insurance	344	269	75	348	328	20
iv) G.n.i.e.	97	233	-136	81	353	-272
v) Miscellaneous	20,138	7,258	12,880	18,230	7,480	10,750
<i>of which</i>						
Software Services	11,444	580	10,864	11,180	453	10,727
Business Services	4,012	3,540	472	3,849	4,612	-763
Financial Services	889	735	154	771	633	138
Communication Services	492	217	275	428	257	171
b) Transfers	10,994	844	10,150	10,005	419	9,586
i) Official	285	98	187	161	111	50
ii) Private	10,709	746	9,963	9,844	308	9,536
c) Income	3,191	4,822	-1,631	3,398	4,630	-1,232
i) Investment Income	3,000	4,481	-1,481	3,209	4,314	-1,105
ii) Compensation of Employees	191	341	-150	189	316	-127
Total Current Account (I+II)	77,517	90,550	-13,033	77,481	72,734	4,747
B. Capital Account						
1. Foreign Investment (a+b)	33,162	38,538	-5,376	27,072	26,580	492
a) Foreign Direct Investment (i+ii)	6,564	6,120	444	8,414	5,229	3,185
i) In India	6,352	29	6,323	8,073	63	8,010
Equity	4,109	29	4,080	6,322	63	6,259
Reinvested Earnings	1,721	-	1,721	1,721	-	1,721
Other Capital	522	-	522	30	-	30
ii) Abroad	212	6,091	-5,879	341	5,166	-4,825
Equity	212	4,489	-4,277	341	4,407	-4,066
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	1,331	-1,331	-	488	-488
b) Portfolio Investment	26,598	32,418	-5,820	18,658	21,351	-2,693
i) In India	26,568	32,355	-5,787	18,580	21,169	-2,589
<i>of which</i>						
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609
GDRs/ADRs	7	-	7	20	-	20
ii) Abroad	30	63	-33	78	182	-104
2. Loans (a+b+c)	15,818	14,934	884	14,213	17,811	-3,598
a) External Assistance	1,655	663	992	1,383	606	777
i) By India	6	8	-2	6	8	-2
ii) To India	1,649	655	994	1,377	598	779
b) CCommercial Borrowings	5,448	1,564	3,884	3,596	2,479	1,117
i) By India	669	149	520	400	305	95
ii) To India	4,779	1,415	3,364	3,196	2,174	1,022
c) Short Term To India	8,715	12,707	-3,992	9,234	14,726	-5,492
i) Suppliers' Credit >180 days & Buyers' Credit	8,715	10,357	-1,642	9,234	10,450	-1,216
ii) Suppliers' Credit up to 180 days	-	2,350	-2,350	-	4,276	-4,276
3. Banking Capital (a+b)	14,810	19,766	-4,956	12,028	15,289	-3,261
a) Commercial Banks	14,808	19,335	-4,527	11,917	15,289	-3,372
i) Assets	5,192	7,541	-2,349	2,578	5,498	-2,920
ii) Liabilities	9,616	11,794	-2,178	9,339	9,791	-452
<i>of which: Non-Resident Deposits</i>	9,523	8,481	1,042	9,329	7,154	2,175
b) Others	2	491	-429	111	-	111
4. Rupee Debt Service	-	-	-	-	68	-68
5. Other Capital	5,670	488	5,182	3,781	2,634	1,147
Total Capital Account (1 to 5)	69,460	73,726	-4,266	57,094	62,382	-5,288
C. Errors & Omissions	-	582	-582	841	-	841
D. Overall Balance	146,977	164,858	-17,881	135,416	135,116	300
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	17,881	-	17,881	-	300	-300
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	17,881	-	17,881	-	300	-300