



RESERVE BANK OF INDIA

www.rbi.org.in

www.rbi.org.in/hindi

e-mail: [helpprd@rbi.org.in](mailto:helpprd@rbi.org.in)PRESS RELATIONS DIVISION, Central Office, Post Box 406, Mumbai 400001  
Phone: 2266 0502 Fax: 2266 0358, 2270 3279

December 31, 2007

### RBI releases International Investment Position (IIP) of India as at the end-June 2007

The Reserve Bank of India today released the quarterly International Investment Position (IIP) of India as at end-June 2007.

#### Highlights

##### I. Overall International Investment Position

(1) The net IIP (Assets – Liabilities) of India had resulted in net claims of non-residents to India, which increased by US\$ 15.50 billion to US\$ 62.45 billion as at end-June 2007 from a level of US\$ 46.95 billion as at end-March 2007 (Table I), due to large capital inflow including external commercial loans.

(2) Among the external financial assets, Reserve Assets had registered an increase of US\$ 14.17 billion as at end-June 2007 over the end-March 2007, followed by the Direct Investment Abroad, which witnessed an increase of US \$ 5.42 billion during the same period.

(3) The total Reserve Assets exceeded the entire external debt (US \$ 165.39 billion\*) by US \$ 47.96 billion as at end-June 2007.

(4) Regarding external financial liabilities, the Portfolio investment and Direct investment in India increased by US \$ 14.32 billion and US \$ 10.69 billion respectively, at end-June 2007 over end-March 2007. Further, 'Other investment' in India increased to US \$ 145.74 billion as at end-June 2007 from a level of US \$139.12 billion as at end-March 2007.

Table I. Overall International Investment Position

Period	(in US \$ billion)						
	Mar. 05 (R)	Mar.06 (PR)	Jun. 06 (PR)	Sep. 06 (PR)	Dec.06 (PR)	Mar.07 (PR)	Jun.07 (P)
<b>Net IIP</b>	<b>-43.96</b>	<b>-49.22</b>	<b>-46.79</b>	<b>-50.06</b>	<b>-47.18</b>	<b>-46.95</b>	<b>-62.45</b>
<b>A. Assets</b>	<b>166.84</b>	<b>182.78</b>	<b>191.33</b>	<b>197.22</b>	<b>222.43</b>	<b>243.60</b>	<b>259.73</b>
1. Direct Investment	10.03	12.96	14.09	15.25	21.64	23.97	29.39
2. Portfolio Investment	0.47	0.97	0.76	0.87	0.85	0.79	0.79
2.1 Equity Securities	0.24	0.50	0.33	0.38	0.39	0.38	0.41
2.2 Debt Securities	0.23	0.48	0.43	0.49	0.46	0.41	0.38
3. Other Investment	14.82	17.23	13.57	15.79	22.69	19.66	16.20
3.1 Trade Credits	1.08	-0.29	-0.67	-0.72	2.06	2.50	1.86
3.2 Loans	1.86	2.58	1.63	2.30	3.66	2.63	2.02
3.3 Currency & Deposits	8.45	11.62	9.29	10.76	13.31	10.31	8.14
3.4 Other Assets	3.43	3.31	3.32	3.45	3.66	4.22	4.18
4. Reserve Assets	141.51	151.62	162.91	165.31	177.25	199.18	213.35
<b>B. Liabilities</b>	<b>210.79</b>	<b>232.00</b>	<b>238.12</b>	<b>247.28</b>	<b>269.61</b>	<b>290.55</b>	<b>322.18</b>
1. Direct Investment	44.49	51.13	52.14	55.82	66.45	72.29	82.98
2. Portfolio Investment	55.96	64.59	64.63	67.53	73.67	79.14	93.46
2.1 Equity Securities	43.16	54.74	52.47	54.78	59.99	63.27	75.17
2.2 Debt securities	12.81	9.85	12.17	12.75	13.68	15.87	18.29
3. Other Investment	110.34	116.28	121.35	123.93	129.50	139.12	145.74
3.1 Trade Credits	9.57	10.51	10.91	12.41	11.77	13.71	14.72
3.2 Loans	65.94	67.87	70.39	71.84	75.85	82.24	86.04
3.3 Currency & Deposits	33.64	37.31	39.37	38.80	40.94	42.30	43.81
3.4 Other Liabilities	1.19	0.60	0.68	0.89	0.93	0.87	1.16

Note- R: Revised; PR: Partially revised; P: Provisional; [figures in the Table have been compiled based on IIP estimates in terms of US \$ Million]

## II. Composition of External Financial Assets and Liabilities

- (1) The major part of country's external financial assets was in the form of Reserve Assets constituting 82.1 per cent followed by Direct investment and Other investment accounting for 11.3 per cent and 6.2 per cent, respectively (Table II).
- (2) As at end-June 2007, the country's external financial liabilities to the tune of 45.2 per cent were in the form of Other investments, i.e. trade credits, loans, currency & deposits and other liabilities, followed by Portfolio investment at 29.0 per cent and Direct investment at 25.8 per cent. Further, 'loan' and 'currency & deposits' were having 26.7 per cent and 13.6 per cent share respectively, in the total external financial liabilities of the country whereas trade credit had accounted for 4.6 per cent as at end-June 2007.

**Table II. Composition of External Financial Assets and Liabilities**

(In per cent)							
Period	Mar. 05 (R)	Mar. 06 (PR)	Jun. 06 (PR)	Sep. 06 (PR)	Dec. 06 (PR)	Mar. 07 (PR)	Jun.07 (P)
<b>A. Assets</b>							
1. Direct Investment	6.01	7.09	7.36	7.73	9.73	9.84	11.32
2. Portfolio Investment	0.28	0.53	0.40	0.44	0.38	0.32	0.30
3. Other Investment	8.88	9.43	7.09	8.01	10.20	8.07	6.24
4. Reserve Assets	84.82	82.95	85.15	83.82	79.69	81.77	82.14
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>B. Liabilities</b>							
1. Direct Investment	21.11	22.04	21.90	22.57	24.65	24.88	25.76
2. Portfolio Investment	26.55	27.84	27.14	27.31	27.32	27.24	29.01
3. Other Investment	52.35	50.12	50.96	50.12	48.03	47.88	45.24
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Note- R: Revised; PR: Partially revised; P: Provisional; [figures in the Table have been compiled based on IIP estimates in terms of US \$ Million]

Note \*: As published in External Debt Statistics of India, June 2007, RBI.

## III. External Debt Liabilities vis-à-vis External Non-Debt Liabilities

The share of non-debt liabilities to total external financial liabilities increased to 49.1 per cent as at end-June 2007 from 46.7 per cent as at end-March 2007 due to large capital inflow under direct & portfolio investments (Table III).

**Table III. Share of External Debt and Non-Debt Liabilities**

(in per cent)							
Period	Mar. 05 (R)	Mar. 06 (PR)	Jun.06 (PR)	Sep.06 (PR)	Dec.06 (PR)	Mar.07 (PR)	Jun. 07 (P)
<b>Non-Debt Liabilities</b>	41.58	45.64	43.93	44.72	46.90	46.66	49.09
<b>Debt Liabilities</b>	58.42	54.36	56.07	55.28	53.10	53.34	50.91
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Note- R: Revised; PR: Partially revised; P: Provisional; [figures in the Table have been compiled based on IIP estimates in terms of US \$ Million]

The International Investment Position (IIP), compiled at the end of a specific period such as end-March, is the statement of the stock of external financial assets and liabilities of a country. The financial assets consist of the country's financial claims on non-residents and financial liabilities consist of the country's financial liabilities to non-residents. These transactions are classified according to institutional resident sectors, namely, monetary authority, government, banks, and other sectors including corporate sector. The net international investment position (the stock of external financial assets less the stock of external financial liabilities) shows the difference between what an economy owns in relation to what it owes.

As per the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF), data on IIP are to be disseminated on annual basis (quarterly encouraged) with a time lag of two quarters. In India, the IIP is disseminated on annual basis, i.e., as at end-March with two quarters lag (by end-September). The IIP of India as at end-March 2007 was released on September 20, 2007. Further, since the quarter end-June 2006 onwards, the IIP of India is also being released on quarterly basis with a lag of less than two quarters.

**Alpana Killawala**  
Chief General Manager

**Press Release : 2007-2008/862**