



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

December 31, 2013

India's International Investment Position (IIP), Quarter ended September 2013

[International Investment Position \(IIP\)](#) is a statistical statement that shows, at a point in time, the value and the composition of (i) financial assets of residents of an economy that are claims on non-residents and gold bullion held as reserve assets; and (ii) liabilities of residents of an economy to non-residents. The difference between an economy's external financial assets and liabilities is its net IIP. Such balance sheet analysis of international accounts helps in understanding sustainability and vulnerability of economy's external sector.

Major highlights of IIP for the [quarter-ended September 2013](#) are as follows:

Net claims of non-residents on India (as reflected by the net IIP) decreased by US\$ 12.8 billion over the previous quarter to US\$ 296.2 billion as at end-September 2013. This change in the net position reflected a US\$ 10.6 billion decrease in the value of foreign-owned assets in India vis-à-vis a US\$ 2.2 billion increase in the value of Indian Residents' financial assets abroad (Table 1).

Indian residents' financial assets abroad stood at US\$ 436.7 billion as at end-September 2013 recording a marginal increase of US\$ 2.2 billion over previous quarter mainly due to increase of US\$ 6.8 billion in other investment abroad including trade credit, loans and currency and deposits. Reserve assets, decreased by US\$ 5.3 billion to US\$ 277.2 billion as at end-September 2013. Direct investment increased marginally by US\$ 0.6 billion.

The foreign-owned assets in India decreased by US\$ 10.6 billion over the previous quarter to US\$ 732.9 billion as at end-September 2013. Direct investment in India and portfolio investment in India reduced by US\$ 2.9 billion and US\$ 13.3 billion respectively. Among other investment liabilities, trade credit decreased by US\$ 1.9 billion and loans increased by US \$ 2.8 billion.

Effects of Rupee Depreciation: Variation in exchange rate of rupee vis-a-vis other currencies influenced change in liabilities, when valued in US \$ terms. Though there was a net inflow of US\$ 6.6 billion during the period, equity liabilities in US \$ term decreased by US\$ 10.2 billion, from US\$ 340.7 billion in June 2013 to US\$ 330.5 billion in September 2013 due to the stock valuation effect resulting from rupee depreciation.

Composition of External Financial Assets and Liabilities: Reserve Assets continued to have the dominant share (63.5 per cent) in India's international financial assets in September 2013, followed by direct investment abroad (27.5 per cent). Direct Investment (29.6 per cent), portfolio investment (23.1 per cent), loans (mainly ECBs) (23.1 per cent), trade credit (12.2 per cent) and currency and deposits (10.3 per cent) were the major constituents of the country's financial liabilities (Table 2).

External Debt Liabilities vis-à-vis External Non-Debt Liabilities: The share of non-debt liabilities decreased marginally to 45.1 per cent as at end-September 2013 from 45.8 percent at end-June 2013 (Table 3).

Table 1: Overall International Investment Position of India

(US \$ billion)

Period	Sep12- (PR)	Dec-12 (PR)	Mar-13 (PR)	Jun-13 (PR)	Sep-13 (P)
Net IIP	-286.1	-296.7	-317.6	-309.0	-296.2
A. Assets	442.6	443.9	447.8	434.5	436.7
1. Direct Investment	115.8	118.1	119.5	119.5	120.1
2. Portfolio Investment	1.5	1.5	1.4	1.4	1.4
2.1 <i>Equity Securities</i>	1.5	1.4	1.3	1.2	1.2
2.2 <i>Debt Securities</i>	0.1	0.1	0.1	0.2	0.2
3. Other Investment	30.4	28.7	34.8	31.2	38.0
3.1 <i>Trade Credits</i>	6.9	5.7	3.9	6.3	8.2
3.2 <i>Loans</i>	3.7	3.5	4.9	3.7	5.7
3.3 <i>Currency & Deposits</i>	7.8	6.9	13.1	8.0	10.8
3.4 <i>Other Assets</i>	12.0	12.6	12.9	13.3	13.3
4. Reserve Assets	294.8	295.6	292.1	282.5	277.2
B. Liabilities	728.7	740.6	765.3	743.5	732.9
1. Direct Investment	228.9	225.0	233.7	219.8	216.9
2. Portfolio Investment	180.9	185.8	192.2	182.5	169.2
2.1 <i>Equity Securities</i>	125.7	128.9	139.5	131.6	124.3
2.2 <i>Debt securities</i>	55.2	56.9	52.8	50.8	44.9
3. Other Investment	318.9	329.8	339.4	341.3	346.8
3.1 <i>Trade Credits</i>	76.9	84.6	89.0	91.4	89.5
3.2 <i>Loans</i>	164.4	165.4	166.8	166.2	169.0
3.3 <i>Currency & Deposits</i>	67.2	67.8	71.0	71.3	75.2
3.4 <i>Other Liabilities</i>	10.3	12.0	12.6	12.3	13.1
Memo item: Assets to Liability Ratio (%)	60.7	59.9	58.5	58.4	59.6

PR: Partially revised

P: Provisional;

The sum of the constituent items may not add to the total due to rounding off.

Table 2: Composition of International Financial Assets and Liabilities of India
(per cent)

Period	Sep-12 (PR)	Dec-12 (PR)	Mar-13 (PR)	Jun-13 (PR)	Sep-13 (P)
A. Assets					
1. <i>Direct Investment</i>	26.2	26.6	26.7	27.5	27.5
2. <i>Portfolio Investment</i>	0.4	0.3	0.3	0.3	0.3
3. <i>Other Investment</i>	6.9	6.5	7.8	7.2	8.7
4. <i>Reserve Assets</i>	66.6	66.6	65.2	65.0	63.5
Assets/Liabilities	100.0	100.0	100.0	100.0	100.0
B. Liabilities					
1. <i>Direct Investment</i>	31.4	30.4	30.5	29.6	29.6
2. <i>Portfolio Investment</i>	24.8	25.1	25.1	24.5	23.1
3. <i>Other Investment</i>	43.8	44.5	44.4	45.9	47.3

Table 3: Share of External Debt and Non-Debt Liabilities of India
(per cent)

Period	Sep-12 (PR)	Dec-12 (PR)	Mar-13 (PR)	Jun-13 (PR)	Sep-13 (P)
<i>Non-Debt Liabilities</i>	47.3	46.4	47.4	45.8	45.1
<i>Debt Liabilities</i>	52.7	53.6	52.6	54.2	54.9
Total	100.0	100.0	100.0	100.0	100.0

Press Release : 2013-2014/1307

Alpana Killawala
Principal Chief General Manager