December 31, 2019

India's International Investment Position (IIP), September 2019 [1]

Today, the Reserve Bank released data relating to India's International Investment Position at end-September 2019.

Key Features of India's IIP in September 2019

- Net claims of non-residents on India declined by US$ 14.8 billion during July-September 2019 (Table 1).

- The decline in net claims was due to an increase of US$ 7.4 billion in Indian residents' overseas financial assets and a reduction in foreign-owned assets in India by US $ 7.4 billion during the quarter.

- The decline in foreign-owned assets in India was mainly due to reduction in portfolio equity investment.

- Depreciation of the Indian rupee against the US dollar during the quarter contributed to the reduction in India's liabilities, when valued in US dollar terms.

- Increase in reserve assets, currency and deposits as well as overseas direct investments resulted in higher foreign assets of Indian residents.

- Reserve assets accounted for nearly 65 per cent of total foreign assets (Table 2).

- The share of debt liabilities in total liabilities increased marginally to 51.0 per cent in September 2019 from 50.6 per cent a quarter ago (Table 3).

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[1] India's quarterly IIP is disseminated with a quarter lag. The IIP for end-June 2019 was placed in the public domain on September 30, 2019.

Table 1: Overall International Investment Position of India

(US $ billion)

Period	Sep-18(R)	Dec-18(PR)	Mar-19(PR)	Jun-19(PR)	Sep-19(P)
Net IIP (A-B)	-387.3	-426.9	-436.7	-451.5	-436.7
A. Assets	608.2	606.4	642.1	662.4	669.8
1. Direct Investment	163.5	166.6	170.0	173.0	175.7
2. Portfolio Investment	2.6	2.7	4.7	5.0	4.5
2.1 Equity Securities	1.8	1.4	0.6	1.8	2.3
2.2 Debt Securities	0.8	1.3	4.1	3.2	2.2
3. Other Investment	41.5	41.6	54.5	54.5	55.9
3.1 Trade Credits	0.9	0.3	0.9	2.1	1.7
3.2 Loans	7.1	6.6	9.9	9.8	7.9
3.3 Currency and Deposits	16.6	17.2	25.2	24.2	27.6
3.4 Other Assets	16.9	17.5	18.6	18.4	18.7
4. Reserve Assets	400.5	395.6	412.9	429.8	433.7
B. Liabilities	995.5	1033.3	1078.8	1113.9	1106.5
1. Direct Investment	362.0	386.2	399.2	417.3	416.4
2. Portfolio Investment	237.9	245.8	260.3	267.1	260.0
2.1 Equity Securities	135.2	138.1	147.5	151.2	144.0
2.2 Debt securities	102.7	107.7	112.8	115.9	116.0
3. Other Investment	395.6	401.2	419.3	429.6	430.1
3.1 Trade Credits	104.3	103.7	105.2	107.2	106.6
3.2 Loans	157.6	160.4	168.1	174.0	175.0
3.3 Currency and Deposits	122.1	126.0	130.6	133.8	133.1
3.4 Other Liabilities	11.5	11.2	15.3	14.5	15.4
Memo item: Assets to Liability Ratio (%)	61.1	58.7	59.5	59.5	60.5

R: Revised   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-18(R)	Dec-18(PR)	Mar-19(PR)	Jun-19(PR)	Sep-19(P)
A. Assets					
1. Direct Investment	26.9	27.5	26.5	26.1	26.2
2. Portfolio Investment	0.4	0.4	0.7	0.8	0.7
3. Other Investment	6.8	6.9	8.5	8.2	8.3
4. Reserve Assets	65.9	65.2	64.3	64.9	64.8
Assets/Liabilities	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
B. Liabilities					
1. Direct Investment	36.4	37.4	37.0	37.5	37.6
2. Portfolio Investment	23.9	23.8	24.1	24.0	23.5
3. Other Investment	39.7	38.8	38.9	38.5	38.9

Table 3: Share of External Debt and Non-Debt Liabilities of India

(per cent)

Period	Sep-18(R)	Dec-18(PR)	Mar-19(PR)	Jun-19(PR)	Sep-19(P)
Non-Debt Liabilities	48.4	49.1	49.1	49.4	49.0
Debt Liabilities	51.6	50.9	50.9	50.6	51.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**