



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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March 31, 2023

**Developments in India's Balance of Payments during the Third Quarter  
(October-December) of 2022-23**

Preliminary data on India's balance of payments (BoP) for the third quarter (Q3), *i.e.*, October-December 2022-23, are presented in [Statements I \(BPM6 format\)](#) and [II \(old format\)](#).

**Key Features of India's BoP in Q3:2022-23**

- India's current account deficit declined to US\$ 18.2 billion (2.2 per cent of GDP) in Q3:2022-23 from US\$ 30.9 billion (3.7 per cent of GDP)<sup>1</sup> in Q2:2022-23 and US\$ 22.2 billion (2.7 per cent of GDP) a year ago [*i.e.*, Q3:2021-22]<sup>2</sup>.
- Underlying the lower current account deficit in Q3:2022-23 was a narrowing of merchandise trade deficit to US\$ 72.7 billion from US\$ 78.3 billion in Q2:2022-23, coupled with robust services and private transfer receipts.
- Services exports reported a growth of 24.5 per cent on a year-on-year (y-o-y) basis on the back of rising exports of software, business and travel services. Net services receipts increased both sequentially and on a y-o-y basis.
- Net outgo from the primary income account, mainly reflecting investment income payments, increased to US\$ 12.7 billion from US\$ 11.5 billion a year ago.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 30.8 billion, an increase of 31.7 per cent from their level a year ago.
- In the financial account, net foreign direct investment decreased to US\$ 2.1 billion from US\$ 4.6 billion a year ago.
- Net foreign portfolio investment recorded inflows of US\$ 4.6 billion, as against an outflow of US\$ 5.8 billion in Q3:2021-22.
- Net external commercial borrowings to India recorded an outflow of US\$ 2.6 billion in Q3:2022-23 as compared with an outflow of US\$ 0.4 billion a year ago.
- Non-resident deposits recorded net inflows of US\$ 2.6 billion as compared with net inflows of US\$ 1.3 billion in Q3:2021-22.

<sup>1</sup> The current account deficit as per cent of GDP for Q1:2022-23 has been revised downwards to 2.1 per cent from 2.2 per cent earlier due to an upward revision in GDP data by the National Statistical Office (NSO). The current account deficit for Q2:2022-23 has been revised downwards from US\$ 36.4 billion (4.4 per cent of GDP) due to downward adjustment in Customs data.

<sup>2</sup> [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=53906](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53906). For longer time series data, please see: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics> External Sector > International Trade > Quarterly/Yearly.

- There was an accretion to foreign exchange reserves (on a BoP basis) to the tune of US\$ 11.1 billion in Q3:2022-23 as compared with an accretion of US\$ 0.5 billion in Q3:2021-22 (Table 1).

### BoP during April-December 2022

- India recorded a current account deficit of 2.7 per cent of GDP during April-December 2022 as compared with a deficit of 1.1 per cent during April-December 2021, mainly on account of a sharp increase in the merchandise trade deficit.
- Net invisible receipts were higher during April-December 2022 on a y-o-y basis on account of higher net receipts from services trade and private transfers.
- Net FDI inflows at US\$ 21.7 billion during April-December 2022 were lower in comparison with US\$ 24.8 billion during April-December 2021. Portfolio investment recorded a net outflow of US\$ 3.5 billion during April-December 2022 as compared with a net outflow of US\$ 1.6 billion a year ago.
- During April-December 2022, there was a depletion of US\$ 14.7 billion from the foreign exchange reserves (on a BoP basis).

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

	(US\$ Billion)											
	October-December 2022 P			October-December 2021			April-December 2022 P			April-December 2021		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
<b>A. Current Account</b>	<b>227.5</b>	<b>245.7</b>	<b>-18.2</b>	<b>205.6</b>	<b>227.7</b>	<b>-22.2</b>	<b>683.9</b>	<b>750.9</b>	<b>-67.0</b>	<b>579.9</b>	<b>605.2</b>	<b>-25.3</b>
1. Goods	105.6	178.3	-72.7	108.9	168.7	-59.7	340.3	554.3	-214.0	311.1	446.1	-135.0
<i>Of which:</i>												
POL	22.7	55.6	-32.9	17.6	43.0	-25.4	73.6	162.4	-88.8	46.2	112.6	-66.4
2. Services	83.4	44.7	38.7	67.0	39.2	27.8	239.5	135.3	104.2	184.7	105.5	79.2
3. Primary Income	7.6	20.3	-12.7	6.1	17.6	-11.5	20.1	53.5	-33.4	18.5	47.4	-28.9
4. Secondary Income	30.9	2.4	28.5	23.5	2.2	21.3	84.0	7.8	76.2	65.6	6.2	59.4
<b>B. Capital Account and Financial Account</b>	<b>176.7</b>	<b>157.6</b>	<b>19.1</b>	<b>221.4</b>	<b>199.4</b>	<b>22.0</b>	<b>549.7</b>	<b>481.6</b>	<b>68.2</b>	<b>595.3</b>	<b>571.4</b>	<b>23.9</b>
<i>Of which:</i>												
Change in Reserve (Increase (-)/Decrease (+))	0.0	11.1	-11.1	0.0	0.5	-0.5	30.4	15.7	14.7	0.0	63.5	-63.5
<b>C. Errors &amp; Omissions (-) (A+B)</b>	<b>0.0</b>	<b>0.9</b>	<b>-0.9</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.7</b>	<b>1.8</b>	<b>-1.1</b>	<b>1.4</b>	<b>0.1</b>	<b>1.4</b>
P: Preliminary												
<b>Note:</b> Total of sub-components may not tally with aggregate due to rounding off.												

Press Release: 2022-2023/1946

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