



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

March 23, 2017

Developments in India's Balance of Payments during the Third Quarter (October-December) of 2016-17

Preliminary data on India's balance of payments (BoP) for the third quarter (Q3) *i.e.*, October-December 2016-17 are presented in [Statements I \(BPM6 format\)](#) and [II \(old format\)](#).

Key Features of India's BoP in Q3 of 2016-17

- India's current account deficit (CAD) at US\$ 7.9 billion (1.4 per cent of GDP) in Q3 of 2016-17 was higher than US\$ 7.1 billion (1.4 per cent of GDP) in Q3 of 2015-16 and US\$ 3.4 billion (0.6 per cent of GDP) in the preceding quarter.
- Despite a slightly lower trade deficit on a year-on-year (y-o-y) basis, the CAD widened primarily on account of a decline in net invisibles receipts.
- Net services receipts moderated on a y-o-y basis, primarily owing to the fall in earnings from software, financial services and charges for intellectual property rights.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 15.2 billion, having declined by 3.8 per cent from their level a year ago.
- In the financial account, net foreign direct investment at US\$ 9.8 billion in Q3 of 2016-17 was marginally lower than its level a year ago.
- There has been net outflow of portfolio investment to the tune of US\$ 11.3 billion as against net inflow of US\$ 0.6 billion in Q3 of last year; portfolio outflows occurred in both equity and debt segments.
- Reflecting the redemption of FCNR (B) deposits, non-resident Indian (NRI) deposits declined by US\$ 18.5 billion in Q3 of 2016-17 as against an inflow of US\$ 1.6 billion a year ago.
- In Q3 of 2016-17, foreign exchange reserves (on BoP basis) declined by US\$ 1.2 billion as against an increase of US\$ 4.1 billion in Q3 of last year (Table 1).

BoP during April-December 2016

- On a cumulative basis, the CAD narrowed to 0.7 per cent of GDP in April-December 2016 from 1.4 per cent in the corresponding period of 2015-16 on the back of the contraction in the trade deficit.
- India's trade deficit narrowed to US\$ 82.8 billion in April-December 2016 from US\$ 105.3 billion in April-December 2015.
- Net invisible receipts were lower, mainly due to moderation in software exports and net private transfers and higher outgo on account of primary income (profit, interest and dividends).
- Net FDI inflows during April-December 2016 (US\$ 30.6 billion) rose by 12.3 per cent over the level during the corresponding period of 2015-16.
- Portfolio investment recorded a net outflow of US\$ 3.2 billion during April-December 2016 as compared with US\$ 3.0 billion a year ago.
- In April-December 2016, there was an accretion of US\$ 14.2 billion to the foreign exchange reserves.

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

(US\$ Billion)

	October-December 2016 P			October-December 2015			April-December 2016-17 P			April-December 2015-16		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	130.1	138.0	-7.9	122.6	129.7	-7.1	383.0	394.6	-11.6	376.7	398.5	-21.8
1. Goods	68.8	102.0	-33.3	64.9	98.9	-34.0	202.8	285.5	-82.8	200.5	305.9	-105.3
<i>Of which:</i>												
POL	8.2	21.7	-13.5	7.4	20.0	-12.6	22.6	61.2	-38.6	24.4	68.3	-43.9
2. Services	42.1	24.5	17.6	37.9	19.9	18.0	122.4	72.8	49.7	114.9	61.3	53.6
3. Primary Income	4.0	10.1	-6.2	3.8	10.2	-6.4	12.0	32.3	-20.3	11.0	28.8	-17.8
4. Secondary Income	15.3	1.4	13.9	15.9	0.7	15.3	45.8	4.0	41.8	50.3	2.6	47.7
B. Capital Account and Financial Account	138.7	131.3	7.4	115.1	108.3	6.8	406.8	395.1	11.8	383.6	360.6	23.0
<i>Of which:</i>												
Change in Reserve (Increase (-)/Decrease (+))	1.2		1.2		4.1	-4.1	1.2	15.5	-14.2	0.9	15.5	-14.6
C. Errors & Omissions (-) (A+B)	0.5		0.5	0.3		0.3		0.2	-0.2		1.2	-1.2

P: Preliminary

Note: Total of subcomponents may not tally with aggregate due to rounding off.