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RESERVE BANK OF INDIA

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India's International Investment Position (IIP), March 2020¹

Today, the Reserve Bank released data relating to [India's International Investment Position](#) as at [end-March 2020](#).

Key Features

I. Quarterly Variations (January-March, 2020):

- Net claims of non-residents on India lowered by US\$ 45.8 billion to US\$ 379.3 billion in March 2020 (Table 1).
- The decline in net foreign owned assets in India was due to a reduction of US\$ 28.1 billion in the non-residents' assets combined with an increase of US\$ 17.7 billion in Indian residents' foreign assets.
- Overseas assets of Indian residents' rose mainly due to a surge of US\$ 17.9 billion in reserve assets, supported by an increase in overseas direct investments even as other investments declined marginally during the quarter.
- The fall in foreign-owned assets was largely due to decline in portfolio and direct investments in India by US\$ 20.1 billion and US\$ 8.7 billion, respectively, even as loans availed by residents [mainly, external commercial borrowings (ECBs)] increased during the quarter; depreciation of the Indian rupee against the US dollar contributed to the decline in foreign-owned assets in India, when valued in US dollar terms.
- Reserve assets accounted for around two-thirds of total foreign assets (Table 3).
- The share of debt liabilities in total liabilities increased during the quarter (Table 4).
- The ratio of India's international financial assets to international financial liabilities improved significantly to 65.4 per cent at end-March 2020 (62.1 per cent a quarter ago; 59.5 per cent a year ago).

II. Annual Variations (April-March, 2019-20)

- International financial assets of Indian residents increased by US\$ 73.9 billion due to the rise in reserve assets and overseas direct investment by US\$ 64.9 billion and US\$ 13.0 billion, respectively, though other investments declined marginally during the year (Table 1).

¹ India's quarterly IIP is disseminated with a one- quarter lag. The IIP for end- December 2019 was placed in the public domain on [March 31, 2020](#)

- Despite a fall of US\$ 13.7 billion in portfolio investment during the year, international financial liabilities increased by US\$ 16.3 billion as direct investment and other investments rose by US\$ 19.0 billion and US\$ 11.0 billion, respectively.
- Overall, net claims of non-residents on India declined by US\$ 57.6 billion during the year.

III. Ratio of International Financial Assets and Liabilities to GDP

- The ratio of overseas financial assets to India's GDP in 2019-20 (at current market prices) moved up to 26.5 per cent in March 2020 (23.4 per cent a year ago) (Table 2).
- The ratio of total claims of non-residents to GDP increased to 40.5 per cent in March 2020 (39.3 per cent a year ago).
- The ratio of net IIP to GDP improved to (-)14.0 per cent as at end-March 2020 [(-)15.9 per cent].

Press Release: 2019-2020/2571

(Yogesh Dayal)
Chief General Manager

Table 1: Overall International Investment Position of India

(US \$ billion)

Period	Mar-19 (R)	Jun-19 (PR)	Sep-19 (PR)	Dec-19 (PR)	Mar-20 (P)
Net IIP	-436.9	-451.6	-436.5	-425.1	-379.3
A. Assets	641.7	662.2	669.5	697.9	715.6
1. Direct Investment	170.0	173.2	176.2	179.7	183.0
2. Portfolio Investment	4.7	5.0	4.5	4.8	3.8
2.1 <i>Equity Securities</i>	0.6	1.8	2.3	2.6	0.6
2.2 <i>Debt Securities</i>	4.1	3.2	2.2	2.2	3.2
3. Other Investment	54.2	54.1	55.0	53.4	51.0
3.1 <i>Trade Credits</i>	0.9	2.1	1.6	2.2	1.5
3.2 <i>Loans</i>	9.9	9.8	7.9	6.2	6.7
3.3 <i>Currency and Deposits</i>	25.2	24.2	27.6	27.1	26.0
3.4 <i>Other Assets</i>	18.2	18.1	17.9	17.9	16.8
4. Reserve Assets	412.9	429.8	433.7	459.9	477.8
B. Liabilities	1078.6	1113.8	1106.0	1123.0	1094.9
1. Direct Investment	399.2	417.6	417.1	426.9	418.2
2. Portfolio Investment	260.3	266.8	260.0	266.7	246.6
2.1 <i>Equity Securities</i>	147.5	151.2	144.0	148.9	134.8
2.2 <i>Debt securities</i>	112.8	115.6	116.0	117.8	111.8
3. Other Investment	419.1	429.3	428.9	429.3	430.1
3.1 <i>Trade Credits</i>	105.2	107.2	106.6	105.2	104.3
3.2 <i>Loans</i>	167.9	173.7	174.8	177.3	180.0
3.3 <i>Currency and Deposits</i>	130.6	133.8	133.1	133.3	130.8
3.4 <i>Other Liabilities</i>	15.3	14.5	14.4	13.5	15.0
Memo item: Assets to Liability Ratio (%)	59.5	59.5	60.5	62.1	65.4

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: Ratios of External Financial Assets and Liabilities to GDP

(per cent)

Period	Mar-18 (R)	Mar-19 (PR)	Mar-20 (P)
Net IIP (Assets - Liabilities)	-15.9	-15.9	-14.0
A. Assets	24.1	23.4	26.5
1. Direct Investment Abroad	6.0	6.2	6.8
2. Portfolio Investment	0.2	0.2	0.1
2.1 Equity Securities	0.1	-	-
2.2 Debt Securities	0.1	0.2	0.1
3. Other Investment	1.8	2.0	1.9
3.1 Trade Credits	0.1	0.0	0.0
3.2 Loans	0.3	0.4	0.2
3.3 Currency and Deposits	0.8	0.9	1.0
3.4 Other Assets	0.7	0.7	0.6
4. Reserve Assets	16.1	15.1	17.7
B. Liabilities	40.0	39.3	40.5
1. Direct Investment in India	14.4	14.6	15.5
2. Portfolio Investment	10.4	9.5	9.1
2.1 Equity Securities	5.9	5.4	5.0
2.2 Debt securities	4.5	4.1	4.1
3. Other Investment	15.3	15.3	15.9
3.1 Trade Credits	3.9	3.8	3.9
3.2 Loans	6.1	6.1	6.7
3.3 Currency and Deposits	4.8	4.8	4.8
3.4 Other Liabilities	0.4	0.6	0.6

Note - : Negligible.

Table 3: Composition of International Financial Assets and Liabilities of India

(per cent)

Period	Mar-19 (R)	Jun-19 (PR)	Sep-19 (PR)	Dec-19 (PR)	Mar-20 (P)
A. Assets					
1. Direct Investment	26.5	26.1	26.3	25.7	25.6
2. Portfolio Investment	0.7	0.8	0.7	0.7	0.5
3. Other Investment	8.5	8.2	8.2	7.7	7.1
4. Reserve Assets	64.3	64.9	64.8	65.9	66.8
Assets/Liabilities	100.0	100.0	100.0	100.0	100.0
B. Liabilities					
1. Direct Investment	37.0	37.5	37.7	38.0	38.2
2. Portfolio Investment	24.1	24.0	23.5	23.8	22.5
3. Other Investment	38.9	38.5	38.8	38.2	39.3

Table 4: Share of External Debt and Non-Debt Liabilities of India

(per cent)

Period	Mar-19 (R)	Jun-19 (PR)	Sep-19 (PR)	Dec-19 (PR)	Mar-20 (P)
<i>Non-Debt Liabilities</i>	49.1	49.5	49.1	49.3	48.4
<i>Debt Liabilities</i>	50.9	50.5	50.9	50.7	51.6
Total	100.0	100.0	100.0	100.0	100.0