



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: 022 2266 0502

June 28, 2019

Developments in India's Balance of Payments during the Fourth Quarter (January-March) of 2018-19

Preliminary data on India's balance of payments (BoP) for the fourth quarter (Q4), *i.e.*, January-March 2018-19, are presented in [Statements I \(BPM6 format\)](#) and [II \(old format\)](#).

Key Features of India's BoP in Q4 of 2018-19

- India's current account deficit (CAD) at US\$ 4.6 billion (0.7 per cent of GDP) in Q4 of 2018-19 narrowed from US\$ 13.0 billion (1.8 per cent of GDP) in Q4 of 2017-18 and US\$ 17.7 billion (2.7 per cent of GDP) in the preceding quarter.
- The contraction of the CAD on a year-on-year (y-o-y) basis was primarily on account of a lower trade deficit at US\$ 35.2 billion as compared with US\$ 41.6 billion a year ago.
- Net services receipts increased by 5.8 per cent on a y-o-y basis mainly on the back of a rise in net earnings from telecommunications, computer and information services.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, at US\$ 17.9 billion declined by 0.9 per cent from their level a year ago.
- In the financial account, net foreign direct investment at US\$ 6.4 billion in Q4 of 2018-19 remained at the same level as in Q4 of 2017-18.
- Foreign portfolio investment recorded net inflow of US\$ 9.4 billion in Q4 of 2018-19 – as compared with US\$ 2.3 billion in Q4 a year ago – on account of net purchases in both debt and equity market.
- Net inflow on account of external commercial borrowings to India increased to US\$ 7.2 billion in Q4 of 2018-19 from US\$ 1.0 billion a year ago.
- In Q4 of 2018-19, there was an accretion of US\$ 14.2 billion to the foreign exchange reserves (on BoP basis) as compared with US\$ 13.2 billion in Q4 of 2017-18 (Table 1).

BoP during 2018-19

- The CAD increased to 2.1 per cent of GDP in 2018-19 from 1.8 per cent in 2017-18 on the back of widening of the trade deficit.

- India's trade deficit increased to US\$ 180.3 billion in 2018-19 from US\$ 160.0 billion in 2017-18.
- Net invisible receipts were higher in 2018-19 mainly due to increase in net services earnings and private transfer receipts.
- Net FDI inflows at US\$ 30.7 billion in 2018-19 were marginally higher than US\$ 30.3 billion in 2017-18.
- Portfolio investment recorded a net outflow of US\$ 2.4 billion in 2018-19 as against an inflow of US\$ 22.1 billion a year ago.
- In 2018-19, there was a depletion of US\$ 3.3 billion of the foreign exchange reserves (on a BoP basis).

Press Release: 2018-2019/3075

Yogesh Dayal
Chief General Manager

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

(US\$ Billion)												
	January-March 2019 P			January-March 2018			2018-19 P			2017-18		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	165.2	169.8	-4.6	156.7	169.7	-13.0	643.7	700.9	-57.2	592.4	641.0	-48.7
1. Goods	87.4	122.6	-35.2	82.2	123.8	-41.6	337.2	517.5	-180.3	309.0	469.0	-160.0
<i>Of which:</i>												
POL	9.8	32.4	-22.6	10.6	33.0	-22.4	46.5	140.8	-94.3	37.4	108.6	-71.2
2. Services	54.6	33.3	21.3	51.6	31.4	20.2	208.0	126.1	81.9	195.1	117.5	77.6
3. Primary Income	5.2	12.1	-6.9	4.8	12.6	-7.8	21.8	50.7	-28.9	18.9	47.5	-28.7
4. Secondary Income	18.0	1.8	16.2	18.1	1.9	16.2	76.6	6.6	70.0	69.4	6.9	62.5
B. Capital Account and Financial Account	159.0	153.9	5.1	171.5	159.7	11.8	560.0	502.3	57.7	643.6	595.9	47.8
<i>Of which:</i>												
Change in Reserves [(Increase (-)/Decrease (+)]		14.2	-14.2		13.2	-13.2	17.5	14.2	3.3		43.6	-43.6
C. Errors & Omissions (-) (A+B)		0.4	-0.4	1.3		1.3		0.5	-0.5	0.9		0.9
P: Preliminary												
Note: Total of subcomponents may not tally with aggregate due to rounding off.												