



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 29, 2018

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India's International Investment Position (IIP), March 2018¹

Today, the Reserve Bank released data relating to [India's International Investment Position](#) as at [end-March 2018](#).

Key Features of India's IIP in March 2018

I. Quarterly Variations:

- Net claims of non-residents on India declined by US\$ 1.8 billion during the quarter (Table 1).
- Indian residents' overseas financial assets increased by US\$ 19.6 billion, a substantial portion of which came from increase in reserve assets.
- Foreign-owned assets in India increased by US\$ 17.8 billion with broad-based contribution from portfolio debt securities, trade credit, commercial loans, foreign direct investment and currency and deposits.
- Reserve assets accounted for over two-thirds of India's international financial assets; overseas direct investment was the second largest category of assets (Table 3).
- Debt and non-debt liabilities had nearly equal share in total liabilities to non-residents (Table 4).
- The ratio of India's international financial assets to international financial liabilities stood at 60.1 per cent in March 2018 (59.2 per cent in December 2017).

II. Annual Variations

- There was an increase of US\$ 31.8 billion in net claims of non-residents on India during 2017-18, as the increase in foreign owned assets in India (US\$ 94.7 billion) exceeded the increase in Indian residents' overseas financial assets (US\$ 62.9 billion).
- The major portion of the increase in India's international financial assets came from reserve assets.
- Direct investment, portfolio debt investment, trade credit, and, currency and deposits contributed to the higher increase in liabilities to non-residents.

III. Ratio of International Financial Assets and Liabilities to GDP

- The ratio of total international financial assets to Gross Domestic Product (GDP) at current prices, increased marginally to 24.5 per cent in March 2018 from 24.2 per cent a year ago (Table 2). The ratio of reserve assets to GDP increased to 16.5 per cent in March 2018 from 15.7 per cent a year ago.
- The ratio of total international financial liabilities to GDP stood at 40.8 in March 2018, nearly same as a year ago.
- The ratio of net IIP to GDP was (-) 16.3 per cent in March 2018.

¹ India's quarterly IIP is disseminated with a one-quarter lag. The IIP for end- December 2017 was placed in the public domain on [March 28, 2018](#)

Table 1: Overall International Investment Position of India

(US \$ billion)

Period	Mar-17(R)	Jun-17(PR)	Sep-17(PR)	Dec-17(PR)	Mar-18(P)
Net IIP	-388.5	-400.6	-397.6	-422.1	-420.3
A. Assets	569.9	582.3	600.9	613.2	632.8
1. Direct Investment	148.2	151.2	153.5	155.2	157.4
2. Portfolio Investment	2.6	2.1	2.5	2.6	2.7
2.1 Equity Securities	1.6	2.0	2.4	2.3	1.3
2.2 Debt Securities	1.0	0.1	0.0	0.3	1.4
3. Other Investment	49.1	42.4	44.7	46.3	48.2
3.1 Trade Credits	1.8	1.2	1.3	1.6	1.7
3.2 Loans	7.4	5.2	6.0	5.6	8.2
3.3 Currency & Deposits	22.0	18.1	19.2	20.8	20.8
3.4 Other Assets	17.9	18.0	18.3	18.4	17.5
4. Reserve Assets	370.0	386.5	400.2	409.1	424.5
B. Liabilities	958.4	982.8	998.5	1035.3	1053.1
1. Direct Investment	342.6	353.2	364.1	377.5	379.4
2. Portfolio Investment	238.4	250.9	253.8	267.5	272.2
2.1 Equity Securities	154.0	154.9	150.1	155.7	155.1
2.2 Debt securities	84.4	96.0	103.7	111.8	117.1
3. Other Investment	377.4	378.7	380.6	390.3	401.5
3.1 Trade Credits	88.9	89.6	93.6	98.4	103.2
3.2 Loans	159.5	158.3	156.6	155.9	159.7
3.3 Currency & Deposits	117.1	118.5	118.3	123.5	126.4
3.4 Other Liabilities	11.9	12.3	12.2	12.4	12.2
Memo item: Assets to Liability Ratio (%)	59.5	59.2	60.2	59.2	60.1

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-16 (R)	Mar-17 (PR)	Mar-18(P)
Net IIP (Assets - Liabilities)	-17.4	-16.5	-16.3
A. Assets	26.5	24.2	24.5
1. Direct Investment Abroad	6.8	6.3	6.1
2. Portfolio Investment	0.1	0.1	0.1
2.1 Equity Securities	0.1	0.1	0.0
2.2 Debt Securities	0.0	0.0	0.1
3. Other Investment	2.3	2.1	1.9
3.1 Trade Credits	0.1	0.1	0.0
3.2 Loans	0.3	0.3	0.3
3.3 Currency and Deposits	1.0	0.9	0.8
3.4 Other Assets	0.8	0.8	0.7
4. Reserve Assets	17.3	15.7	16.5
B. Liabilities	43.9	40.7	40.8
1. Direct Investment in India	14.2	14.6	14.7
2. Portfolio Investment	10.8	10.1	10.6
2.1 Equity Securities	6.8	6.5	6.0
2.2 Debt securities	4.0	3.6	4.5
3. Other Investment	18.9	16.0	15.6
3.1 Trade Credits	4.0	3.8	4.0
3.2 Loans	8.2	6.8	6.2
3.3 Currency and Deposits	6.1	5.0	4.9
3.4 Other Liabilities	0.6	0.5	0.5

Table 3: Composition of International Financial Assets and Liabilities of India
(per cent)

Period	Mar-17(R)	Jun-17(PR)	Sep-17(PR)	Dec-17(PR)	Mar-18(P)
A. Assets					
<i>1. Direct Investment</i>	26.0	26.0	25.5	25.3	24.9
<i>2. Portfolio Investment</i>	0.5	0.4	0.4	0.4	0.4
<i>3. Other Investment</i>	8.6	7.3	7.4	7.6	7.6
<i>4. Reserve Assets</i>	64.9	66.3	66.6	66.7	67.1
Assets/Liabilities	100.0	100.0	100.0	100.0	100.0
B. Liabilities					
<i>1. Direct Investment</i>	35.7	36.0	36.5	36.5	36.0
<i>2. Portfolio Investment</i>	24.9	25.5	25.4	25.8	25.9
<i>3. Other Investment</i>	39.4	38.5	38.1	37.7	38.1

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

Period	Mar-17(R)	Jun-17(PR)	Sep-17(PR)	Dec-17(PR)	Mar-18(P)
<i>Non-Debt Liabilities</i>	50.3	50.1	49.9	50.0	49.2
<i>Debt Liabilities</i>	49.7	49.9	50.1	50.0	50.8
Total	100.0	100.0	100.0	100.0	100.0

Press Release: 2017-2018/3410

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