



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 30, 2022

India's International Investment Position (IIP), March 2022

Today, the Reserve Bank released data relating to [India's International Investment Position](#) for [end-March 2022](#)^[1].

Key Features of India's IIP in end-March 2022

Quarterly Variations:

- Net claims of non-residents on India increased by US\$ 5.6 billion during Q4:2021-22 to US\$ 359.8 billion in March 2022.
- This rise in net claims was due to larger decline in the Indian residents' overseas financial assets [US\$ (-)7.3 billion] when compared to the decline in foreign-owned assets in India [US\$ (-)1.7 billion] ([Table 1](#)).
- Foreign assets of Indian residents declined during Q4:2021-22, mainly due to a decrease of US\$ 26.3 billion in reserve assets even as direct, portfolio and other investments, such as, trade credit and currency and deposits increased during the period.
- Even though reserve assets declined during the quarter, it accounted for around two thirds of India's international financial assets ([Table 3](#)).
- The decline in India's foreign liabilities during the quarter is attributed to reduction in portfolio investment as well as currency and deposits.
- Variation in the exchange rate of rupee *vis-a-vis* other currencies had a significant impact on the change in liabilities, when valued in US\$ terms, as the rupee depreciated by 2.02 per cent during the quarter.
- The share of debt liabilities in total external liabilities increased marginally to 49.2 per cent as at end-March 2022 from 48.5 per cent a quarter ago ([Table 4](#)).

Annual Variations

- During 2021-22, non-residents' net claims on India increased by US\$ 4.6 billion: increase in foreign owned assets in India (US\$ 65.8 billion) exceeded the rise in overseas assets of Indian residents (US\$ 61.1 billion) ([Table 1](#)).

^[1] India's quarterly IIP is disseminated with a lag of one quarter and the previous quarterly IIP for end-December 2021 was released in the RBI website on [March 31, 2022](#).

- International financial assets of Indian residents increased primarily due to increase in reserve assets (US\$ 30.3 billion), direct investment (US\$ 17.7 billion) and trade credits (US\$ 13.0 billion).
- In spite of a decline of US\$ 16.1 billion in portfolio investment during the financial year, international financial liabilities increased on the back of large rise in direct investment in India (US\$ 39.6 billion) and other investments (US\$ 42.4 billion).
- Variation in the exchange rate of rupee *vis-a-vis* other currencies affected change in liabilities, when valued in US\$ terms.
- The ratio of India's international financial assets to international financial liabilities increased to 71.9 per cent in March 2022 from 70.8 per cent a year ago.

Ratio of International Financial Assets and Liabilities to GDP (at current prices):

- As a ratio to GDP at current market prices, India's reserve assets, residents' financial assets as well as claims of non-residents on India declined during 2021-22 ([Table 2](#)).
- The ratio of net claims of non-residents on India to nominal GDP improved to (-)11.6 per cent in March 2022 from (-)13.2 per cent a year ago.

Press Release: 2022-2023/451

(Yogesh Dayal)
Chief General Manager

Table 1: Overall International Investment Position of India

(US\$ billion)

Period	Mar-21 (PR)	Jun-21 (PR)	Sep-21 (PR)	Dec-21 (PR)	Mar-22 (P)
Net IIP (A-B)	-355.2	-330.8	-335.6	-354.2	-359.8
A. Assets	859.5	895.4	932.3	927.9	920.6
1. Direct Investment	193.9	199.6	203.8	208.1	211.6
<i>1.1 Equity and investment fund shares</i>	122.7	125.6	128.1	130.9	132.8
<i>1.2 Debt instruments</i>	71.2	74.1	75.8	77.2	78.8
2. Portfolio Investment	7.9	7.9	8.6	9.7	10.6
<i>2.1 Equity and investment fund shares</i>	2.3	3.1	4.6	6.1	1.1
<i>2.2 Debt Securities</i>	5.6	4.8	4.0	3.6	9.5
3. Other Investment	80.6	76.8	84.5	76.5	91.1
<i>3.1 Trade Credits</i>	5.6	7.9	11.8	12.9	18.6
<i>3.2 Loans</i>	13.3	13.6	10.8	8.9	10.5
<i>3.3 Currency and Deposits</i>	42.4	35.9	42.3	34.8	42.1
<i>3.4 Other Assets</i>	19.2	19.4	19.6	19.9	19.9
4. Reserve Assets	577.0	611.1	635.4	633.6	607.3
B. Liabilities	1,214.6	1,226.2	1,267.8	1,282.1	1,280.4
1. Direct Investment	482.1	493.7	506.7	514.2	521.7
<i>1.1 Equity and investment fund shares</i>	456.9	468.0	480.7	487.9	494.0
<i>1.2 Debt instruments</i>	25.2	25.7	26.0	26.3	27.7
2. Portfolio Investment	278.5	277.8	282.6	277.1	262.4
<i>2.1 Equity and investment fund shares</i>	177.3	176.2	177.0	172.8	156.4
<i>2.2 Debt securities</i>	101.2	101.6	105.5	104.3	106.0
3. Other Investment	454.0	454.7	478.5	490.8	496.4
<i>3.1 Trade Credits</i>	100.3	102.1	104.4	113.5	118.2
<i>3.2 Loans</i>	197.5	197.2	201.2	204.1	205.0
<i>3.3 Currency and Deposits</i>	143.8	143.1	142.9	143.5	141.0
<i>3.4 Other Liabilities</i>	12.4	12.3	30.0	29.8	32.2
Memo item:	70.8	73.0	73.5	72.4	71.9
Assets to Liability Ratio (%)					

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-20 (R)	Mar-21 (PR)	Mar-22 (P)
Net IIP (Assets - Liabilities)	-14.1	-13.2	-11.6
A. Assets	26.9	31.8	29.4
1. Direct Investment	6.9	7.2	6.8
<i>1.1 Equity and investment fund shares</i>	4.5	4.6	4.3
<i>1.2 Debt instruments</i>	2.4	2.6	2.5
2. Portfolio Investment	0.1	0.3	0.3
<i>2.1 Equity and investment fund shares</i>	-	0.1	-
<i>2.2 Debt Securities</i>	0.1	0.2	0.3
3. Other Investment	2.0	3.0	2.9
<i>3.1 Trade Credits</i>	-	0.2	0.6
<i>3.2 Loans</i>	0.3	0.5	0.3
<i>3.3 Currency and Deposits</i>	1.0	1.6	1.3
<i>3.4 Other Assets</i>	0.7	0.7	0.6
4. Reserve Assets	17.9	21.3	19.4
B. Liabilities	41.0	45.0	41.0
1. Direct Investment	15.7	17.9	16.7
<i>1.1 Equity and investment fund shares</i>	14.8	17.0	15.8
<i>1.2 Debt instruments</i>	0.9	0.9	0.9
2. Portfolio Investment	8.8	10.3	8.4
<i>2.1 Equity and investment fund shares</i>	5.1	6.6	5.0
<i>2.2 Debt securities</i>	3.7	3.8	3.4
3. Other Investment	16.5	16.8	15.9
<i>3.1 Trade Credits</i>	3.9	3.7	3.8
<i>3.2 Loans</i>	7.3	7.3	6.6
<i>3.3 Currency and Deposits</i>	5.0	5.3	4.5
<i>3.4 Other Liabilities</i>	0.3	0.5	1.0

Note: - Negligible

R: Revised; PR: Partially revised; P: Provisional;

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

(per cent)

Period	Mar-21 (PR)	Jun-21 (PR)	Sep-21 (PR)	Dec-21 (PR)	Mar-22 (P)
A. Assets					
1. <i>Direct Investment</i>	22.6	22.3	21.9	22.4	23.0
2. <i>Portfolio Investment</i>	0.9	0.9	0.9	1.1	1.1
3. <i>Other Investment</i>	9.4	8.6	9.1	8.2	9.9
4. <i>Reserve Assets</i>	67.1	68.2	68.1	68.3	66.0
Assets/Liabilities	100.0	100.0	100.0	100.0	100.0
B. Liabilities					
1. <i>Direct Investment</i>	39.7	40.3	40.0	40.1	40.7
2. <i>Portfolio Investment</i>	22.9	22.6	22.3	21.6	20.5
3. <i>Other Investment</i>	37.4	37.1	37.7	38.3	38.8

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

(per cent)

Period	Mar-21 (PR)	Jun-21 (PR)	Sep-21 (PR)	Dec-21 (PR)	Mar-22 (P)
<i>Non-Debt Liabilities</i>	52.2	52.5	51.9	51.5	50.8
<i>Debt Liabilities</i>	47.8	47.5	48.1	48.5	49.2
Total	100.0	100.0	100.0	100.0	100.0