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**Developments in India's Balance of Payments during the Fourth Quarter
(January-March) of 2022-23**

Preliminary data on India's balance of payments (BoP) for the fourth quarter (Q4), *i.e.*, January-March 2022-23, are presented in [Statements I \(BPM6 format\)](#) and [II \(old format\)](#).

Key Features of India's BoP in Q4:2022-23

- India's current account deficit (CAD) decreased to US\$ 1.3 billion (0.2 per cent of GDP) in Q4:2022-23 from US\$ 16.8 billion (2.0 per cent of GDP) in Q3:2022-23¹, and US\$ 13.4 billion (1.6 per cent of GDP) a year ago [*i.e.*, Q4:2021-22]².
- The sequential decline in CAD in Q4:2022-23 was mainly on account of a moderation in the trade deficit to US\$ 52.6 billion in Q4:2022-23 from US\$ 71.3 billion in Q3:2022-23, coupled with robust services exports.
- Net services receipts increased, both sequentially and on a year-on-year (y-o-y) basis, on the back of a rise in net earnings from computer services.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, increased to US\$ 28.6 billion, up by 20.8 per cent from their level a year ago.
- Net outgo on the primary income account, largely reflecting net income payments on foreign investment, increased on a year-on-year basis, while showing a marginal decline sequentially.
- In the financial account, net foreign direct investment (FDI) at US\$ 6.4 billion was higher than US\$ 2.0 billion in Q3:2022-23, although lower than a year ago (US\$ 13.8 billion).
- Net foreign portfolio investment (FPI) recorded an outflow of US\$ 1.7 billion – driven by the equity segment, as compared with an outflow of US\$ 15.2 billion during the corresponding period a year ago.

¹ The CAD for Q2:2022-23 has been revised upwards to 3.8 per cent from 3.7 per cent earlier due to a downward revision in GDP data by the National Statistical Office (NSO). The CAD for Q3:2022-23 has been revised downwards from US\$ 18.2 billion (2.2 per cent of GDP) to US\$ 16.8 billion (2.0 per cent of GDP) due to downward adjustment in Customs data.

² https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53906. For longer time series data, please see: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics> External Sector › International Trade › Quarterly/Yearly.

- Net external commercial borrowings (ECBs) to India recorded an inflow of US\$ 1.7 billion, as against an outflow of US\$ 2.5 billion during Q3:2022-23 and an inflow of US\$ 3.3 billion in Q4:2021-22.
- There was an accretion to the foreign exchange reserves (on a BoP basis) to the tune of US\$ 5.6 billion as against a depletion of US\$ 16.0 billion in Q4:2021-22 (Table 1).

BoP during 2022-23

- The current account balance recorded a deficit of 2.0 per cent of GDP in 2022-23 as compared with a deficit of 1.2 per cent in 2021-22 as the trade deficit widened to US\$ 265.3 billion from US\$ 189.5 billion a year ago.
- Net invisible receipts were higher in 2022-23 due to increase in net exports of services and net private transfer receipts, even though net income outgo was higher than a year ago.
- Net FDI inflows at US\$ 28.0 billion in 2022-23 were lower than US\$ 38.6 billion in 2021-22.
- Net FPI recorded an outflow of US\$ 5.2 billion in 2022-23 as compared with an outflow of US\$ 16.8 billion a year ago.
- Net ECBs to India recorded an outflow of US\$ 4.1 billion in 2022-23 as against an inflow of US\$ 7.4 billion in 2021-22.
- In 2022-23, there was a depletion of US\$ 9.1 billion of the foreign exchange reserves (on a BoP basis).

	January-March 2023 P			January-March 2022			2022-23 P			2021-22		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	238.0	239.3	-1.3	218.8	232.2	-13.4	921.9	988.8	-67.0	798.7	837.4	-38.7
1. Goods	115.8	168.4	-52.6	118.0	172.5	-54.5	456.1	721.4	-265.3	429.2	618.6	-189.5
Of which:												
POL	23.8	50.8	-27.0	21.3	49.3	-28.0	97.4	209.4	-112.0	67.5	161.8	-94.3
2. Services	85.8	46.8	39.1	69.9	41.6	28.3	325.3	182.0	143.3	254.5	147.0	107.5
3. Primary Income	7.7	20.3	-12.6	7.2	15.6	-8.4	27.8	73.8	-45.9	25.8	63.0	-37.3
4. Secondary Income	28.6	3.9	24.8	23.7	2.6	21.2	112.6	11.7	100.9	89.3	8.8	80.5
B. Capital Account and Financial Account	153.4	152.5	0.9	182.1	167.8	14.3	702.9	634.9	68.0	777.4	739.2	38.2
Of which:												
Change in Reserves [Increase (-)/Decrease (+)]		5.6	-5.6	16.0		16.0	30.4	21.2	9.1	16.0	63.5	-47.5
C. Errors & Omissions (-) (A+B)	0.4		0.4		0.9	-0.9	0.9	1.9	-1.0	1.4	1.0	0.5
P: Preliminary.												

Note: Total of sub-components may not tally with aggregate due to rounding off.