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## Developments in India's Balance of Payments during the Fourth Quarter (January-March) of 2023-24

Preliminary data on India's balance of payments (BoP) for the fourth quarter (Q4), *i.e.*, January-March 2023-24, are presented in [Statements I](#) and [II](#).

### Key Features of India's BoP in Q4:2023-24

- India's current account balance recorded a surplus of US\$ 5.7 billion (0.6 per cent of GDP) in Q4:2023-24 as against a deficit of US\$ 8.7 billion (1.0 per cent of GDP) in Q3:2023-24<sup>1</sup> and US\$ 1.3 billion (0.2 per cent of GDP) a year ago [*i.e.*, Q4:2022-23]<sup>2</sup>.
- The merchandise trade deficit at US\$ 50.9 billion in Q4:2023-24 was lower than US\$ 52.6 billion a year ago.
- Services exports grew by 4.1 per cent on a y-o-y basis in Q4:2023-24 on the back of rising exports of software, travel and business services. Net services receipt at US\$ 42.7 billion was higher than its level a year ago (US\$ 39.1 billion), which contributed to the surplus in the current account balance during Q4:2023-24.
- Net outgo on the primary income account, primarily reflecting payments of investment income, increased to US\$ 14.8 billion from US\$ 12.6 billion a year ago.

<sup>1</sup> The current account deficit for Q3:2023-24 was revised to US\$ 8.7 billion from US\$ 10.5 billion earlier due to downward adjustment of customs data on merchandise imports.

<sup>2</sup> <https://website.rbi.org.in/web/rbi/-/press-releases/developments-in-india-s-balance-of-payments-during-the-fourth-quarter-january-march-of-2022-23-55933>. For longer time series data, please see: [CIMS DBIE \(rbi.org.in\)](http://CIMS.DBIE.rbi.org.in) > Statistics > External Sector > International Trade > Quarterly/Yearly.

- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 32.0 billion, an increase of 11.9 per cent over their level a year ago.
- In the financial account, net foreign direct investment flows were US\$ 2.0 billion in Q4:2023-24 as compared with US\$ 6.4 billion a year ago.
- Foreign portfolio investment recorded a net inflow of US\$ 11.4 billion in Q4:2023-24 as against a net outflow of US\$ 1.7 billion during Q4:2022-23.
- Net inflows under external commercial borrowings to India amounted to US\$ 2.6 billion in Q4:2023-24 as compared with US\$ 1.7 billion a year ago.
- Non-resident deposits recorded a higher net inflow of US\$ 5.4 billion than US\$ 3.6 billion in Q4:2022-23.
- There was an accretion of foreign exchange reserves (on a BoP basis *i.e.*, excluding valuation effects) to the tune of US\$ 30.8 billion in Q4:2023-24 as compared with an accretion of US\$ 5.6 billion a year ago ([Table 1](#)).

#### **BoP during 2023-24**

- India's current account deficit moderated to US\$ 23.2 billion (0.7 per cent of GDP) during 2023-24 from US\$ 67.0 billion (2.0 per cent of GDP) during the previous year on the back of a lower merchandise trade deficit.
- Net invisibles receipt was higher during 2023-24 than a year ago, primarily on account of services and transfers.
- During 2023-24, portfolio investment recorded a net inflow of US\$ 44.1 billion as against an outflow of US\$ 5.2 billion a year ago.
- Net FDI inflow was US\$ 9.8 billion during 2023-24 as compared with US\$ 28.0 billion in 2022-23.
- In 2023-24, there was an accretion of US\$ 63.7 billion to the foreign exchange reserves (on a BoP basis).

Table 1: Major Items of India's Balance of Payments												
												(US\$ billion)
	January-March 2023			January-March 2024			2022-23			2023-24		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
<b>A. Current Account</b>	<b>238.0</b>	<b>239.3</b>	<b>-1.3</b>	<b>253.6</b>	<b>247.9</b>	<b>5.7</b>	<b>921.9</b>	<b>988.8</b>	<b>-67.0</b>	<b>942.9</b>	<b>966.1</b>	<b>-23.2</b>
1. Goods	115.8	168.4	-52.6	121.7	172.5	-50.9	456.1	721.4	-265.3	441.5	683.5	-242.1
<i>Of which:</i>												
POL	23.9	50.8	-26.9	22.2	49.6	-27.4	97.5	209.4	-111.9	84.2	179.6	-95.5
2. Services	85.8	46.8	39.1	89.4	46.7	42.7	325.3	182.0	143.3	341.1	178.3	162.8
3. Primary Income	7.7	20.3	-12.6	10.5	25.3	-14.8	27.8	73.8	-45.9	41.5	91.2	-49.8
4. Secondary Income	28.6	3.9	24.8	32.1	3.4	28.7	112.6	11.7	100.9	118.9	13.0	105.9
<b>B. Capital Account and Financial Account</b>	<b>153.4</b>	<b>152.5</b>	<b>0.9</b>	<b>248.1</b>	<b>254.4</b>	<b>-6.2</b>	<b>702.9</b>	<b>634.9</b>	<b>68.0</b>	<b>850.3</b>	<b>827.8</b>	<b>22.5</b>
<i>Of which:</i>												
Change in Reserve (Increase (-)/Decrease (+))	0	5.6	-5.6	0.0	30.8	-30.8	30.4	21.2	9.1	0.0	63.7	-63.7
<b>C. Errors &amp; Omissions (-) (A+B)</b>	<b>0.4</b>	<b>0.0</b>	<b>0.4</b>	<b>0.5</b>	<b>0.0</b>	<b>0.5</b>	<b>0.0</b>	<b>1.0</b>	<b>-1.0</b>	<b>0.7</b>	<b>0.0</b>	<b>0.7</b>
P: Preliminary.												
Note: Total of subcomponents may not tally with aggregate due to rounding off.												

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(Puneet Pancholy)  
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