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## Developments in India's Balance of Payments during the First Quarter (April-June) of 2015-16

Preliminary data on India's balance of payments (BoP) for the first quarter (Q1) *i.e.*, April-June 2015-16 are presented in [Statements I \(BPM6 format\)](#) and [II \(old format\)](#).

### Key Features of India's BoP in Q1 of 2015-16

- India's current account deficit (CAD) narrowed to US\$ 6.2 billion (1.2 per cent of GDP) in Q1 of 2015-16 from US\$ 7.8 billion (1.6 per cent of GDP) a year ago.
- This improvement was mainly on account of the merchandise trade deficit (US\$ 34.2 billion during Q1 of 2015-16) which contracted on a year-on-year (y-o-y) basis due to a larger absolute decline in merchandise imports relative to merchandise exports.
- The reduction in the CAD was also enabled by higher net earnings through services and lower outflow on account of primary income (profit, dividend and interest).
- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 16.2 billion, a marginal decline from their level a year ago.
- In the financial account, net inflows of foreign direct investment were higher on a y-o-y basis, however, portfolio investment declined sharply, almost entirely in the debt segment.
- Non-resident Indian (NRI) deposits received by commercial banks during the quarter at US\$ 5.9 billion were more than double the net inflow into these accounts in Q1 of last year.
- Net loans availed by banks witnessed an inflow of US\$ 5.4 billion, mainly on account of a fall in foreign currency assets held abroad by banks.
- In April-June 2015 there was net accretion of US\$ 11.4 billion to India's foreign exchange reserves on a BoP basis; which was marginally higher than the accretion in the corresponding quarter of last year (Table 1).

<b>Table 1: Major Items of India's Balance of Payments</b>						
(US\$ Billion)						
	<b>Apr-Jun 2015 P</b>			<b>Apr-Jun 2014 PR</b>		
	<b>Credit</b>	<b>Debit</b>	<b>Net</b>	<b>Credit</b>	<b>Debit</b>	<b>Net</b>
<b>A. Current Account</b>	<b>126.6</b>	<b>132.7</b>	<b>-6.2</b>	<b>139.2</b>	<b>147.0</b>	<b>-7.8</b>
1. Goods	68.0	102.2	-34.2	81.7	116.3	-34.6
<i>Of which:</i>						
POL	8.2	24.7	-16.5	16.8	40.4	-23.6
2. Services	38.0	20.6	17.4	37.6	20.6	17.0
3. Primary Income	3.2	8.8	-5.6	2.3	9.0	-6.7
4. Secondary Income	17.3	1.1	16.2	17.6	1.1	16.4
<b>B. Capital Account and Financial Account</b>	<b>140.3</b>	<b>133.6</b>	<b>6.6</b>	<b>144.6</b>	<b>136.6</b>	<b>8.0</b>
<i>Of which:</i>						
Change in Reserve (Increase (-)/Decrease (+))	0.0	11.4	-11.4	0.0	11.2	-11.2
<b>C. Errors &amp; Omissions (-) (A+B)</b>	<b>0.0</b>	<b>0.5</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.1</b>

P: Preliminary; PR: Partially Revised

**Note:** Total of subcomponents may not tally with aggregate due to rounding off.

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