



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

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**Developments in India's Balance of Payments during the First Quarter  
(April-June) of 2017-18**

Preliminary data on India's balance of payments (BoP) for the first quarter (Q1) *i.e.*, April-June 2017-18 are presented in [Statements I \(BPM6 format\)](#) and [II \(old format\)](#).

**Key Features of India's BoP in Q1 of 2017-18**

- India's current account deficit (CAD) at US\$ 14.3 billion (2.4 per cent of GDP) in Q1 of 2017-18 increased sharply from US\$ 0.4 billion (0.1 per cent of GDP) in Q1 of 2016 -17 and US\$ 3.4 billion (0.6 per cent of GDP) in Q4 of 2016-17.
- The widening of the CAD on a year-on-year (y-o-y) basis was primarily on account of a higher trade deficit (US\$ 41.2 billion) brought about by a larger increase in merchandise imports relative to exports.
- Net services receipts increased by 15.7 per cent on a y-o-y basis mainly on the back of a rise in net earnings from travel, construction and other business services.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, at US\$ 16.1 billion increased by 5.3 per cent over the corresponding quarter of previous year.
- In the financial account, net foreign direct investment at US\$ 7.2 billion in Q1 of 2017-18 almost doubled from its level in Q1 of 2016-17.
- Net portfolio investment recorded substantial inflow of US\$ 12.5 billion in Q1 of 2017-18, primarily in the debt segment, as compared with US\$ 2.1 billion in Q1 of last year.
- Net receipts on account of non-resident deposits amounted to US\$ 1.2 billion in Q1 of 2017-18; this was lower than US\$ 1.4 billion a year ago.
- In Q1 of 2017-18, there was an accretion of US\$ 11.4 billion to the foreign exchange reserves (on BoP basis) as compared with US\$ 7.0 billion in Q1 of 2016-17 (Table 1) and US\$ 7.3 billion in the preceding quarter.

<b>Table 1: Major Items of India's Balance of Payments</b>						
(US\$ Billion)						
	<b>April-June 2017 P</b>			<b>April-June 2016</b>		
	Credit	Debit	Net	Credit	Debit	Net
<b>A. Current Account</b>	140.5	154.8	-14.3	125.0	125.4	-0.4
1. Goods	73.7	114.9	-41.2	66.6	90.5	-23.8
<i>Of which:</i>						
POL	8.2	23.2	-15.1	6.8	19.0	-12.2
2. Services	45.9	27.7	18.2	39.4	23.6	15.7
3. Primary Income	4.8	10.6	-5.8	3.7	10.0	-6.3
4. Secondary Income	16.1	1.7	14.5	15.3	1.3	14.0
<b>B. Capital Account and Financial Account</b>	155.2	141.3	14.0	129.2	129.0	0.2
<i>Of which:</i>						
Change in Reserves (Increase (-)/Decrease (+))	0.0	11.4	-11.4	0.0	7.0	-7.0
<b>C. Errors &amp; Omissions (-) (A+B)</b>	0.4		0.4	0.2		0.2
P: Preliminary						
Note: Total of subcomponents may not tally with aggregate due to rounding off.						

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**Jose J. Kattoor**  
Chief General Manager