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**Developments in India's Balance of Payments during the Third Quarter  
(October-December) of 2023-24**

Preliminary data on India's balance of payments (BoP) for the third quarter (Q3), *i.e.*, October-December 2023-24, are presented in [Statements I](#) and [II](#).

**Key Features of India's BoP in Q3:2023-24**

- India's current account balance recorded a deficit of US\$ 10.5 billion (1.2 per cent of GDP) in Q3:2023-24, lower than US\$ 11.4 billion (1.3 per cent of GDP) in Q2:2023-24<sup>1</sup> and US\$ 16.8 billion (2.0 per cent of GDP) a year ago [*i.e.*, Q3:2022-23]<sup>2</sup>.
- The merchandise trade deficit at US\$ 71.6 billion was marginally higher than US\$ 71.3 billion during Q3:2022-23.
- Services exports grew by 5.2 per cent on a y-o-y basis on the back of rising exports of software, business and travel services. Net services receipts increased both sequentially and from a year ago that helped cushion the current account deficit.
- Net outgo on the primary income account, primarily reflecting payments of investment income, increased to US\$ 13.2 billion from US\$ 12.7 billion a year ago.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 31.4 billion, an increase of 2.1 per cent over their level during the corresponding period a year ago.
- In the financial account, foreign direct investment recorded a net inflow of US\$ 4.2 billion as compared with a net inflow of US\$ 2.0 billion in Q3:2022-23.
- Foreign portfolio investment recorded a net inflow of US\$ 12.0 billion, higher than US\$ 4.6 billion during Q3:2022-23.
- External commercial borrowings to India recorded a net outflow of US\$ 2.6 billion in Q3:2023-24 as compared with a net outflow of US\$ 2.5 billion a year ago.
- Non-resident deposits recorded a higher net inflow of US\$ 3.9 billion than US\$ 2.6 billion a year ago.

<sup>1</sup> The current account deficit as per cent of GDP for Q2:2023-24 underwent an upward revision to 1.3 per cent from 1.0 per cent earlier due to an upward adjustment of customs data on merchandise imports.

<sup>2</sup> <https://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 \(rbi.org.in\)](https://rbi.org.in/CIMS_DBIE) › Statistics › External Sector › International Trade › Quarterly/Yearly.

- There was an accretion of foreign exchange reserves (on a BoP basis) to the tune of US\$ 6.0 billion in Q3:2023-24 as compared with an accretion of US\$ 11.1 billion a year ago ([Table 1](#)).

### BoP During April-December 2023

- India's current account deficit moderated to 1.2 per cent of GDP during April-December 2023 from 2.6 per cent of GDP in the corresponding period a year ago on the back of a lower merchandise trade deficit.
- Net invisibles receipts were higher during April-December 2023 than a year ago, primarily on account of services and transfers.
- Net FDI inflow at US\$ 8.5 billion during April-December 2023 was lower than US\$ 21.6 billion during April-December 2022.
- During April-December 2023, portfolio investment recorded a net inflow of US\$ 32.7 billion as against an outflow of US\$ 3.5 billion during the corresponding period a year ago.
- In April-December 2023, there was an accretion of US\$ 32.9 billion to the foreign exchange reserves (on a BoP basis that excludes valuation effects).

**Table 1: Major Items of India's Balance of Payments**

(US\$ billion)												
	October-December 2022			October-December 2023 P			April-December 2022			April-December 2023 P		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
<b>A. Current Account</b>	<b>227.5</b>	<b>244.3</b>	<b>-16.8</b>	<b>235.9</b>	<b>246.4</b>	<b>-10.5</b>	<b>683.9</b>	<b>749.5</b>	<b>-65.6</b>	<b>689.1</b>	<b>720.1</b>	<b>-31.0</b>
1. Goods	105.6	176.9	-71.3	106.7	178.3	-71.6	340.3	553.0	-212.7	319.9	512.7	-192.8
<i>Of which:</i>												
POL	22.7	52.0	-29.3	20.2	46.0	-25.8	73.6	158.6	-85.1	61.9	130.2	-68.3
2. Services	83.4	44.7	38.7	87.8	42.8	45.0	239.5	135.3	104.2	251.7	131.6	120.1
3. Primary Income	7.6	20.3	-12.7	10.0	23.2	-13.2	20.1	53.5	-33.3	30.7	66.1	-35.4
4. Secondary Income	30.9	2.4	28.5	31.5	2.2	29.3	84.0	7.8	76.2	86.8	9.7	77.1
<b>B. Capital Account and Financial Account</b>	<b>176.3</b>	<b>158.5</b>	<b>17.8</b>	<b>215.4</b>	<b>204.1</b>	<b>11.3</b>	<b>549.5</b>	<b>482.5</b>	<b>67.1</b>	<b>603.2</b>	<b>571.4</b>	<b>31.7</b>
<i>Of which:</i>												
Change in Reserve (Increase (-)/Decrease (+))	0	11.1	-11.1	0	6.0	-6.0	14.7	0	14.7	0	32.9	-32.9
<b>C. Errors &amp; Omissions (-) (A+B)</b>	<b>0</b>	<b>1.0</b>	<b>-1.0</b>	<b>0</b>	<b>0.8</b>	<b>-0.8</b>	<b>0</b>	<b>1.4</b>	<b>-1.4</b>	<b>0</b>	<b>0.7</b>	<b>-0.7</b>
P: Preliminary												
<b>Note:</b> Total of sub-components may not tally with aggregate due to rounding off.												