



PHD Research Bureau
PHD Chamber of Commerce and Industry



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Key Features of India's BoP in Q1:2021-22

India's current account balance recorded a surplus of US\$ 6.5 billion (0.9% of GDP) in Q1:2021-22 as against a deficit of US\$ 8.1 billion (1.0% of GDP) in Q4:2020-21 and a surplus of US\$ 19.1 billion (3.7% of GDP) a year ago [i.e. Q1:2020-21].

The surplus in the current account in Q1:2021-22 was primarily on account of contraction in the trade deficit to US\$ 30.7 billion from US\$ 41.7 billion in the preceding quarter, and an increase in net services receipts.

- Net services receipts increased, both sequentially and on a year-on-year (y-o-y) basis, on the back of robust performance of net exports of computer and business services.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 20.9 billion, an increase of 14.8% from their level a year ago.
- Net outgo from the primary income account, mainly reflecting net overseas investment income payments, decreased sequentially as well as on a y-o-y basis.
- In the financial account, net foreign direct investment recorded inflow of US\$ 11.9 billion as against outflow of US\$ 0.5 billion in Q1:2020-21.
- Net foreign portfolio investment was US\$ 0.4 billion as compared with US\$ 0.6 billion in Q1:2020-21.
- Net external commercial borrowings to India recorded inflow of US\$ 0.5 billion in Q1:2021-22 as against an outflow of US\$ 0.6 billion a year ago.
- Net inflow on account of non-resident deposits decreased to US\$ 2.5 billion from US\$ 3.0 billion in Q1:2020-21.
- There was an accretion of US\$ 31.9 billion to the foreign exchange reserves (on a BoP basis) as compared with that of US\$ 19.8 billion in Q1:2020-21.

Major Items of India's Balance of Payments						
(US\$ Billion)						
	April-June 2021 P			April-June 2020		
	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	180.0	173.5	6.5	122.4	103.3	19.1
1. Goods	97.4	128.1	-30.7	52.2	63.2	-11.0
Of which:						
POL	13.0	31.0	-18.0	4.8	13.2	-8.3
2. Services	56.2	30.4	25.8	47.0	26.2	20.8
3. Primary Income	5.4	13.0	-7.5	5.0	12.7	-7.7
4. Secondary Income	20.9	1.9	19.0	18.2	1.2	17.0
B. Capital Account and Financial Account	155.3	161.4	-6.1	120.2	138.6	-18.5
Of which:						
Change in Reserves [Increase (-)/Decrease (+)]	0.0	31.9	-31.9	0.0	19.8	-19.8
C. Errors & Omissions (-) (A+B)		0.4	-0.4		0.6	-0.6
P: Preliminary						
Note: Total of subcomponents may not tally with aggregate due to rounding off.						

Source: PHD Research Bureau, PHD Chamber, compiled from RBI

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Warm Regards,

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