



PHD Research Bureau
PHD Chamber of Commerce and Industry



India's current account balance recorded a deficit of US\$ 18.2 billion (2.2 % of GDP) in Q3:2022-23

Key Features of India's BoP in Q3:2022-23

- India's current account deficit declined to US\$ 18.2 billion (2.2 percent of GDP) in Q3:2022-23, from US\$ 30.9 billion (3.7 percent of GDP) in Q2:2022-23 and US \$ 22.2 billion (2.7 percent of GDP) a year ago [i.e., Q3:2021-22].
- Underlying the current account deficit in Q3:2022-23 was a narrowing of the merchandise trade deficit to US\$ 72.7 billion from US\$ 78.3 billion in Q2:2022-23, coupled with robust services and private transfer receipts.
- Services exports reported a growth of 24.5 percent on a year-on-year (y-o-y) basis on the back of rising exports of software, business and travel services. Net services receipts increased both sequentially and on a y-o-y basis.
- Net outgo from the primary income account, mainly reflecting payments of investment income, increased to US\$ 12.7 billion from US\$ 11.5 billion a year ago.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 30.8 billion, an increase of 31.7 percent from their level a year ago.
- In the financial account, net foreign direct investment decreased to US\$ 2.1 billion from US\$ 4.6 billion a year ago.
- Net foreign portfolio investment recorded inflows of US\$ 4.6 billion, up from US\$ 5.8 billion during Q3:2021-22.
- Net external commercial borrowings to India recorded an outflow of US\$ 2.6 billion in Q3:2022-23 as against an outflow of US\$ 0.4 billion a year ago.
- Non-resident deposits recorded net inflows of US\$ 2.6 billion as against net inflows of US\$ 1.3 billion in Q3:2021-22.
- There was an accretion to foreign exchange reserves (on a BoP basis) to the tune of US\$ 11.1 billion in Q3:2022-23 as against an accretion of US\$ 0.5 billion in Q3:2021-22 .

BoP during April-September 2022

- India recorded a current account deficit of 2.7 percent of GDP during April- December

2022, as compared with a deficit of 1.1% during April- December 2021, mainly on account of a sharp increase in the merchandise trade deficit.

- Net invisible receipts were higher during April- December 22 on a y-o-y basis on account of higher net receipts of services and private transfers.
- Net FDI inflows at US\$ 21.7 billion in April- December 22 were lower in comparison with US \$ 24.8 billion during April- December 2021. Portfolio investment recorded a net outflow US \$ 3.5 billion during April- December 2022 as compared with a net outflow of US\$ 1.6 billion a year ago.
- During April- December 2022, there was a depletion of US\$ 14.7 billion to the foreign exchange reserves (on a BoP basis).

(US\$ Billion)												
	October-December 2022 P			October-December 2021			April-December 2022 P			April-December 2021		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	227.5	245.7	-18.2	205.6	227.7	-22.2	683.9	750.9	-67.0	579.9	605.2	-25.3
1. Goods	105.6	178.3	-72.7	108.9	168.7	-59.7	340.3	554.3	-214.0	311.1	446.1	-135.0
Of which:												
POL	22.7	55.6	-32.9	17.6	43.0	-25.4	73.6	162.4	-88.8	46.2	112.6	-66.4
2. Services	83.4	44.7	38.7	67.0	39.2	27.8	239.5	135.3	104.2	184.7	105.5	79.2
3. Primary Income	7.6	20.3	-12.7	6.1	17.6	-11.5	20.1	53.5	-33.4	18.5	47.4	-28.9
4. Secondary Income	30.9	2.4	28.5	23.5	2.2	21.3	84.0	7.8	76.2	65.6	6.2	59.4
B. Capital Account and Financial Account	176.7	157.6	19.1	221.4	199.4	22.0	549.7	481.6	68.2	595.3	571.4	23.9
Of which:												
Change in Reserves [Increase (-)/Decrease (+)]	0.0	11.1	-11.1	0.0	0.5	-0.5	30.4	15.7	14.7	0.0	63.5	-63.5
C. Errors & Omissions (-) (A+B)	0.0	0.9	-0.9	0.1	0.0	0.1	0.7	1.8	-1.1	1.4	0.1	1.4
P: Preliminary												
Note: Total of subcomponents may not tally with aggregate due to rounding off.												

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Warm Regards,

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