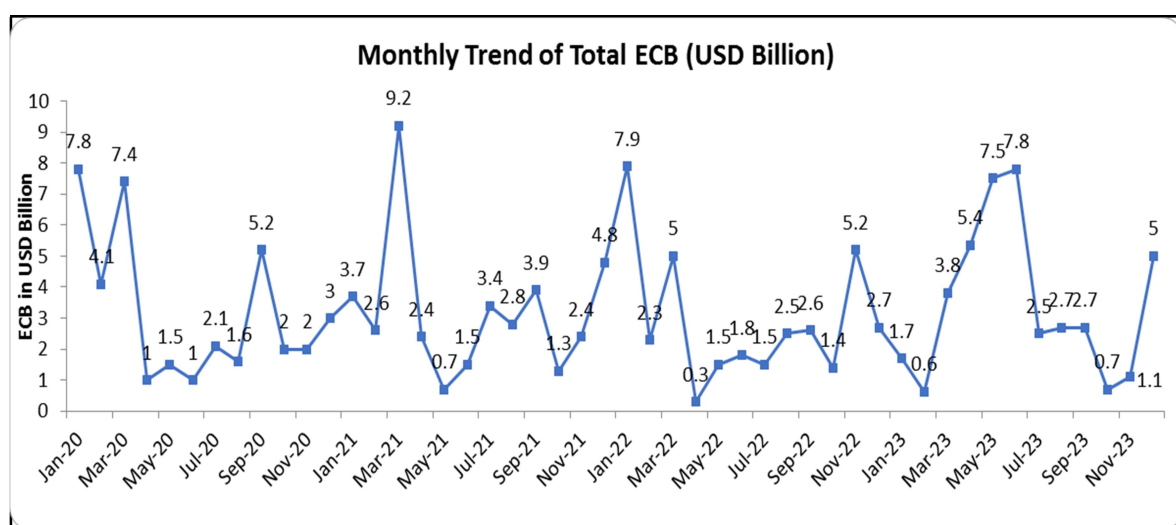


ECBs raised about USD 5 billion during December 2023

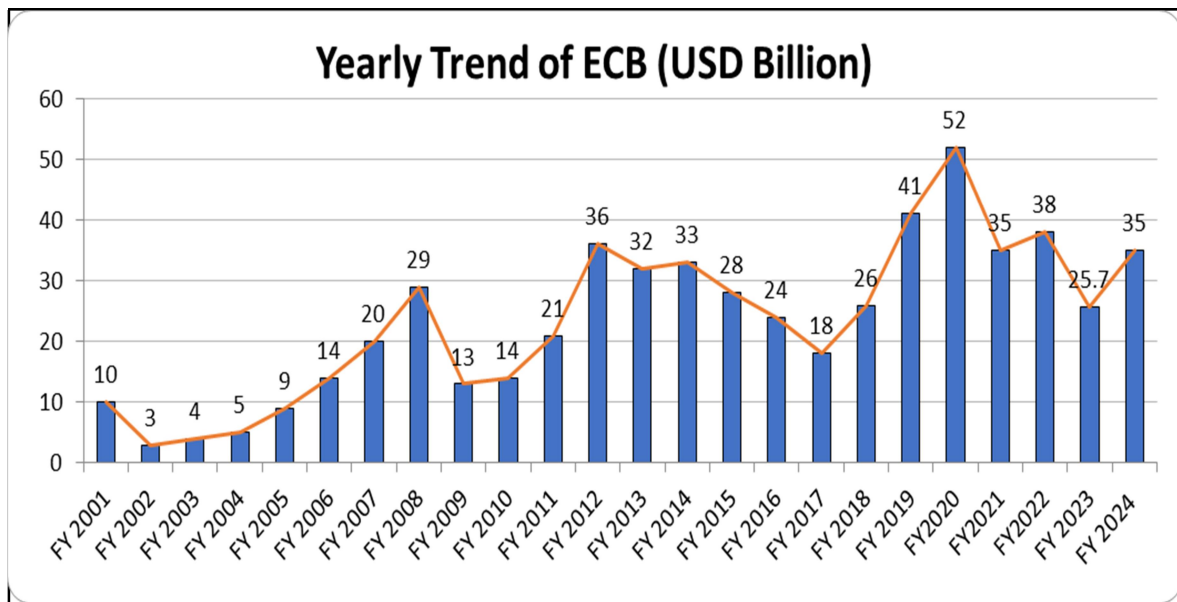
Indian firms have raised about USD 5 billion through external commercial borrowings (ECBs) by automatic and approval route in December 2023 as against around USD 1.1 billion in November 2023. ECBs were at about USD 2.7 billion in December 2022.



Source: PHD Research Bureau, PHD Chamber of Commerce and Industry, compiled from RBI

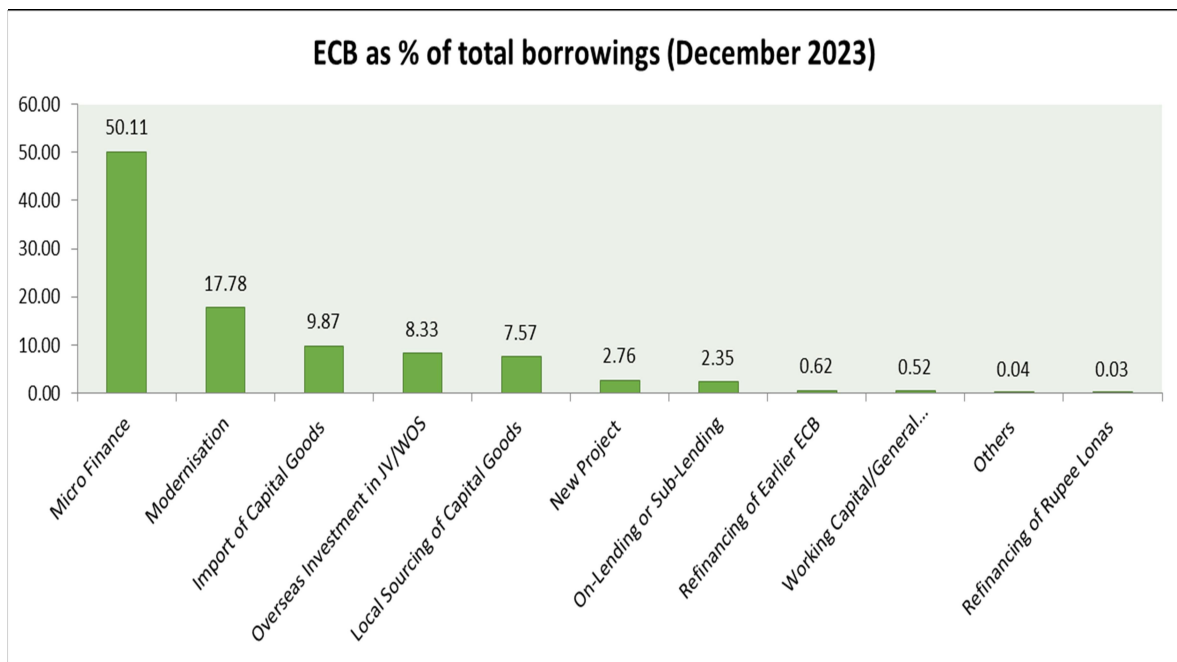
India has received gross ECBs worth around USD 565.7 billion between FY2001 and FY2024 (Till December 2023).

The yearly trend of ECBs shows that it continuously increased from USD 18 billion in FY 2017 to USD 52 billion in FY 2020 for four consecutive years. Thereafter, it started declining and approximated around USD 25.7 billion in FY 2023 (April 2022- March 2023). ECB for April-December 2023 stands at USD 35.3 billion.



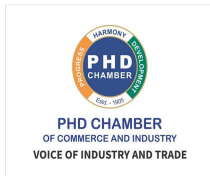
Source: PHD Research Bureau, PHD Chamber of Commerce and Industry, compiled from RBI

A closer look at the pattern of external commercial borrowings shows that 67% of total borrowings are held for two purposes, namely, Micro Finance (50%) and Modernisation (17%). On the other hand, the remaining 33% of the total borrowings are held for other purposes, namely, Import of Capital Goods (9%), Overseas Investment in JV/WOS (8%), Local Sourcing of Capital Goods (7%), New Project (2%), On-Lending or Sub-Lending (2%), Refinancing of Earlier ECB (0.6%), Working Capital/General Corporate Purpose (0.5%), Others (0.04%) and Refinancing of Rupee Loans (0.03%).



Source: PHD Research Bureau, PHD Chamber of Commerce and Industry, compiled from RBI

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Warm Regards,

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