

India's current account deficit stands at US\$ 10.5 billion (1.2 percent of GDP) in Q3:2023-24

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 percent of GDP) in Q3:2023-24, lower than US\$ 11.4 billion (1.3 percent of GDP) in Q2:2023-24 and US\$ 16.8 billion (2.0 percent of GDP) a year ago [i.e., Q3:2022- 23]
- 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.
- 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

BoP During April-December 2023

- India's current account deficit moderated to 1.2 percent of GDP during April-December 2023 from 2.6 percent 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
A. Current Account	227.5	244.3	-16.8	235.9	246.4	-10.5	683.9	749.5	-65.6	689.1	720.1	-31.0
1. Goods	105.6	176.9	-71.3	106.7	178.3	-71.6	340.3	553	-212.7	319.9	512.7	-192.8
Of which:												
POL	22.7	52	-29.3	20.2	46	-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	239.5	135.3	104.2	251.7	131.6	120.1
3. Primary Income	7.6	20.3	-12.7	10	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	7.8	76.2	86.8	9.7	77.1
B. Capital Account and Financial Account	176.3	158.5	17.8	215.4	204.1	11.3	549.5	482.5	67.1	603.2	571.4	31.7
Of which:												
Change in Reserves [Increase (-)/Decrease (+)]	0	11.1	-11.1	0	6	-6	14.7	0	14.7	0	32.9	-32.9
C. Errors & Omissions (-) (A+B)	0	1.0	-1.0	0	0.8	-0.8	0	1.4	-1.4	0	0.7	-0.7
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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