

India's current account surplus stands at US\$ 5.7 billion (0.6% of GDP) in Q4:2023-24

Key Features of India's BoP in Q4:2023-24

- India's current account balance recorded a surplus of US\$ 5.7 billion (0.6% of GDP) in Q4:2023-24 as against a deficit of US\$ 8.7 billion (1% of GDP) in Q3:2023-24 and US\$ 1.3 billion (0.2% of GDP) a year ago [i.e., Q4:2022-23].
- The merchandise trade deficit at US\$ 50.9 billion in Q4:2023-24 was lower than US\$ 52.6 billion a year ago.
- Services exports grew by 4.1% on a y-o-y basis in Q4:2023-24 on the back of rising exports of software, travel and business services. Net services receipt at US\$ 42.7 billion was higher than its level a year ago (US\$ 39.1 billion), which contributed to the surplus in the current account balance during Q4:2023-24.
- Net outgo on the primary income account, primarily reflecting payments of investment income, increased to US\$ 14.8 billion from US\$ 12.6 billion a year ago.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 32 billion, an increase of 11.9% over their level a year ago.
- In the financial account, net foreign direct investment flows were US\$ 2 billion in Q4:2023-24 as compared with US\$ 6.4 billion a year ago.
- Foreign portfolio investment recorded a net inflow of US\$ 11.4 billion in Q4:2023-24 as against a net outflow of US\$ 1.7 billion during Q4:2022-23.
- Net inflows under external commercial borrowings to India amounted to US\$ 2.6 billion in Q4:2023-24 as compared with US\$ 1.7 billion a year ago.
- Non-resident deposits recorded a higher net inflow of US\$ 5.4 billion than US\$ 3.6 billion in Q4:2022-23.
- There was an accretion of foreign exchange reserves (on a BoP basis i.e., excluding valuation effects) to the tune of US\$ 30.8 billion in Q4:2023-24 as compared with an accretion of US\$ 5.6 billion a year ago

BoP During 2023-24

- India's current account deficit moderated to US\$ 23.2 billion (0.7% of GDP) during 2023-24 from US\$ 67 billion (2% of GDP) during the previous year on the back of a

lower merchandise trade deficit.

- Net invisibles receipt was higher during 2023-24 than a year ago, primarily on account of services and transfers.
- During 2023-24, portfolio investment recorded a net inflow of US\$ 44.1 billion as against an outflow of US\$ 5.2 billion a year ago.
- Net FDI inflow was US\$ 9.8 billion during 2023-24 as compared with US\$ 28 billion in 2022-23.
- In 2023-24, there was an accretion of US\$ 63.7 billion to the foreign exchange reserves (on a BoP basis).

Table 1: Major Items of India's Balance of Payments												
(US\$ Billion)												
	January- March 2023			January- March 2024			2022-23			2023-24		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	238	239.3	-1.3	253.6	247.9	5.7	921.9	988.8	-67	942.9	966.1	-23.2
1. Goods	115.8	168.4	- 52.6	121.7	172.5	- 50.9	456.1	721.4	- 265.3	441.5	683.5	- 242.1
Of which:												
POL	23.9	50.8	- 26.9	22.2	49.6	- 27.4	97.5	209.4	- 111.9	84.2	179.6	-95.5
2. Services	85.8	46.8	39.1	89.4	46.7	42.7	325.3	182.0	143.3	341.1	178.3	162.8
3. Primary Income	7.7	20.3	- 12.6	10.5	25.3	- 14.8	27.8	73.8	-45.9	41.5	91.2	-49.8
4. Secondary Income	28.6	3.9	24.8	32.1	3.4	28.7	112.6	11.7	100.9	118.9	13	105.9
B. Capital Account and Financial Account	153.4	152.5	0.9	248.1	254.4	-6.2	702.9	634.9	68	850.3	827.8	22.5
Of which:												
Change in Reserves [Increase (-)/Decrease (+)]	0.0	5.6	-5.6	0.0	30.8	- 30.8	30.4	21.2	9.1	0.0	63.7	-63.7
C. Errors & Omissions (-) (A+B)	0.4	0.0	0.4	0.5	0.0	0.5	0.0	1.0	-1	0.7	0.0	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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