



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

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**Developments in India's Balance of Payments during the Second Quarter (July-September) of 2022-23**

Preliminary data on India's balance of payments (BoP) for the second quarter (Q2), i.e., July-September 2022-23, are presented in [Statements I \(BPM6 format\)](#) and [II \(old format\)](#).

**Key Features of India's BoP in Q2:2022-23**

- India's current account balance recorded a deficit of US\$ 36.4 billion (4.4 per cent of GDP) in Q2:2022-23, up from US\$ 18.2 billion (2.2 per cent of GDP)<sup>1</sup> in Q1:2022-23 and a deficit of US\$ 9.7 billion (1.3 per cent of GDP) a year ago [i.e., Q2:2021-22]<sup>2</sup>.
- Underlying the current account deficit in Q2:2022-23 was the widening of the merchandise trade deficit to US\$ 83.5 billion from US\$ 63.0 billion in Q1:2022-23 and an increase in net outgo under investment income.
- Services exports reported a growth of 30.2 per cent 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\$ 12.0 billion from US\$ 9.8 billion a year ago.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to US\$ 27.4 billion, an increase of 29.7 per cent from their level a year ago.
- In the financial account, net foreign direct investment decreased to US\$ 6.4 billion from US\$ 8.7 billion a year ago.
- Net foreign portfolio investment recorded inflows of US\$ 6.5 billion, up from US\$ 3.9 billion during Q2:2021-22.
- Net external commercial borrowings to India recorded an outflow of US\$ 0.4 billion in Q2:2022-23 as against an inflow of US\$ 4.3 billion a year ago.
- Non-resident deposits recorded net inflows of US\$ 2.5 billion as against net outflows of US\$ 0.8 billion in Q2:2021-22.
- There was a depletion of foreign exchange reserves (on a BoP basis) to the tune of US\$ 30.4 billion in Q2:2022-23 as against an accretion of US\$ 31.2 billion in Q2:2021-22 ([Table 1](#)).

<sup>1</sup> The current account deficit for Q1:2022-23 has been revised downwards from US\$ 23.9 billion (2.8 per cent of GDP) due to downward adjustment in Customs data.

<sup>2</sup> [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=53906](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53906). For longer time series data, please see: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics> External Sector › International Trade › Quarterly/Yearly.

## BoP during April-September 2022 (H1:2022-23)

- India recorded a current account deficit of 3.3 per cent of GDP in H1:2022-23 on the back of a sharp increase in the merchandise trade deficit, as compared with 0.2 per cent in H1:2021-22.
- Net invisible receipts were higher in H1:2022-23 on a y-o-y basis on account of higher net receipts of services and private transfers.
- Net FDI inflows at US\$ 20.0 billion in H1:2022-23 were comparable with US\$ 20.3 billion in H1:2021-22. Portfolio investment recorded a net outflow of US\$ 8.1 billion in H1:2022-23 as against an inflow of US\$ 4.3 billion a year ago.
- In H1:2022-23, there was a depletion of US\$ 25.8 billion to the foreign exchange reserves (on a BoP basis).

| Table 1: Major Items of India's Balance of Payments                            |                       |              |              |                     |              |             |                        |              |              |                      |              |             |
|--|-----------------------|--------------|--------------|---------------------|--------------|-------------|------------------------|--------------|--------------|----------------------|--------------|-------------|
| (US\$ Billion)   |                       |              |              |                     |              |             |                        |              |              |                      |              |             |
|  | July-September 2022 P |              |              | July-September 2021 |              |             | April-September 2022 P |              |              | April-September 2021 |              |             |
|  | Credit                | Debit        | Net          | Credit              | Debit        | Net         | Credit                 | Debit        | Net          | Credit               | Debit        | Net         |
| <b>A. Current Account</b>  | <b>225.2</b>          | <b>261.6</b> | <b>-36.4</b> | <b>194.3</b>        | <b>204.0</b> | <b>-9.7</b> | <b>456.0</b>           | <b>510.6</b> | <b>-54.5</b> | <b>374.4</b>         | <b>377.5</b> | <b>-3.1</b> |
| 1. Goods   | 112.0                 | 195.5        | -83.5        | 104.8               | 149.3        | -44.5       | 234.8                  | 381.4        | -146.6       | 202.2                | 277.4        | -75.2       |
| <i>Of which:</i>   |                       |              |              |                     |              |             |                        |              |              |                      |              |             |
| POL  | 24.0                  | 59.2         | -35.2        | 15.7                | 38.6         | -22.9       | 51.0                   | 112.7        | -61.7        | 28.6                 | 69.5         | -41.0       |
| 2. Services  | 80.0                  | 45.6         | 34.4         | 61.4                | 35.8         | 25.6        | 156.1                  | 90.6         | 65.5         | 117.6                | 66.2         | 51.4        |
| 3. Primary Income  | 5.8                   | 17.8         | -12.0        | 6.9                 | 16.7         | -9.8        | 12.0                   | 33.2         | -21.1        | 12.5                 | 29.8         | -17.3       |
| 4. Secondary Income  | 27.5                  | 2.7          | 24.8         | 21.2                | 2.1          | 19.0        | 53.1                   | 5.5          | 47.6         | 42.1                 | 4.0          | 38.0        |
| <b>B. Capital Account and Financial Account</b>                                | <b>183.6</b>          | <b>146.4</b> | <b>37.3</b>  | <b>209.8</b>        | <b>201.4</b> | <b>8.4</b>  | <b>376.3</b>           | <b>321.6</b> | <b>54.8</b>  | <b>373.9</b>         | <b>372.0</b> | <b>1.9</b>  |
| <i>Of which:</i>   |                       |              |              |                     |              |             |                        |              |              |                      |              |             |
| Change in Reserves<br>[Increase (-)/Decrease (+)]                              | 30.4                  | 0            | 30.4         | 0.0                 | 31.2         | -31.2       | 30.4                   | 4.6          | 25.8         | 0.0                  | 63.1         | -63.1       |
| C. Errors & Omissions (-)<br>(A+B)   | 0.0                   | 0.9          | -0.9         | 1.3                 | 0.0          | 1.3         | 0.7                    | 0.9          | -0.2         | 1.3                  | 0.1          | 1.2         |
| P: Preliminary   |                       |              |              |                     |              |             |                        |              |              |                      |              |             |
| Note: Total of subcomponents may not tally with aggregate due to rounding off. |                       |              |              |                     |              |             |                        |              |              |                      |              |             |

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(Yogesh Dayal)  
Chief General Manager