



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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India's International Investment Position (IIP), March 2022

Today, the Reserve Bank released data relating to [India's International Investment Position](#) for [end-March 2022](#)^[1].

Key Features of India's IIP in end-March 2022

Quarterly Variations:

- Net claims of non-residents on India increased by US\$ 5.6 billion during Q4:2021-22 to US\$ 359.8 billion in March 2022.
- This rise in net claims was due to larger decline in the Indian residents' overseas financial assets [US\$ (-)7.3 billion] when compared to the decline in foreign-owned assets in India [US\$ (-)1.7 billion] ([Table 1](#)).
- Foreign assets of Indian residents declined during Q4:2021-22, mainly due to a decrease of US\$ 26.3 billion in reserve assets even as direct, portfolio and other investments, such as, trade credit and currency and deposits increased during the period.
- Even though reserve assets declined during the quarter, it accounted for around two thirds of India's international financial assets ([Table 3](#)).
- The decline in India's foreign liabilities during the quarter is attributed to reduction in portfolio investment as well as currency and deposits.
- Variation in the exchange rate of rupee *vis-a-vis* other currencies had a significant impact on the change in liabilities, when valued in US\$ terms, as the rupee depreciated by 2.02 per cent during the quarter.
- The share of debt liabilities in total external liabilities increased marginally to 49.2 per cent as at end-March 2022 from 48.5 per cent a quarter ago ([Table 4](#)).

Annual Variations

- During 2021-22, non-residents' net claims on India increased by US\$ 4.6 billion: increase in foreign owned assets in India (US\$ 65.8 billion) exceeded the rise in overseas assets of Indian residents (US\$ 61.1 billion) ([Table 1](#)).

^[1] India's quarterly IIP is disseminated with a lag of one quarter and the previous quarterly IIP for end-December 2021 was released in the RBI website on [March 31, 2022](#).

- International financial assets of Indian residents increased primarily due to increase in reserve assets (US\$ 30.3 billion), direct investment (US\$ 17.7 billion) and trade credits (US\$ 13.0 billion).
- In spite of a decline of US\$ 16.1 billion in portfolio investment during the financial year, international financial liabilities increased on the back of large rise in direct investment in India (US\$ 39.6 billion) and other investments (US\$ 42.4 billion).
- Variation in the exchange rate of rupee *vis-a-vis* other currencies affected change in liabilities, when valued in US\$ terms.
- The ratio of India's international financial assets to international financial liabilities increased to 71.9 per cent in March 2022 from 70.8 per cent a year ago.

Ratio of International Financial Assets and Liabilities to GDP (at current prices):

- As a ratio to GDP at current market prices, India's reserve assets, residents' financial assets as well as claims of non-residents on India declined during 2021-22 ([Table 2](#)).
- The ratio of net claims of non-residents on India to nominal GDP improved to (-)11.6 per cent in March 2022 from (-)13.2 per cent a year ago.

Press Release: 2022-2023/451

(Yogesh Dayal)
Chief General Manager

Table 1: Overall International Investment Position of India

(US\$ billion)

Period	Mar-21 (PR)	Jun-21 (PR)	Sep-21 (PR)	Dec-21 (PR)	Mar-22 (P)
Net IIP (A-B)	-355.2	-330.8	-335.6	-354.2	-359.8
A. Assets	859.5	895.4	932.3	927.9	920.6
1. Direct Investment	193.9	199.6	203.8	208.1	211.6
<i>1.1 Equity and investment fund shares</i>	122.7	125.6	128.1	130.9	132.8
<i>1.2 Debt instruments</i>	71.2	74.1	75.8	77.2	78.8
2. Portfolio Investment	7.9	7.9	8.6	9.7	10.6
<i>2.1 Equity and investment fund shares</i>	2.3	3.1	4.6	6.1	1.1
<i>2.2 Debt Securities</i>	5.6	4.8	4.0	3.6	9.5
3. Other Investment	80.6	76.8	84.5	76.5	91.1
<i>3.1 Trade Credits</i>	5.6	7.9	11.8	12.9	18.6
<i>3.2 Loans</i>	13.3	13.6	10.8	8.9	10.5
<i>3.3 Currency and Deposits</i>	42.4	35.9	42.3	34.8	42.1
<i>3.4 Other Assets</i>	19.2	19.4	19.6	19.9	19.9
4. Reserve Assets	577.0	611.1	635.4	633.6	607.3
B. Liabilities	1,214.6	1,226.2	1,267.8	1,282.1	1,280.4
1. Direct Investment	482.1	493.7	506.7	514.2	521.7
<i>1.1 Equity and investment fund shares</i>	456.9	468.0	480.7	487.9	494.0
<i>1.2 Debt instruments</i>	25.2	25.7	26.0	26.3	27.7
2. Portfolio Investment	278.5	277.8	282.6	277.1	262.4
<i>2.1 Equity and investment fund shares</i>	177.3	176.2	177.0	172.8	156.4
<i>2.2 Debt securities</i>	101.2	101.6	105.5	104.3	106.0
3. Other Investment	454.0	454.7	478.5	490.8	496.4
<i>3.1 Trade Credits</i>	100.3	102.1	104.4	113.5	118.2
<i>3.2 Loans</i>	197.5	197.2	201.2	204.1	205.0
<i>3.3 Currency and Deposits</i>	143.8	143.1	142.9	143.5	141.0
<i>3.4 Other Liabilities</i>	12.4	12.3	30.0	29.8	32.2
Memo item:	70.8	73.0	73.5	72.4	71.9
Assets to Liability Ratio (%)					

PR: Partially revised;

P: Provisional;

The sum of the constituent items may not add to the total due to rounding off.

Table 2: Ratios of External Financial Assets and Liabilities to GDP

(per cent)

Period	Mar-20 (R)	Mar-21 (PR)	Mar-22 (P)
Net IIP (Assets - Liabilities)	-14.1	-13.2	-11.6
A. Assets	26.9	31.8	29.4
1. Direct Investment	6.9	7.2	6.8
<i>1.1 Equity and investment fund shares</i>	4.5	4.6	4.3
<i>1.2 Debt instruments</i>	2.4	2.6	2.5
2. Portfolio Investment	0.1	0.3	0.3
<i>2.1 Equity and investment fund shares</i>	-	0.1	-
<i>2.2 Debt Securities</i>	0.1	0.2	0.3
3. Other Investment	2.0	3.0	2.9
<i>3.1 Trade Credits</i>	-	0.2	0.6
<i>3.2 Loans</i>	0.3	0.5	0.3
<i>3.3 Currency and Deposits</i>	1.0	1.6	1.3
<i>3.4 Other Assets</i>	0.7	0.7	0.6
4. Reserve Assets	17.9	21.3	19.4
B. Liabilities	41.0	45.0	41.0
1. Direct Investment	15.7	17.9	16.7
<i>1.1 Equity and investment fund shares</i>	14.8	17.0	15.8
<i>1.2 Debt instruments</i>	0.9	0.9	0.9
2. Portfolio Investment	8.8	10.3	8.4
<i>2.1 Equity and investment fund shares</i>	5.1	6.6	5.0
<i>2.2 Debt securities</i>	3.7	3.8	3.4
3. Other Investment	16.5	16.8	15.9
<i>3.1 Trade Credits</i>	3.9	3.7	3.8
<i>3.2 Loans</i>	7.3	7.3	6.6
<i>3.3 Currency and Deposits</i>	5.0	5.3	4.5
<i>3.4 Other Liabilities</i>	0.3	0.5	1.0

Note: - Negligible

R: Revised; PR: Partially revised; P: Provisional;

Table 3: Composition of International Financial Assets and Liabilities of India

(per cent)

Period	Mar-21 (PR)	Jun-21 (PR)	Sep-21 (PR)	Dec-21 (PR)	Mar-22 (P)
A. Assets					
1. Direct Investment	22.6	22.3	21.9	22.4	23.0
2. Portfolio Investment	0.9	0.9	0.9	1.1	1.1
3. Other Investment	9.4	8.6	9.1	8.2	9.9
4. Reserve Assets	67.1	68.2	68.1	68.3	66.0
Assets/Liabilities	100.0	100.0	100.0	100.0	100.0
B. Liabilities					
1. Direct Investment	39.7	40.3	40.0	40.1	40.7
2. Portfolio Investment	22.9	22.6	22.3	21.6	20.5
3. Other Investment	37.4	37.1	37.7	38.3	38.8

Table 4: Share of External Debt and Non-Debt Liabilities of India

(per cent)

Period	Mar-21 (PR)	Jun-21 (PR)	Sep-21 (PR)	Dec-21 (PR)	Mar-22 (P)
<i>Non-Debt Liabilities</i>	52.2	52.5	51.9	51.5	50.8
<i>Debt Liabilities</i>	47.8	47.5	48.1	48.5	49.2
Total	100.0	100.0	100.0	100.0	100.0