



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 022- 22660502

June 30, 2021

Developments in India's Balance of Payments during the Fourth Quarter (January-March) of 2020-21

Preliminary data on India's balance of payments (BoP) for the fourth quarter (Q4), *i.e.*, January-March 2020-21, are presented in [Statements I \(BPM6 format\)](#) and [II \(old format\)](#).

Key Features of India's BoP in Q4:2020-21

- India's current account balance (CAB) recorded a deficit of US\$ 8.1 billion (1.0 per cent of GDP) in Q4:2020-21 as against a surplus of US\$ 0.6 billion (0.1 per cent of GDP) in Q4:2019-20 and a deficit of US\$ 2.2 billion (0.3 per cent of GDP) in the preceding quarter, *i.e.*, Q3:2020-21.
- The current account deficit in Q4:2020-21 was primarily on account of a higher trade deficit and lower net invisible receipts than in the corresponding period of the previous year.
- Net services receipts increased on the back of a rise in net earnings from computer, transport and business services on a year-on-year basis.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, increased to US\$ 20.9 billion, up by 1.7 per cent from their level a year ago.
- Net outgo from the primary income account, primarily reflecting net overseas investment income payments, increased to US\$ 8.7 billion from US\$ 4.8 billion a year ago.
- In the financial account, net foreign direct investment at US\$ 2.7 billion was lower than US\$ 12.0 billion in Q4:2019-20.
- Net foreign portfolio investment (FPI) increased by US\$ 7.3 billion – mainly on account of net purchases in the equity market – as against a decline of US\$ 13.7 billion in Q4:2019-20.
- Net external commercial borrowings to India was lower at US\$ 6.1 billion in Q4:2020-21 as compared with US\$ 9.4 billion a year ago.
- There was an accretion of US\$ 3.4 billion to the foreign exchange reserves (on a BoP basis) as compared with an accretion of US\$ 18.8 billion in Q4:2019-20 ([Table 1](#)).

BoP during 2020-21

- The current account balance recorded a surplus of 0.9 per cent of GDP in 2020-21 as against a deficit of 0.9 per cent in 2019-20 on the back of a sharp contraction in the trade deficit to US\$ 102.2 billion from US\$ 157.5 billion in 2019-20.
- Net invisible receipts were lower in 2020-21 due to increase in net outgo of overseas investment income payments and lower net private transfer receipts, even though net services receipts were higher than a year ago.
- Net FDI inflows at US\$ 44.0 billion in 2020-21 were higher than US\$ 43.0 billion in 2019-20.
- Net FPI increased by US\$ 36.1 billion in 2020-21 as compared to US\$ 1.4 billion a year ago.
- External commercial borrowings to India recorded inflow of US\$ 0.2 billion as compared with US\$ 21.7 billion in 2019-20.
- In 2020-21, there was an accretion of US\$ 87.3 billion to foreign exchange reserves (on a BoP basis).

Press Release: 2021-2022/454

(Yogesh Dayal)
Chief General Manager

Table 1: Major Items of India's Balance of Payments

(US\$ Billion)												
	January-March 2021 P			January-March 2020			2020-21 P			2019-20		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
A. Current Account	173.4	181.5	-8.1	157.1	156.5	0.6	603.5	579.5	24.0	642.1	666.7	-24.6
1. Goods	91.3	133.0	-41.7	76.5	111.6	-35.0	296.3	398.5	-102.2	320.4	477.9	-157.5
<i>Of which:</i>												
POL	8.0	28.7	-20.7	9.1	33.8	-24.7	25.5	82.6	-57.1	41.3	130.6	-89.3
2. Services	56.0	32.5	23.5	53.1	31.0	22.0	206.1	117.5	88.6	213.2	128.3	84.9
3. Primary Income	5.2	13.9	-8.7	7.0	11.8	-4.8	20.8	56.8	-36.0	25.2	52.4	-27.3
4. Secondary Income	20.9	2.1	18.9	20.6	2.2	18.4	80.3	6.8	73.6	83.4	8.0	75.3
B. Capital Account and Financial Account	162.7	153.8	8.8	176.3	177.8	-1.5	599.0	622.7	-23.7	610.0	586.5	23.6
<i>Of which:</i>												
Change in Reserves (Increase (-)/Decrease (+))	0.0	3.4	-3.4	0.0	18.8	-18.8	0.0	87.3	-87.3	0.0	59.5	-59.5
C. Errors & Omissions (-) (A+B)		0.7	-0.7	0.9		0.9		0.3	-0.3	1.0		1.0
P: Preliminary												
Note: Total of subcomponents may not tally with aggregate due to rounding off.												