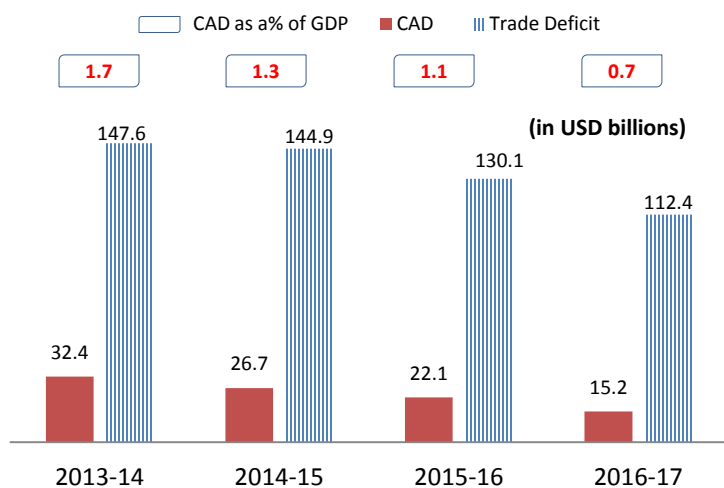


Economy Fact Sheet – Balance of Payments

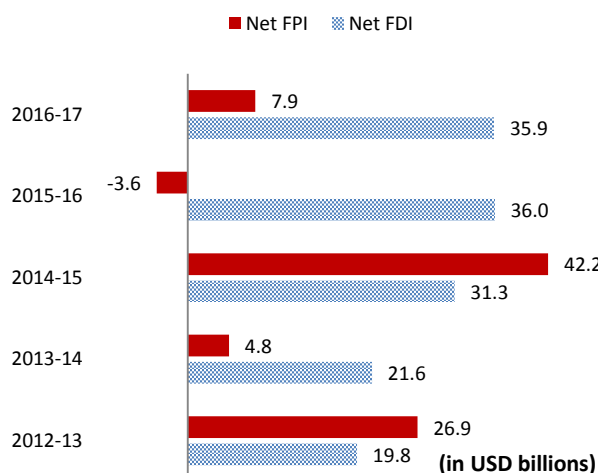
CAD stood at 0.7 percent of GDP in FY17

- ❖ India's CAD narrowed down to 0.7 percent of GDP in FY17 as compared to 1.1 percent in FY16. It declined to USD 15.2 billion in FY17 from USD 22.1 billion in the previous financial year.
- ❖ Net foreign direct investment in FY17 stood at USD 35.9 billion, as compared to USD 36.0 billion in FY16. As compared to this, net foreign portfolio investments stood at USD 7.9 billion in FY17, up from a net outflow of USD 3.6 billion in FY16.
- ❖ As on 30th June, 2017, India's foreign exchange reserves stood at USD 386.5 billion.

Snapshot of trends in India's Current Account Balance



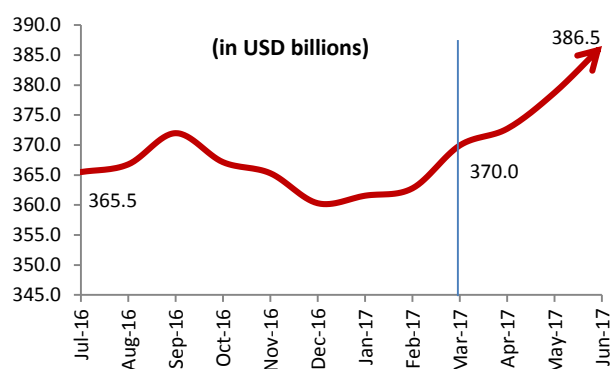
Net FDI and FPI Inflows



Balance of Payments - Key Indicators

USD Billion	FY16	FY17	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Current account	-22.1	-15.2	-0.4	-3.4	-8.0	-3.4
-Goods	-130.1	-112.4	-23.8	-25.6	-33.3	-29.7
-Services	69.7	67.5	15.7	16.2	17.7	17.6
Net Foreign Direct Investments	36.0	35.9	3.9	17.0	9.7	5.0
Net Foreign Portfolio Investments	-3.6	7.9	2.1	6.1	-11.3	10.8

Forex Reserves



Trade deficit declined to USD 112.4 billion in FY17 from USD 130.1 billion reported in the previous year, which has also led to a decline in the current account deficit. Services receipts too fell from USD 69.7 billion in FY16 to USD 67.5 billion in FY17. Private transfer receipts also declined by 10.3 percent to USD 55.3 billion in FY17 vis-à-vis the previous year. Workers remittances, which form the major part of private transfers were USD 35.3 billion in FY17 as compared USD 35.5 billion in the previous financial year.

Going forward, CAD is expected to widen on the back of higher imports growth, slowdown in private remittances and possible moderation in services exports due to rising protectionist policies in key economies. As per FICCI's Economic Outlook Survey, CAD is expected to rise to 1.2 percent of GDP in FY18. Given India's healthy forex reserves and expectation of higher FDI inflows, the current account situation is expected to remain largely manageable.

Source: RBI, Economic Outlook CMIE