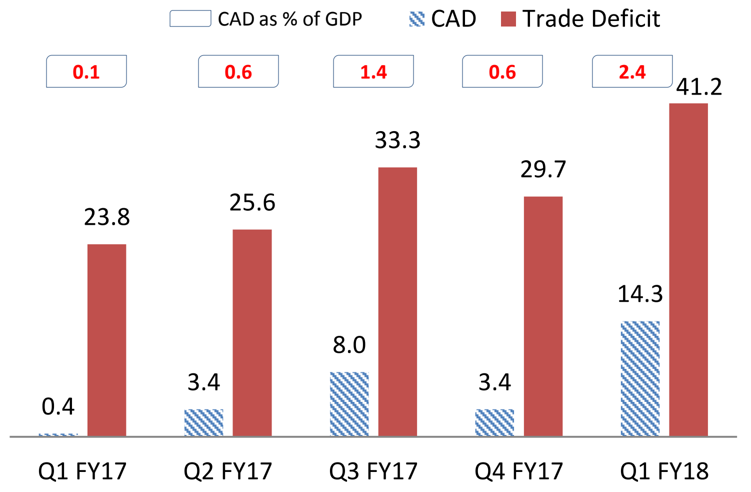
Economy Fact Sheet – Balance of Payments
September 2017

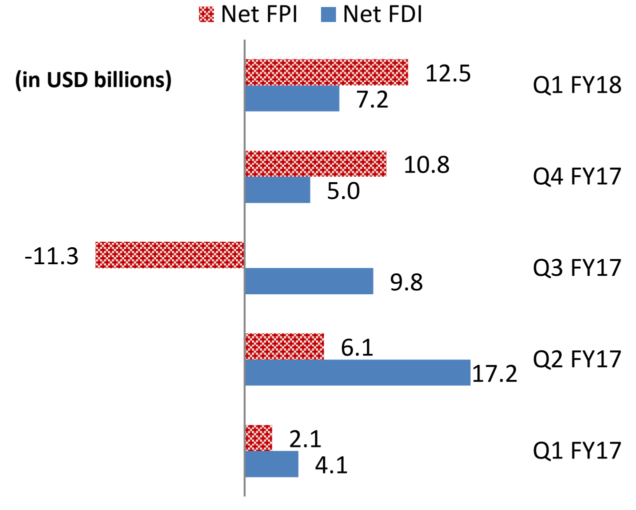
CAD stood at 2.4 percent of GDP for Q1 FY18

- *India's Current Account Deficit rose sharply to USD 14.3 billion in Q1 FY18 as compared to USD 0.4 billion in Q1 FY17. As a proportion of GDP, CAD rose to 2.4 percent in Q1 FY18 from 0.1 percent in Q1 FY17.*
- *Net foreign direct investment increased by 75.6 percent in Q1 FY18 and stood at USD 7.2 billion, as compared to USD 4.1 billion in Q1 FY17.This was followed by an even sharper increase in net foreign portfolio investments, which stood at USD 12.5 billion in Q1 FY18 vis-a-vis USD 2.1 billion in Q1 FY17, a 495.2 percent YoY increase.*
- *As on 20th October 2017, India's foreign exchange reserves stood at USD 399.9 billion.*

Snapshot of Trends in India's Current Account Balance



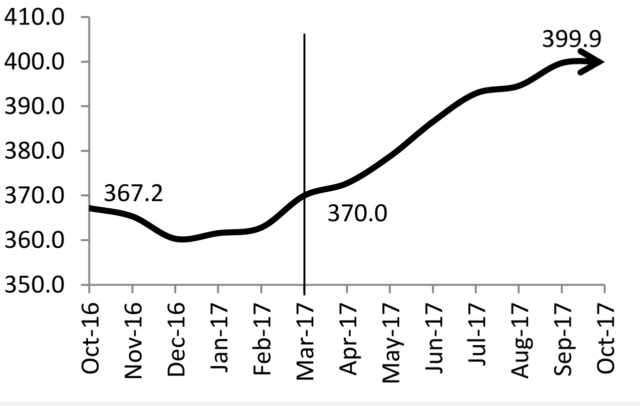
Net FDI and FPI Inflows



Balance of Payments- Key Indicators

USD Billion	FY17	Q1 FY18	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Current account	**-15.2**	-14.3	-0.4	-3.4	-8.0	-3.4
-Goods	**-112.4**	-41.2	-23.8	-25.6	-33.3	-29.7
-Services	**67.5**	18.2	15.7	16.2	17.7	17.6
Net Foreign Direct Investments	**35.9**	7.2	4.1	17.2	9.8	5.0
Net Foreign Portfolio Investments	**7.9**	12.5	2.1	6.1	-11.3	10.8

Forex Reserves (in USD billion)



CAD was high on account of the trade deficit which widened to USD 41.2 billion in Q1FY18 from USD 23.8 billion in Q1FY17, primarily due to significant increase in imports of both gold and petroleum. Even as net earnings from services improved from USD 15.7 billion to USD 18.2 billion YoY for the same period, private transfers improved only marginally to USD 14.6 billion in Q1FY18 from USD 14.1 billion in Q1FY17 on the back of low growth in remittances.

The trade deficit for Q2FY18 has widened by 32 percent YoY to USD 32.2 billion YoY from Q2FY17. Even though exports witnessed a significant rise in this quarter, imports too rose sharply on the back of higher oil import bills caused by rising global oil prices. It is also expected that the domestic economic activity will be resilient, leading to higher foreign investment inflows, helping to finance the deficit. The CAD is thus expected to grow wider in Q2FY18, but remain largely manageable .

Source: RBI, Economic Outlook CMIE