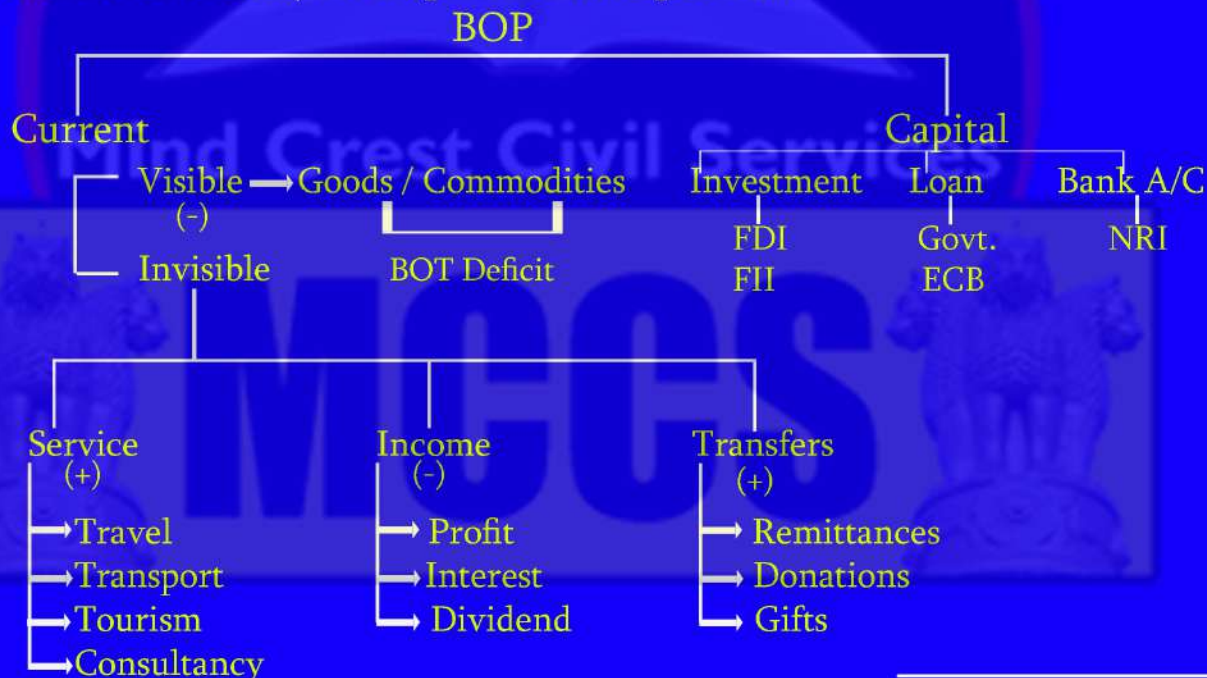


* Balance of Payment (BOP)

Document	Annual Financial System (Budget)	BOP
Prepared	DEA	RBI
Format	A -112 (Revenue Expenditure)	IMF
Data	Previous/ Next FY	Only previous Year
Figure		\$

● Balance Of Payment (BOP) -

Its a systematic record of economic transactions between residents and non residents of a country of a specific time period.



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CONCEPTUAL TOPICS *Economic* April 2022

* Top Imported goods and Source countries

- Crude Oil > Gold & Gems > Electronics > Chemical & fertilisers > Machinery
- Source - China > United Arab Emirates > USA

* Top Exported goods & Destinations

- Gems > Textiles > Petrochemical > Agri products
- Destination - USA > UAE > Hong Kong

* Top Sources of remittances

- USA > Saudi Arabia > Russia
- [Migration & Remittances Fact Book - World Bank]

* Top destinations of Remittances

- India > China > Philippines

● Par Pravashi Bharatiya Diwas-

- Celebrated on 9th January every two years as Gandhiji return from South Africa to Bombay from on 9th January 1915

● Maddad App, Under Ministry of External Affairs

● E- Migrate Portal, Under Ministry of External Affairs

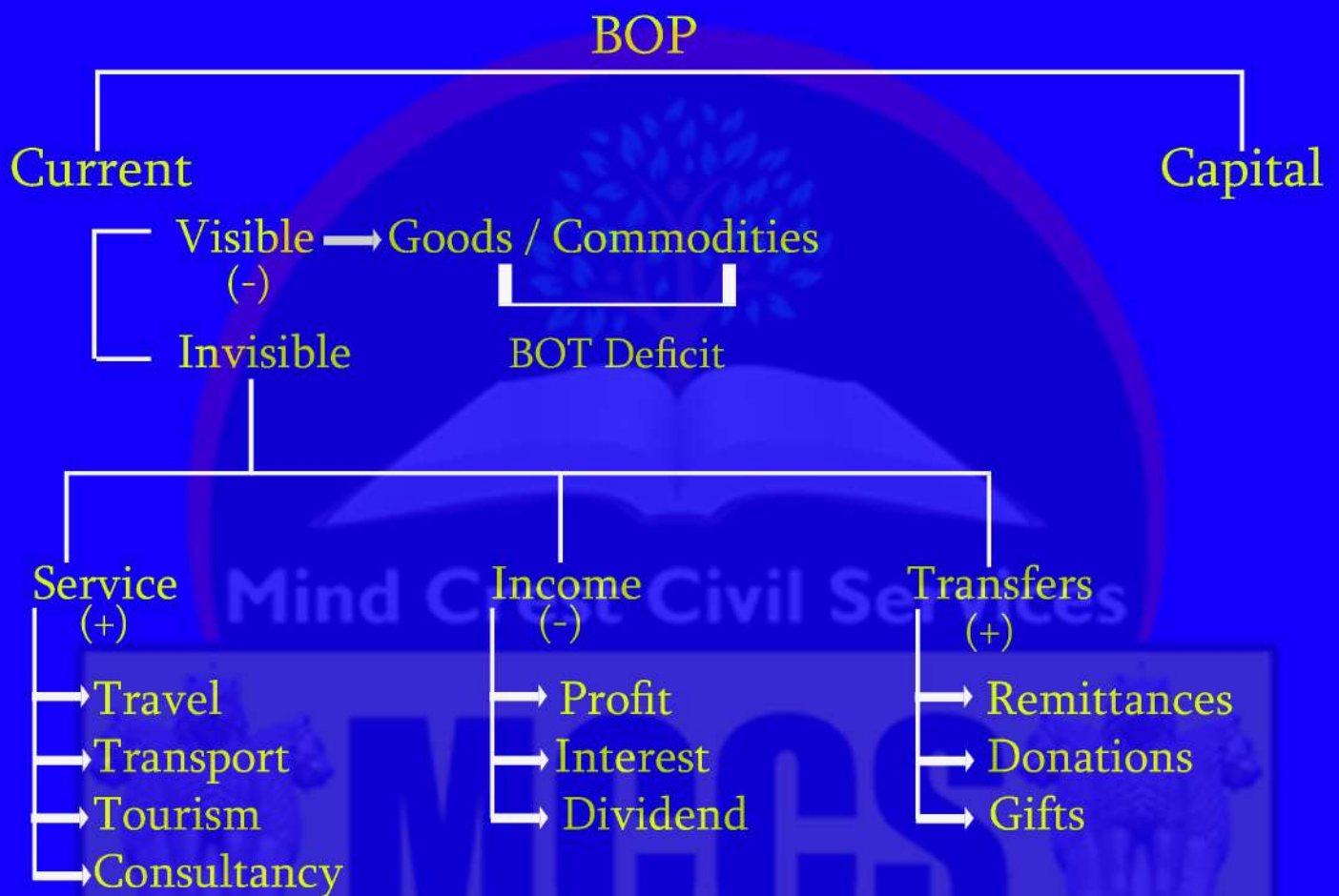
● Vajra Scheme, Under Department of Science & Technology

● Totalization Pact

● FATCA Pact



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CONCEPTUAL TOPICS *Economic*

April 2022

* Current Account Deficit, Why Bad?

1. Weakens currency - Crude Oil imports more expensive & as a result petrol, Diesel, Transportation more expensive - leads to inflation

2. Leads to BOP crisis

- Saudi Arabia, UAE, Kwait, Nigeria, Angola, Venezeula

● OPEC - HQ - Vienna, Austria

- Set up in 1960 after Bakdal Conference

- 81% of world reserve - share

● Non - OPEC - Russia

* Why oil price fell in 2013 - 16 ?

Reason:

1. USA shift to shell gas

2. Fall in economic growth in EU & China

3. Saudi Arabia did not cut production so to hurt Iran

● Strategic Petrol Reserve:

● Counter Cyclical

Boom - ↑ Loans

Recession - ↓ Loans

● Pro Cyclical

Boom - ↓ Loans

Recession - ↑ Loans



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CONCEPTUAL TOPICS *Economic* April 2022

- Gold - Largest Production (99%) - Karnataka
(1%) - Jharkhand
 - Switzerland > UAE > South Africa
- * Why Gold Obsession is bad for the Economy ?
- * Gold Bond Scheme
- * Gold Monetization Scheme
- Exports-
 - Foreign Trade Development Act in 1992
 - DGFT Under Commerce Ministry
- * Service Export from India Scheme [SEIS]
- * Merchandise Export from India Scheme [MEIS]



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Capital A/C

Investment

- FDI
- FII (Hot Money)



1. Global Depository Receipts
 2. Foreign Venture Capital Receipts
 3. American Depository Receipts
 4. Foreign Portfolio Investment
- E.g. Morgan Stanley, HSBC

- FDI

1. More than 10% equity Investment
- E.g. TATA + Starbucks, Walmart

Loans

- Sovereign Loan (+)
- External Commercial Borrowings (-)

Banking Capital

- NRI/ AC
- FCNR





CONCEPTUAL TOPICS *Economic*

April 2022

● FDI + FII Composite Cap = Foreign Investment Limit

Defence	Banks
51% Domestic 49% Foreign - 24% (through FPI)	26% Domestic 74% Foreign

* FDI Sector wise & Country wise Decreasing Rate

● Sector Wise

- Services > Construction > Computer Hardware & Software > Telecom Sector > Automobile

● Country Wise

- Singapore > Mauritius > Netherlands > USA

● Agency - Foreign Investment Promotion Board

- Department of Economic Affairs & Ministry of Finance
- Upto 5K Crore under FIPB jurisdiction
- Above 5K Crore under cabinet committee on Economic Affairs
Jurisdiction



CONCEPTUAL TOPICS *Economic* April 2022

* World Bank Stats about the International Debt

1. Tenure wise - Long Term 83%
2. Sector Wise - Private (80%)
Government
3. Currency Wise - Dollars > Rupees > SDR > Yen

India's external debt composition are categorized as less vulnerable nation due to Forex Reserve Sufficient to cover 77% of debt

● Forex Reserve

1. Foreign currency Asset
2. Gold
3. IMF's SDR
4. SDR reserve Tranche