



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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India's International Investment Position (IIP), March 2018¹

Today, the Reserve Bank released data relating to [India's International Investment Position](#) as at [end-March 2018](#).

Key Features of India's IIP in March 2018

I. Quarterly Variations:

- Net claims of non-residents on India declined by US\$ 1.8 billion during the quarter (Table 1).
- Indian residents' overseas financial assets increased by US\$ 19.6 billion, a substantial portion of which came from increase in reserve assets.
- Foreign-owned assets in India increased by US\$ 17.8 billion with broad-based contribution from portfolio debt securities, trade credit, commercial loans, foreign direct investment and currency and deposits.
- Reserve assets accounted for over two-thirds of India's international financial assets; overseas direct investment was the second largest category of assets (Table 3).
- Debt and non-debt liabilities had nearly equal share in total liabilities to non-residents (Table 4).
- The ratio of India's international financial assets to international financial liabilities stood at 60.1 per cent in March 2018 (59.2 per cent in December 2017).

II. Annual Variations

- There was an increase of US\$ 31.8 billion in net claims of non-residents on India during 2017-18, as the increase in foreign owned assets in India (US\$ 94.7 billion) exceeded the increase in Indian residents' overseas financial assets (US\$ 62.9 billion).
- The major portion of the increase in India's international financial assets came from reserve assets.
- Direct investment, portfolio debt investment, trade credit, and, currency and deposits contributed to the higher increase in liabilities to non-residents.

III. Ratio of International Financial Assets and Liabilities to GDP

- The ratio of total international financial assets to Gross Domestic Product (GDP) at current prices, increased marginally to 24.5 per cent in March 2018 from 24.2 per cent a year ago (Table 2). The ratio of reserve assets to GDP increased to 16.5 per cent in March 2018 from 15.7 per cent a year ago.
- The ratio of total international financial liabilities to GDP stood at 40.8 in March 2018, nearly same as a year ago.
- The ratio of net IIP to GDP was (-) 16.3 per cent in March 2018.

¹ India's quarterly IIP is disseminated with a one- quarter lag. The IIP for end- December 2017 was placed in the public domain on [March 28, 2018](#)

Table 1: Overall International Investment Position of India

(US \$ billion)

| Period | Mar-17(R) | Jun-17(PR) | Sep-17(PR) | Dec-17(PR) | Mar-18(P) |
|---|---------------|---------------|---------------|---------------|---------------|
| Net IIP | -388.5 | -400.6 | -397.6 | -422.1 | -420.3 |
| A. Assets | 569.9 | 582.3 | 600.9 | 613.2 | 632.8 |
| 1. Direct Investment | 148.2 | 151.2 | 153.5 | 155.2 | 157.4 |
| 2. Portfolio Investment | 2.6 | 2.1 | 2.5 | 2.6 | 2.7 |
| 2.1 <i>Equity Securities</i> | 1.6 | 2.0 | 2.4 | 2.3 | 1.3 |
| 2.2 <i>Debt Securities</i> | 1.0 | 0.1 | 0.0 | 0.3 | 1.4 |
| 3. Other Investment | 49.1 | 42.4 | 44.7 | 46.3 | 48.2 |
| 3.1 <i>Trade Credits</i> | 1.8 | 1.2 | 1.3 | 1.6 | 1.7 |
| 3.2 <i>Loans</i> | 7.4 | 5.2 | 6.0 | 5.6 | 8.2 |
| 3.3 <i>Currency & Deposits</i> | 22.0 | 18.1 | 19.2 | 20.8 | 20.8 |
| 3.4 <i>Other Assets</i> | 17.9 | 18.0 | 18.3 | 18.4 | 17.5 |
| 4. Reserve Assets | 370.0 | 386.5 | 400.2 | 409.1 | 424.5 |
| B. Liabilities | 958.4 | 982.8 | 998.5 | 1035.3 | 1053.1 |
| 1. Direct Investment | 342.6 | 353.2 | 364.1 | 377.5 | 379.4 |
| 2. Portfolio Investment | 238.4 | 250.9 | 253.8 | 267.5 | 272.2 |
| 2.1 <i>Equity Securities</i> | 154.0 | 154.9 | 150.1 | 155.7 | 155.1 |
| 2.2 <i>Debt securities</i> | 84.4 | 96.0 | 103.7 | 111.8 | 117.1 |
| 3. Other Investment | 377.4 | 378.7 | 380.6 | 390.3 | 401.5 |
| 3.1 <i>Trade Credits</i> | 88.9 | 89.6 | 93.6 | 98.4 | 103.2 |
| 3.2 <i>Loans</i> | 159.5 | 158.3 | 156.6 | 155.9 | 159.7 |
| 3.3 <i>Currency & Deposits</i> | 117.1 | 118.5 | 118.3 | 123.5 | 126.4 |
| 3.4 <i>Other Liabilities</i> | 11.9 | 12.3 | 12.2 | 12.4 | 12.2 |
| Memo item: Assets to Liability Ratio (%) | 59.5 | 59.2 | 60.2 | 59.2 | 60.1 |

R: Revised 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-16 (R) | Mar-17 (PR) | Mar-18(P) |
|---------------------------------------|--------------|--------------|--------------|
| Net IIP (Assets - Liabilities) | -17.4 | -16.5 | -16.3 |
| A. Assets | 26.5 | 24.2 | 24.5 |
| 1. Direct Investment Abroad | 6.8 | 6.3 | 6.1 |
| 2. Portfolio Investment | 0.1 | 0.1 | 0.1 |
| 2.1 <i>Equity Securities</i> | 0.1 | 0.1 | 0.0 |
| 2.2 <i>Debt Securities</i> | 0.0 | 0.0 | 0.1 |
| 3. Other Investment | 2.3 | 2.1 | 1.9 |
| 3.1 <i>Trade Credits</i> | 0.1 | 0.1 | 0.0 |
| 3.2 <i>Loans</i> | 0.3 | 0.3 | 0.3 |
| 3.3 <i>Currency and Deposits</i> | 1.0 | 0.9 | 0.8 |
| 3.4 <i>Other Assets</i> | 0.8 | 0.8 | 0.7 |
| 4. Reserve Assets | 17.3 | 15.7 | 16.5 |
| B. Liabilities | 43.9 | 40.7 | 40.8 |
| 1. Direct Investment in India | 14.2 | 14.6 | 14.7 |
| 2. Portfolio Investment | 10.8 | 10.1 | 10.6 |
| 2.1 <i>Equity Securities</i> | 6.8 | 6.5 | 6.0 |
| 2.2 <i>Debt securities</i> | 4.0 | 3.6 | 4.5 |
| 3. Other Investment | 18.9 | 16.0 | 15.6 |
| 3.1 <i>Trade Credits</i> | 4.0 | 3.8 | 4.0 |
| 3.2 <i>Loans</i> | 8.2 | 6.8 | 6.2 |
| 3.3 <i>Currency and Deposits</i> | 6.1 | 5.0 | 4.9 |
| 3.4 <i>Other Liabilities</i> | 0.6 | 0.5 | 0.5 |

Table 3: Composition of International Financial Assets and Liabilities of India
(per cent)

| Period | Mar-17(R) | Jun-17(PR) | Sep-17(PR) | Dec-17(PR) | Mar-18(P) |
|--------------------------------|------------------|-------------------|-------------------|-------------------|------------------|
| A. Assets | | | | | |
| 1. <i>Direct Investment</i> | 26.0 | 26.0 | 25.5 | 25.3 | 24.9 |
| 2. <i>Portfolio Investment</i> | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 |
| 3. <i>Other Investment</i> | 8.6 | 7.3 | 7.4 | 7.6 | 7.6 |
| 4. <i>Reserve Assets</i> | 64.9 | 66.3 | 66.6 | 66.7 | 67.1 |
| Assets/Liabilities | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| B. Liabilities | | | | | |
| 1. <i>Direct Investment</i> | 35.7 | 36.0 | 36.5 | 36.5 | 36.0 |
| 2. <i>Portfolio Investment</i> | 24.9 | 25.5 | 25.4 | 25.8 | 25.9 |
| 3. <i>Other Investment</i> | 39.4 | 38.5 | 38.1 | 37.7 | 38.1 |

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

| Period | Mar-17(R) | Jun-17(PR) | Sep-17(PR) | Dec-17(PR) | Mar-18(P) |
|-----------------------------|------------------|-------------------|-------------------|-------------------|------------------|
| <i>Non-Debt Liabilities</i> | 50.3 | 50.1 | 49.9 | 50.0 | 49.2 |
| <i>Debt Liabilities</i> | 49.7 | 49.9 | 50.1 | 50.0 | 50.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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