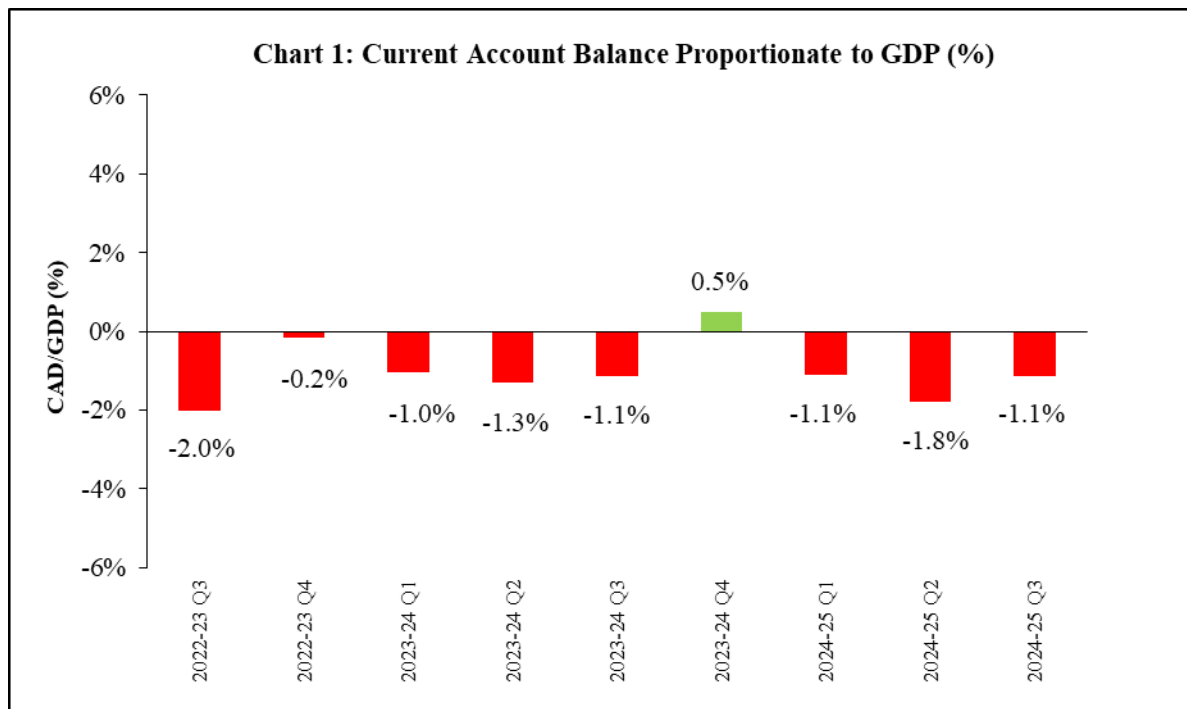


Macro-Economic Updates

Apr 01, 2025

India's Balance of Payments: Current account deficit widens to 1.1% of GDP in Q3FY25

- India's **current account deficit (CAD)** increased to US\$11.5 billion (1.1% of GDP) in Q3 FY25, up from US\$10.4 billion (1.1% of GDP) in Q3 FY24 but down from US\$16.7 billion (1.8% of GDP) in Q2 FY25.
- **Merchandise trade deficit** widened to US\$79.2 billion in Q3 FY25, compared to US\$71.6 billion in the same quarter last year.
- **Net services receipts** rose to US\$51.2 billion in Q3 FY25, driven by increases in business, computer, transportation, and travel services.
- Net outgo on the **primary income account** increased to US\$16.7 billion in Q3 FY25, up from US\$13.1 billion in Q3 FY24.
- **Personal transfer receipts**, mainly remittances from Indians abroad, rose to US\$35.1 billion in Q3 FY25, compared to US\$30.6 billion in Q3 FY24.
- **Foreign direct investment (FDI)** recorded a net outflow of US\$2.8 billion in Q3 FY25, reversing the inflow of US\$4.0 billion in Q3 FY24.
- **Foreign portfolio investment (FPI)** saw a net outflow of US\$11.4 billion in Q3 FY25, compared to a net inflow of US\$12.0 billion in Q3 FY24.
- **External commercial borrowings (ECBs)** to India amounted to a net inflow of US\$4.3 billion in Q3 FY25, compared to a net outflow of US\$2.7 billion a year ago.
- **Non-resident deposits (NRI deposits)** saw a net inflow of US\$3.1 billion, down from US\$3.9 billion the previous year.
- **Foreign exchange reserves** decreased by US\$37.7 billion (on a BoP basis) in Q3 FY25, compared to an increase of US\$6.0 billion in Q3 FY24.



Note: GDP data as per new series (current prices)

Table 1: Trends in Balance of Payments (USD Billion)

US\$ Billion	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2	FY25 Q3
Current Account	-10.4	4.6	-8.9	-16.7	-11.5
Goods	-71.6	-52.0	-63.8	-84.3	-79.2
Non-Monetary Gold	-13.7	-9.6	-8.3	-20.7	-19.5
Services	45.0	42.7	39.7	44.6	51.2
Primary Income	-13.1	-14.8	-11.1	-9.5	-16.7
Secondary Income	29.3	28.7	26.3	32.4	33.2
Capital Account	-0.09	0.04	0.04	-0.01	-0.14
Financial Account	11.4	-5.3	8.1	17.4	11.0
Direct Investment in India	8.4	8.0	10.8	5.1	3.7
Portfolio Investment	12.0	11.4	0.9	19.9	-11.4
Reserve Assets	-6.0	-30.8	-5.2	-18.6	37.7
Errors and Omissions	-0.9	0.6	0.7	-0.7	0.6

Source: Reserve Bank of India (www.rbi.org.in)

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