Asia Pacific

Economics

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India Macro Flash

3Q FY12 Balance of Payments in the Red, Expect Trends to Continue in FY13 and Pressure on INR to Persist

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- **3Q FY12 BoP – Deep in the Red** — Similar to trends in 1H FY12, higher oil and gold imports resulted in the 3Q FY12 trade deficit widening to US$47.7bn. This offset the rise in invisibles to US$28.3bn (remittances + software exports), thus resulting in the current account deficit (CAD) touching an all-time high of US$19.4bn. As regards the capital account, risk aversion and fears of deleveraging during 3QFY12 (Oct-Dec) resulted in capital flows slowing sharply to US$8bn. Consequently, the overall BoP in 3QFY12 fell deep into the red at US$12.8bn v/s a surplus of US$5.7bn in 1HFY12.

- **9M FY12 (Apr-Dec) Cumulative Trends: Overall BoP Down US$7.1bn** – Cumulatively during Apr-Dec, the trade deficit widened to US$132.5bn while invisibles rose to US$78.9bn. This saw the CAD widen to US$53.6bn v/s US$39.5bn in the same period last year. Capital flows came in at US$47.5bn v/s US$53.3bn resulting in the overall balance of payments deficit at US$7.1bn v/s a surplus of US$11.1bn last year.

- **Overall BoP to Remain in Deficit in FY12E and FY13E**

  – **FY12: Overall Deficit at US$4.2bn v/s US$1.7bn earlier:** Due to a moderation in gold imports coupled with the seasonality in invisible earnings, we expect a slight improvement in the CAD in 4QFY12. While we maintain our full year CAD of US$70.8bn, we've tweaked our capital flow numbers marginally i.e (lower FDI + loans but higher FII + NRI deposits). We now expect an overall deficit of US$4.2bn v/s US$1.7bn estimated earlier. *(pls see pg 2 & 5 for detailed BoP estimates)*.

  – **FY13: Overall Deficit to Edge Higher to US$5.7bn:** Going forward for FY13, we maintain our CAD estimates of US$81.3bn or 3.9% of GDP. (Incorporates crude at US$125/bbl). On the capital account, adjusting for lower FDI numbers, we expect total flows at US$75.6bn, thus resulting in an overall deficit of US$5.7bn. *(see pg 5)*

- **RBI to Continue to Use Levers to Attract Dollar Inflows -** Since Nov 2011, the RBI has been relaxing its restrictions on the pricing and quantum of dollar inflows. This was followed by measures in the recent budget. **Going forward**, we could also see the possibility of a commercial dollar bond issue (similar to the Resurgent India Bond and India Millennium Deposits issuances in 1998 and 2000 respectively), dollar swap-lines, and gold imports coming under further scrutiny. *(see pg 4)*

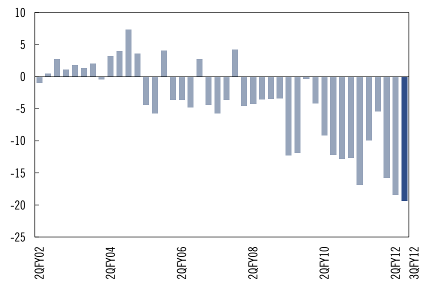
- **Market Implications -** India's forex reserves have remained largely stagnant over the last three years, resulting in its forex import cover coming off significantly from 14 months of import cover in FY08 to 6.9 months in FY12E. Despite a relatively strong growth story, the fx reserve drawdown expected both in FY12 and FY13 is likely to keep the currency under pressure. Our current estimates are for the INR oscillating around the Rs50/US$ level.

ALSO INSIDE:

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

BoP – 3QFY12 Data Highlights

Figure 1. Trends in CAD (US$bn)



Source: RBI; Citi Investment Research and Analysis

__Current Account:__ Similar to trends in 1QFY12 and 2QFY12, 3QFY12 BoP data indicated a further widening of the __trade deficit__ to US$47.7bn, from US$43.4bn in the previous quarter. Key factors behind the rise in the trade deficit are (1) Higher oil prices and (2) Increase in Gold Imports. (See pg 5 for trends in commodity composition of trade.

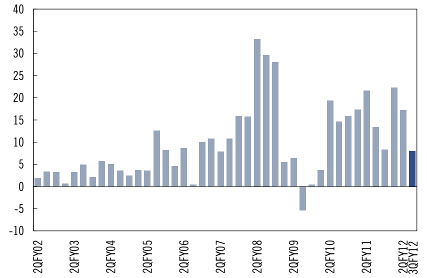
The higher trade deficit more than offset an improvement in __invisibles__, (remittances + software exports) to US$28.3bn. As a result, the current account deficit (CAD) touched US$19.4bn – an all time high. On a cumulative basis during Apr-Dec 11, India's CAD widened to US$53.6bn v/s US$45.9bn in the same period last year.

Figure 2. Trends in Current Account Deficit (US$bn)

	FY12				FY11		Full Year		
	Q1	Q2	Q3	9M	Q3	9M	FY11	FY12E	FY13E
a. Trade Balance	**-41.4**	**-43.4**	**-47.7**	**-132.5**	**-31.5**	**-100.4**	**-130.6**	**-175.8**	**-205.6**
Exports	74.2	76.4	71.1	221.8	65.9	173.1	250.5	300.6	351.7
Imports	115.6	119.8	118.8	354.3	97.4	273.5	381.1	476.3	557.3
b. Invisibles	**25.6**	**25.0**	**28.3**	**78.9**	**21.5**	**60.9**	**84.6**	**105.0**	**124.4**
Services	15.2	14.0	15.1	44.3	11.9	33.5	48.8	56.8	68.0
Software Services	14.6	13.6	15.8	44.0	14.0	37.6	53.3	61.8	72.0
Non-Software Services	0.6	0.4	-0.7	0.3	-2.1	-4.1	-4.4	-5.0	-4.0
Official Transfers	-0.1	0.0	0.2	0.1	0.1	-0.2	0.0	0.2	0.4
Private Transfers	13.1	13.0	13.4	39.5	13.4	39.5	53.1	62.0	66.0
Investment Income	-4.3	-4.6	-4.5	-13.5	-4.0	-12.0	-17.3	-14.0	-10.0
Current Account (a+b)	**-15.8**	**-18.4**	**-19.4**	**-53.6**	**-10.0**	**-39.5**	**-45.9**	**-70.8**	**-81.3**

Source: RBI; Citi Investment Research and Analysis

Figure 3. Qtrly Trends in Capital A/C (US$bn)



Source: RBI; Citi Investment Research and Analysis

__Capital Account:__ Following robust capital flows of US$22.3bn in 1QFY12 and US$17.2bn in 2QFY12, capital flows slowed sharply to US$8.0bn in 3QFY12. This can be attributed to fears of de-leveraging during Oct-Dec 2011 which resulted in a sharp drop in loans as well as a drawdown on banking capital. This in turn resulted in the overall balance of payments coming in the red at US$12.8bn.

Figure 4. Trends in Capital Account (US$bn)

	FY12				FY11		Full Year		
	Q1	Q2	Q3	9M	Q3	9M	FY11	FY12E	FY13E
C .Loans	**6.8**	**8.4**	**2.7**	**17.9**	**6.3**	**22.0**	**28.4**	**25.0**	**23.0**
d. Foreign Investment	**10.3**	**2.8**	**6.4**	**27.0**	**6.9**	**37.8**	**9.4**	**20.0**	**23.0**
Portfolio Investments	2.5	-1.2	1.9	7.0	6.3	30.1	30.3	11.0	18.0
FDI	7.8	4.0	4.5	20.0	0.6	7.7	9.4	20.0	23.0
E .Banking Capital Net	**12.7**	**6.7**	**-5.5**	**19.8**	**4.9**	**5.7**	**5.0**	**12.0**	**11.0**
Commercial Banks(Net)	11.5	3.9	-8.8	14.2	4.7	3.4	4.4	1.0	1.0
Of which NRI deposits	1.2	2.8	3.3	5.6	0.2	2.3	3.2	11.0	10.0
f. Other capital	**-7.4**	**-0.7**	**4.4**	**-10.5**	**-4.8**	**-13.2**	**-11.0**	**-1.0**	**1.0**
g.Rupee debt service	0.0	0.0	0.0	-0.1	0.0	0.0	-0.0	-1.0	1.0
Capital Account (c:g)	**22.3**	**17.2**	**8.0**	**47.5**	**13.4**	**52.3**	**62.0**	**66.6**	**75.6**
Errors & Omissions	-1.0	1.5	-1.4	-0.9	0.6	-1.7	-3.0	0.0	0.0
Overall Balance	**5.4**	**0.3**	**-12.8**	**-7.1**	**4.0**	**11.1**	**13.1**	**-4.2**	**-5.7**

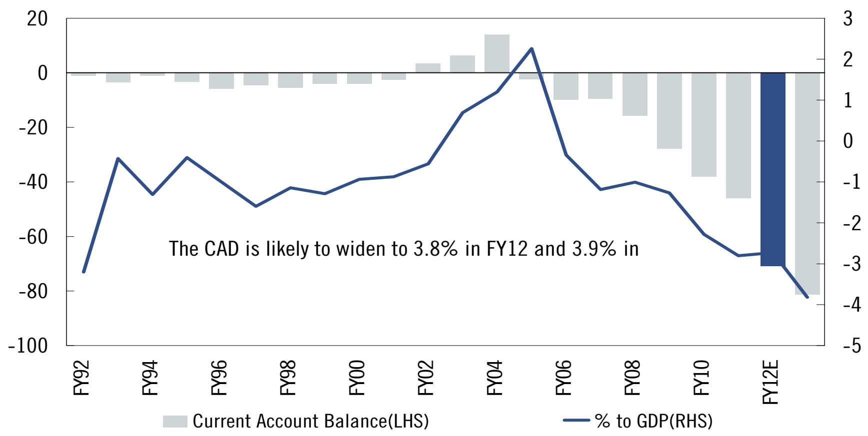
Source: RBI; Citi Investment Research and Analysis

Reserve Drawdown to Continue in FY13…

CAD – TOUCHES NEW HIGH

Despite buoyant invisibles (software + remittances), the higher trade deficit is likely to result in the CAD widening to US$70.8bn or 3.8% of GDP in FY12 and US$81.3bn or 3.9% in FY13.

Figure 5. Trends in Current Account Deficit (US$bn, % to GDP)

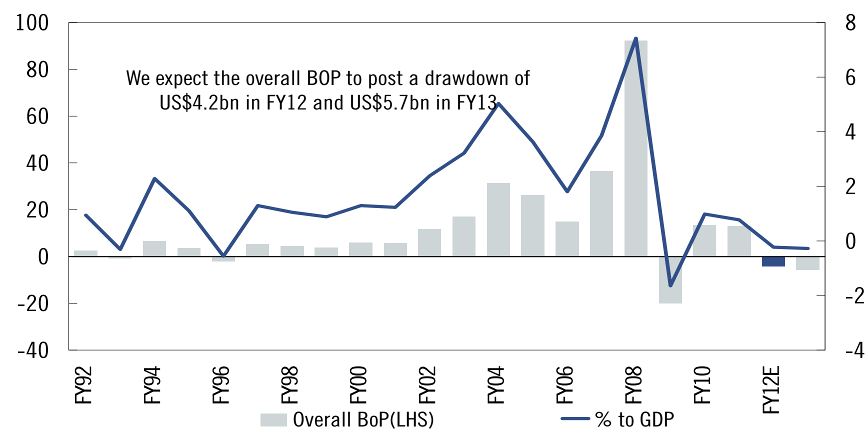


Source: Citi Investment Research and Analysis

OVERALL BOP IN DEFICIT

Capital flows are estimated at US$66.6bn in FY12 and US$75.6bn in FY13. Due to various measures taken by the policy makers, these levels are higher than the past. However, despite this, the higher CAD is likely to result in a drawdown of reserves in FY12 and FY13.

Figure 6. Trends in Overall Balance of Payments (US$bn, % to GDP)

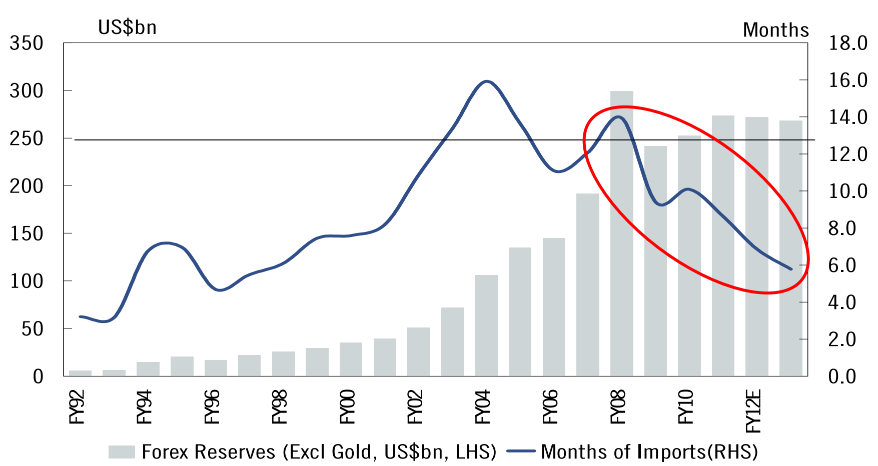


Source: RBI; Citi Investment Research and Analysis

FOREX COVER DECLINES

Forex reserves have remained largely stagnant over the last three years, resulting in its forex import cover coming off significantly from 14 months of imports cover in FY08 to 6.9 months in FY12E

Figure 7. Forex Assets & Import Cover (US$bn, Months of Imports)



Source: RBI; CIRA

…Measures to Attract Dollar Flows are Key

As seen below, in a bid to attract dollar inflows since November 2011, the RBI/MoF have been relaxing its restrictions on: (1) pricing i.e. raising permissible interest rates on loans/NRI deposits, and (2) the quantum of inflows. Measures have also been taken to (3) curb speculation and (4) moderate un-productive imports – viz Gold. Higher duties and stricter norms on gold finance companies (LTV ratio of not more than 60% for loans against gold collateral, while gold financing companies are required to maintain Tier I capital of 12%). As mentioned earlier, (see *Spotlight on Gold Imports – Another Step to Stem INR Weakness*), the rise in duties could thus temper gold demand and help contain the rising trade deficit.

Going forward, we could also see the possibility of a commercial dollar bond issue (similar to the Resurgent India Bond (RIB) and India Millennium Deposits (IMD)[1] issuances in 1998 and 2000 respectively), dollar swap-lines, and gold imports coming under further scrutiny.

Figure 8. Key Steps Taken to Enhance Capital Inflows

Instrument	Steps	Comment
Steps to Curb Speculation	These include (i) not allowing forward contracts to be cancelled or re-booked; (ii) administrative measures related to forward contracts for probable exposures; and (iii) reduction on the US$100m limit on net FX supply through rupee swaps	Interbank volumes are down 40% from US$5bn/day to US$3bn.
Encouraging NRI Deposits	Interest rates raised on Non-Resident (External) Rupee (NRE) Term Deposits and Foreign Currency Non-Resident (Banks) (FCNR (B)) deposits. Later in Dec, interest rates on NRE Deposits and Non-Resident Accounts were deregulated.	Higher rates would encourage NRI deposits given soft global interest rates
Relaxing ECB Norms	Loans with a maturity between 3-5 years can now be raised at a spread of Libor+350bps from Libor +300bps previously. Funds raised must be brought back into India immediately. ECBs permitted to part finance rupee debt of existing power projects Withholding tax on interest payments for ECBs reduced from 20% to 5% for key infra sectors	Measures would facilitate funding and provide cushion on the capital account as more companies, particularly in the infra sector, borrow overseas to take advantage of lower rates
FII Flows	- Permitting Qualified Foreign Investors (QFIs) to directly invest in the equity market and more recently (in the budget) to access the Corporate Bond market - Relaxing foreign limits on debt - Permitting two-way fungibility in Indian Depository Receipts subject to a ceiling - Implementing Advance Pricing Agreement (APA)	Measures aim to encourage greater foreign participation in Indian capital market. The Advance Pricing Agreement would bring down tax litigation and provide tax certainty to foreign investors
Relaxing accounting rules for forex loans of companies	Extending the deadline for charging losses on forex loans from March 2012 to March-end 2020.	Fears on corporate profitability being hit due to the move in the exchange rate muted. Moreover, it reduces future pressure on hedging
Steps to Curb Black Money	- 82 Double Taxation Avoidance Agreements (DTAA) and 17 Tax Information Exchange Agreements (TIEA) finalized - A dedicated cell set up for the speedy exchange of tax information with treaty countries is fully functional in CBDT - Directorate of IT Criminal Investigation established	These steps would help tackle the circulation and transfer of black money. The govt has also proposed to table a White paper on Black Money in parliament this session
Gold Imports	- Basic customs duty on standard gold bars; gold coins of high purity and platinum were raised from 2% to 4%; non-standard gold from 5% to 10% in the budget - Excise duty on refined gold increased from 1.5% to 3% - NBFCs required to maintain LTV ratio of <60% for loans against gold collateral. Gold financing companies required to maintain Tier I capital of 12%	Given that gold imports comprise ~ 10% of total imports, and prices have been steadily rising ; the govt has been taking steps to curb imports

Source: RBI, Ministry of Finance, CIRA

[1] **Resurgent India Bonds** were issued by the State Bank of India (SBI) in 1998 for NRIs/OCBs at a coupon of 7.75% with a tenor of 5 years. The scheme raised US$4.2bn. **India Millennium Deposits** were issued in 2000 by the SBI at 8.5%, maturing in 5 years. The scheme raised ~US$5.5bn.

Balance of Payments

Figure 9. India – Trends and Forecasts in the Balance of Payments (US$B, %)

	FY07	FY08	FY09	FY10	FY11	FY12E	FY13E	Comments
CURRENTACCOUNT								
Exports(RBI)	**128.9**	**166.2**	**189.0**	**182.4**	**250.5**	**300.6**	**351.7**	
Y/Y%	22.6	28.9	13.7	-3.5	37.3	20.0	17.0	
% of GDP	13.6	13.4	15.6	13.2	14.9	16.2	17.0	
Exports–Customs*	**126.4**	**162.9**	**182.8**	**178.8**	**251.1**	**314.2**	**367.6**	
Y/Y%	22.6	28.9	12.2	-2.2	40.5	25.1	17.0	
Imports(RBI)	**190.7**	**257.6**	**308.5**	**300.6**	**381.1**	**476.3**	**557.3**	
Y/Y%	21.4	35.1	19.8	-2.6	26.7	25.0	17.0	
%to GDP	20.1	20.8	25.4	21.8	22.6	25.7	26.9	
Imports-Customs*	**185.7**	**251.4**	**298.8**	**288.3**	**369.7**	**472.0**	**560.2**	
Y/Y%	24.5	35.4	18.8	-3.5	28.2	27.7	18.7	
Of which Oil	56.9	79.6	93.7	87.1	103.9	145.0	174.4	Crude at US$111/bbl in FY12; US$125/bbl in FY13
Y/Y%	29.5	39.9	17.6	-7.0	19.3	39.6	20.3	∆US$1/bbl in oil prices=US$800m impact on deficit
Non-Oil	128.8	171.8	205.2	201.2	265.8	327.0	385.8	
Y/Y%	22.4	33.4	19.4	-1.9	32.1	23.0	18.0	
a. Trade balance (RBI)	**-61.8**	**-91.5**	**-119.5**	**-118.2**	**-130.6**	**-175.8**	**-205.6**	
% of GDP	-6.5	-7.4	-9.8	-8.7	-7.8	-9.5	-9.9	
Trade Balance(Customs)	-59.3	-88.5	-116.0	-109.6	-118.6	-157.7	-192.6	
Difference bet. RBI and Customs Data	**-2.5**	**-2.9**	**-3.5**	**-8.6**	**-12.0**	**-18.0**	**-13.1**	Difference normally represents defense imports.
b. Invisibles	**52.2**	**75.7**	**91.6**	**80.0**	**84.6**	**105.0**	**124.4**	
Non-factor services	29.5	38.9	53.9	35.8	48.8	56.8	68.0	
Of which: Software Services	29.0	36.9	43.5	48.2	53.3	61.8	72.0	
Non-Software Services	0.4	1.9	10.4	-12.5	-4.4	-5.0	-4.0	
Investment income	-7.3	-5.1	-7.1	-8.0	-17.3	-14.0	-10.0	
Remittances**	29.8	41.7	44.6	52.1	53.1	62.0	66.0	
Official transfers	0.3	0.2	0.2	0.3	0.0	0.2	0.4	
1.Currenta/cbalance (a+b)	**-9.6**	**-15.7**	**-27.9**	**-38.2**	**-45.9**	**-70.8**	**-81.3**	
% of GDP	-1.0	-1.3	-2.3	-2.8	-2.7	-3.8	-3.9	Current a/c to widen to 3.8-3.9 % of GDP in FY12-13
CAPITALACCOUNT								
c. Loans	**24.5**	**40.7**	**8.3**	**12.4**	**28.4**	**25.0**	**23.0**	
External assistance	1.8	2.1	2.4	2.9	4.9	4.5	2.0	
Commercial borrowings***	16.1	22.6	7.9	2.0	12.5	13.5	15.0	
Short-term credit	6.6	15.9	-2.0	7.6	11.0	7.0	6.0	
d. FDI(Net=a-b)	**7.7**	**15.9**	**19.8**	**18.0**	**9.4**	**20.0**	**23.0**	
(a)FDI-To India	22.7	34.7	37.7	33.1	25.9	35.0	35.0	
(b)FDI-Abroad	-15.0	-18.8	-17.9	-15.1	-16.5	-15.0	-12.0	
e. Portfolio Invst(FII+ADRs/GDRs)	**7.1**	**27.4**	**-14.0**	**32.4**	**30.3**	**11.0**	**18.0**	
f. Banking Capital	**1.9**	**11.8**	**-3.2**	**2.1**	**5.0**	**12.0**	**11.0**	
Of which NRI deposits	4.3	0.2	4.3	2.9	3.2	11.0	10.0	
g. Rupee debt service	**-0.2**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.4**	**-0.4**	
h. Other capital****	**4.2**	**11.0**	**-4.0**	**-13.2**	**-11.0**	**-1.0**	**1.0**	
2.Capitala/c(c+d+e+f+g+h)	**45.2**	**106.6**	**6.8**	**51.6**	**62.0**	**66.6**	**75.6**	
Errors & Omissions	1.0	1.3	1.1	0.0	-3.0	0.0	0.0	
Overall balance(1+2)	**36.6**	**92.2**	**-20.1**	**13.4**	**13.1**	**-4.2**	**-5.7**	
Forex								
Forex assets	191.9	299.1	241.6	252.8	273.7	272.0	268.4	
FCA to months of imports	12.1	13.9	9.4	10.1	8.6	6.9	5.8	
Exchange rate								
Rs/US$-annual avg	45.2	40.2	46.0	47.4	45.6	48.1	49.3	
%depreciation	2.0	-11.1	14.4	3.0	-3.8	5.5	2.4	
Rs/US$-yearend	43.6	40.1	50.7	44.9	44.6	50.3	50.0	
%depreciation/(-)appreciation	-2.3	-8.0	26.4	-11.4	-0.7	12.8	-0.6	

Data on exports and imports differ from those given by DGCI&S on account of differences in coverage, valuation and timing (e.g. RBI data on imports includes defence).** ** Remittances - 50% are for family maintenance; balance is local withdrawal from NRI rupee deposits. ***Commercial Borrowings include US$4.1bn of the Resurgent Bond Issue repaid in September 2003 and repayment of India Millennium Bonds in FY06. * Other capital refers to leads and lags in exports, advances received pending issue of shares, funds held abroad. Source: RBI, CIRA Estimates.

Direction and Composition of Trade

Figure 10. India — Composition of Imports (US$bn, %)

	FY07	FY08	FY09	FY10	FY11	FY12*
Petroleum crude& products	57.1	79.7	91.5	86.8	105.9	97.1
% to total	30.8	31.9	30.6	30.2	30.1	30.7
% YoY	29.8	39.6	14.8	-5.1	22.0	47.4
Capital goods	30.8	49.8	48.5	44.5	49.9	40.3
% to total	16.6	20.0	16.2	15.5	14.2	12.7
% YoY	26.8	61.9	-2.8	-8.2	12.2	20.2
Gold & Silver	14.6	17.9	22.8	29.6	35.6	41.8
% to total	7.9	7.1	7.6	10.3	10.1	13.2
% YoY	29.1	22.1	27.8	29.8	20.2	58.4
Pearls precious stones	7.5	7.3	16.6	16.2	31.3	19.9
% to total	4.0	2.9	5.5	5.6	8.9	6.3
% YoY	-18.1	-2.0	126.5	-2.6	93.3	-5.8
Chemicals, related products	13.8	18.7	29.2	23.5	27.4	24.3
% to total	7.5	7.5	9.8	8.2	7.8	7.7
% YoY	21.6	34.8	56.7	-19.7	16.8	20.6
Electronic Goods	15.9	20.2	23.4	21.0	21.5	22.4
% to total	8.6	8.1	7.8	7.3	6.1	7.1
%YoY	20.3	26.7	15.8	-10.3	2.5	21.3
Food & related items	4.9	5.3	5.8	10.0	10.0	9.1
% to total	2.7	2.1	1.9	3.5	2.8	2.9
% YoY	50.5	8.8	8.3	72.9	-0.3	30.7
Other non-POL items	33.8	42.7	52.2	46.8	56.1	51.7
% to total	18.3	17.1	17.4	16.3	15.9	16.3
% YoY	37.3	26.2	22.4	-10.4	19.9	
Other commodities	6.6	8.2	9.3	9.3	14.6	10.0
% to total	3.6	3.3	3.1	3.2	4.1	3.2
% YoY	-16.5	24.1	13.4	-0.4	56.9	18.2
TOTAL IMPORTS	**185.1**	**249.8**	**299.3**	**287.6**	**352.3**	**316.5**
% YoY	24.1	35.0	19.8	-3.9	22.5	33.4

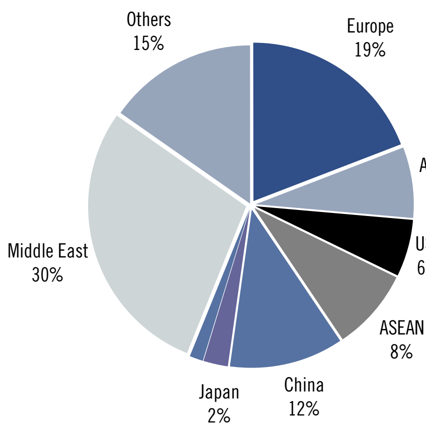
* Apr- Nov. Source: CMIE ,RBI, CIRA

Figure 11. Composition of Exports (US$bn, %)

	FY07	FY08	FY09	FY10	FY11	FY12*
Engineering goods	29.5	37.2	47.0	38.1	68.8	45.9
% to total	23.3	22.8	25.7	21.4	27.3	24.0
%YoY	36.3	26.4	26.3	-18.9	80.5	19.9
Petroleum, crude prods	18.7	28.4	26.9	28.0	42.0	38.5
% to total	14.8	17.4	14.7	15.7	16.7	20.1
%YoY	60.4	52.0	-5.3	4.3	49.9	58.0
Gems & Jewellery	16.0	19.7	28.0	29.0	36.6	30.7
% to total	12.6	12.1	15.3	16.3	14.5	16.0
%YoY	2.8	23.3	42.2	3.6	26.2	59.3
Agri, allied products	12.7	18.4	17.6	17.7	24.7	20.7
% to total	10.0	11.3	9.6	10.0	9.8	10.8
%YoY	24.1	45.5	-4.8	1.1	39.2	55.3
Chemicals & related	12.1	15.6	17.3	17.4	21.5	16.3
% to total	9.6	9.5	9.5	9.7	8.5	8.5
%YoY	18.1	28.3	11.3	0.4	23.7	25.5
Textiles (incl RMG)	17.4	19.4	20.0	19.9	23.4	17.4
% to total	13.7	11.9	10.9	11.1	9.3	9.1
%YoY	5.9	11.9	3.2	-0.9	17.6	
Ores & minerals	7.0	9.1	7.8	8.7	10.7	5.3
% to total	5.5	5.6	4.3	4.9	4.2	2.8
%YoY	13.6	30.4	-14.4	11.0	23.0	-12.9
Other manuf goods	9.9	11.1	11.0	10.9	13.8	12.4
% to total	7.9	6.8	6.0	6.1	5.5	6.5
%YoY	13.9	11.7	-1.4	-0.7	27.0	46.6
Other commodities	3.1	4.0	7.5	8.6	10.5	4.3
% to total	2.4	2.5	4.1	4.8	4.2	2.2
%YoY	22.5	30.5	86.9	15.2	21.1	-42.9
TOTAL EXPORTS	**126.3**	**163.0**	**183.1**	**178.3**	**252.0**	**191.4**
% YoY	22.5	29.1	12.3	-2.6	41.3	40.6

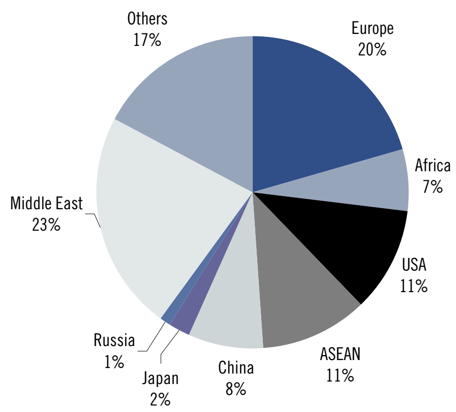
* April-Nov. Source: CMIE, RBI, CIRA

Figure 12. Direction of Imports FY11



Source: DGCI&S, CMIE, CIRA

Figure 13. Direction of Exports FY11



Source: DGCI&S, CMIE, CIRA

Charting Trends in Balance of Payments

Figure 14. Trends in the Trade Deficit (US$bn)

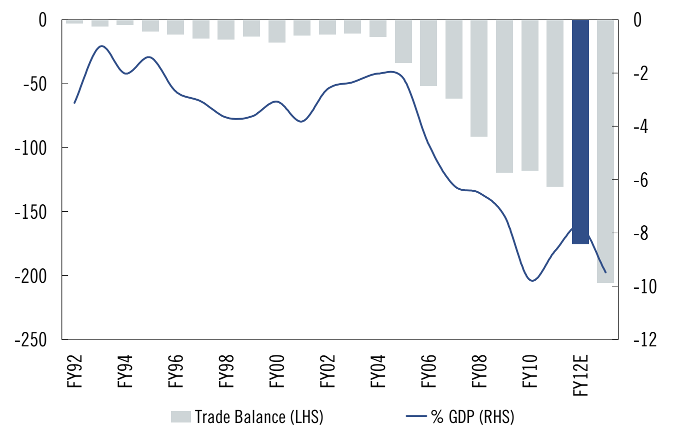


Figure 15. Trends in Invisibles (US$bn)

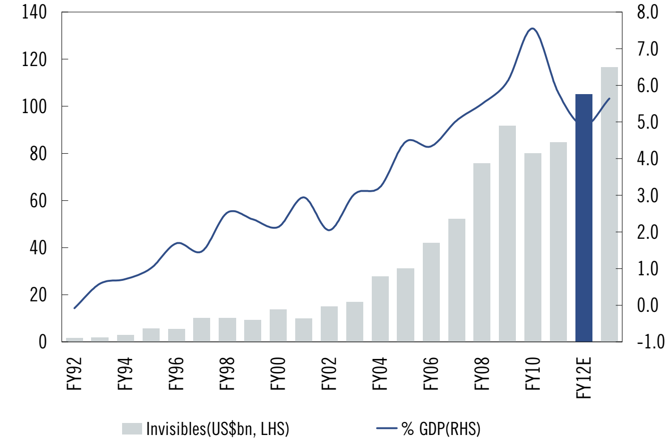


Figure 16. Trends in the Current Account Deficit (US$bn)

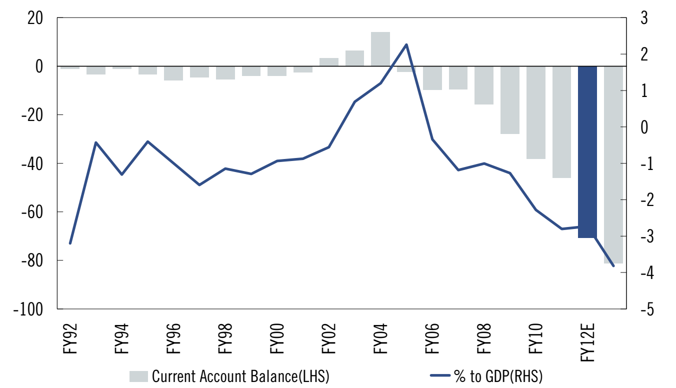


Figure 17. Trends in the Capital Account (US$bn)

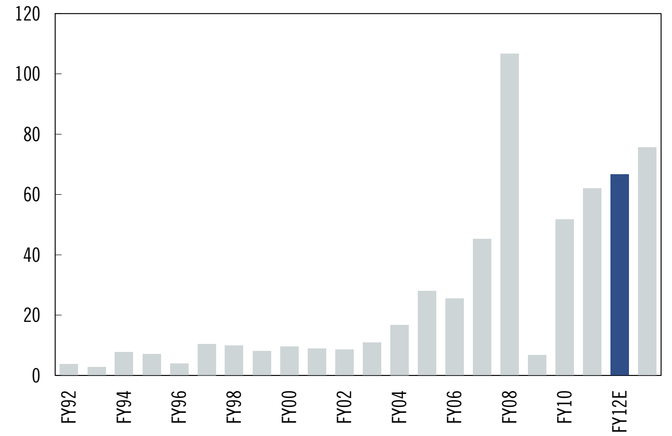


Figure 18.. Trends in the Composition of Capital Flows (US$bn)

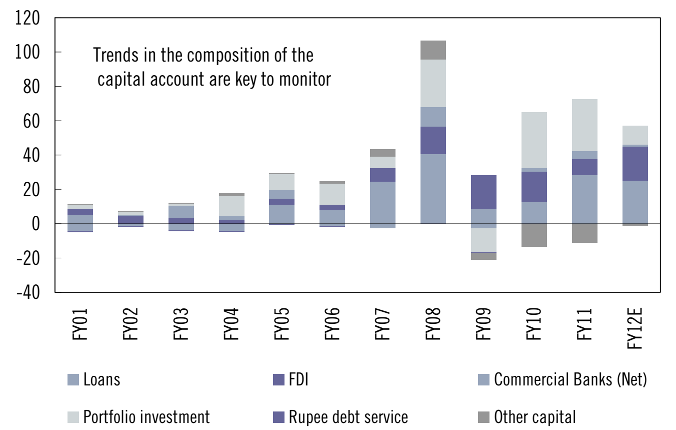
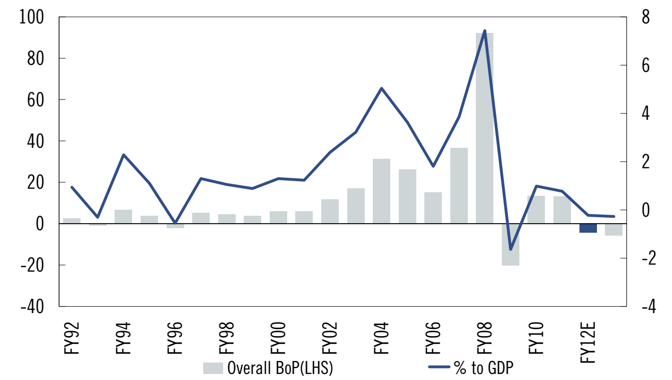


Figure 19. Trends in the Overall BoP (US$bn)



Source: RBI, CIRA

Appendix A-1

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