India's Capital Account : An Analysis of Trends in Growth

Akash Kumra
Associate Professor, Department of Economics, Faculty of Arts, M.S.University of Baroda. Vadodara Gujarat, India

Abstract

Faced with a severe balance of payments crisis, India entered into an IMF influenced structural adjustment program. In addition to the conventional expenditure switching and reducing policies, as part of the IMF agreement, a range of far-reaching economic policy reforms was launched in July 1991 in the external, industrial, financial and public sectors. These policies also influenced the structure of capital account over period of time. Since, capital account plays a vital role in the overall balance of payment a diversified capital account regime is argued by many policymakers over a longer period. More focus was on debt free finance. In context to the above this paper tries to examine the changes that took place in capital account and its components during the reform period (i.e. 1991-92 to 2015-16) as well as more precisely during the second generation reform period (i.e. 2001-02 to 2015-16). Here, an attempt is also made to examine the growth and stability during the two time period. NRI deposits have shown the higher growth but it has also registered the higher instability during the second generation reform period.

KEYWORDS: Capital Account, Growth, Stability.

I.1 Introduction:

Balance of Payment is a statistical record of a business of country with rest of the world. It shows the external strength of a country, it represents the volume of advancement in technological development and competitiveness in the world market and the status of BoP tries to explain the volume of goods and services of a country has been imported and exported along with the performance of borrowing or lending. It has broadly two accounts namely current account and capital account.

The capital account shows credit and debit entries for non-produced non-financial assets and capital transfers between residents and nonresidents. It records acquisitions and disposals of non-produced nonfinancial assets, such as land sold to embassies and sales of leases and licenses, as well as capital transfers, that is, the provision of resources for capital transfers, that is, the provision of resources for capital purposes by one party without anything of economic value being supplied as a direct return to that party.[1]

India has faced sever balance of payment crisis due to severe political instability and uncertainty following three successive minority governments during 1989–91. While the fragilities in the Indian economy were largely homemade, the shock of the 1990 Gulf war was the single most factors which "broke the camel's back" as India was brought to the brink of an international default. Following this, the country plunged into a deep

[1] IMF.

economic crisis. Foreign exchange reserves declined to a level covering only three weeks of imports, something that had never occurred in its post-independence history.

Faced with a severe balance of payments crisis, India entered into an IMF influenced structural adjustment program. In addition to the conventional expenditure switching and reducing policies, as part of the IMF agreement, a range of far-reaching economic policy reforms was launched in July 1991 in the external, industrial, financial and public sectors. These policies do have its impact on the external sector.

The policymakers strived hard to ensure a diversified capital account regime over a longer period. This essentially meant planning for a rising share of non-debt liabilities and a low proportion of short-term debt in total foreign liabilities. And second, to achieve this perspective, a liberal and appropriate policy related to FDI, portfolio investment and ECB was pursued. It is in the context of this, it is become essential to examine the effect of the reforms on the capital account as well as on its components.

I.2. Objective and Hypothesis of the Study:

India has completed a period of two decades of economic reforms. Since, the reforms were initiated as a result of external sector shocks, it is desirable to evaluate the performance of India's capital account during this period. With this as a back drop, this paper has three main objectives:

1. The first objective is to analyse the behaviour of India's Capital Accounts in two regimes i.e. (a) period of administrative control and regulation of trade, and (b) period of liberalisation and global orientation.
2. The second objective is to examine the changes in the trends in FDI, the role of Commercial borrowing, foreign assistance and NRI deposits.

Based on these objectives the central hypothesis of the paper is that economic reforms have brought structural changes and growth in capital account over a period of time which will make the country less vulnerable to the external shocks. To make analysis comprehensive enough a time period corresponding to pre and post reform has been considered.

Although this study pertains to a post-reform period, for sake of comparison the decade prior to reform was also considered. Accordingly, the whole time period has been divided into:

Pre-Reform Period [P1]	1980-81 to 1990-91
Post-Reform Period [P2]	1991-92 to 2015-16
Overall period	1980-81 to 2015-16.

Further, to know the real impact of reforms on the capital account and their main components.

The post-reform period is further divided into two: First generation reform period and Second generation reform period.[2]

First Generation Reform Period-I [R1]	1990-91 to 2000-01.
Second Generation Reform Period-II [R2]	2001-02 to 2015-16.

[2]The term `Second generation reform' was coined by the IMF in the context of the perception by some that the globalization of the world economy, while benefiting developing countries to a degree with an increase in trade and investment, would also create certain problems of a magnitude sufficient to result in their near or complete marginalization. The IMF intended that second generation reform would supplement basic reform structured on the achievement of balance of payments viability, reduction of government deficits, trade liberalization and a reduction of the role of the state. [See, Michel Camdessus, 1999]

Reform-Period [P2] 1991-92 to 2006-07

I.3. Methodology and Source of Data:

(A) Methodology:

For the purpose of analysing data various statistical tools such as line graph, trend line, averages and median have been used in this study. Simple growth rate have been calculated for the purpose of comparative study as well to examining the trend during the two sub-periods under the study. The most used method of obtaining trend values is the method of ordinary least square (OLS).With this method a straight line trend is obtained. This line is called the line of the best fit. The equation of a straight line is

Y = a + bt. Where, Y is the dependent variable, 'a' is the constant, 'b' is the slope of coefficient of the dependent variable and 't' is the time. Such a model is called linear trend model. Here, the time variable 't' is known as the trend variable. If the slope coefficient is positive, there is an upward trend in Y whereas if it is negative, there is a downward trend in Y.

As mentioned earlier this study considers a period corresponding to pre and post- reform regime. Accordingly, two separate regressions can be considered-one for the pre-reform period and the other for the post-reform period, respectively:

i) $Y_t = a + b.t$

ii) $Y_t = a' + b' .t$

Since the above two regression equations can be combined into a multiple regression by adding intercept and slope dummies to equation (i), we get the equation: [3]

$$Y_t = a + b.t + (a' - a)\, Dt + (b' - b)\, Dt + u_t \quad \text{---------- (3)}$$

or

$$Y_t = b_0 + b_1 t + b_2 D + b_3 D.t + u_t \quad \text{---------- (3)}$$

Where Y_t is the time series under study or determinant, t is the time variable and D is the intercept dummy which assumes the value one for the post-reform period and zero for the pre-reform period.[4] D.t is the slope dummy which is nothing but the time variable during the post-reform period and zero otherwise. If the coefficient of, say, slope dummy,(b_3), is statistically significant and positive, it can be concluded that the regression equation for the post-reform period is different from that of the pre- reform period and that the change in the series is higher during the post-reform period (as $b_3 > b_1$). Similarly, if the coefficient of, say, slope dummy,(b_3), is statistically significant and positive, it can be concluded that the regression equation for the second generation reform period is different from that of the first generation reform period and that the change in the series is higher during the second generation reform period (as $b_3 > b_1$).[5]

Further the *Coefficient of Variation* is estimated to study the variability in the variables understudy. The normalized measure of dispersion of a probability distribution is called as *coefficient of variation* as often abbreviated as CV. *Coefficient of Variation*Cv = Standard Deviation / Mean. It represents the ratio of the standard deviation to the mean,

[3]The dummy variable approach allows testing of variety of hypotheses about any structural break. It allows to, determine if it is the intercept or slope that is different. If Chow test is used then it will reduces the degrees of freedom.

[4] Similarly, 'D' the intercept dummy assumes the value one for the post-adjustment period and zero for the adjustment period.

[5] See, A.Kumra and D. Nayak (2014).

and it is a useful statistic for comparing the degree of *variation* from one data series to another, even if the means are drastically different from each other.

This paper mainly uses the above mentioned methods for the analysis of growth of capital account. However it also makes use of other statistical tools such as averages and graphs.

(B) Source of Data:

The study is essentially of an empirical nature and its basic materials have been drawn from secondary sources of date such as 'Handbook of Statistics on Indian Economy' published by RBI, Annual Reports on Currency and Finance of the RBI, Economic Surveys of the Government of India and Reports of the Indian Institute of Foreign Trade.

Section one is the introductory chapter wherein the hypothesis is stated and also provides the objectives of the study. Further it provides an over view of the remaining sections. In the second sectiontrend is examined. Section three concludes the paper and provides necessary policy implications.

II. Analysis:

In this section the analysis of trends in capital account growth has been done on the basis of study period, Pre and Post-reform period and First and Second generation reform period.

A.1. Analysis of Study Period (Growth Rate):

In 1982-83 capital account had registered a growth of 243 percent due to various incentives provided by the Government to increase the inflows of funds from abroad in the form of deposits in Indian banks. But here onwards the growth declined and became negative in 1989-90 (i.e. -0.52%), situation further deteriorated during 1991-92 when capital account registered a negative growth of -26.26 percent, (See, Graph-1). However, the capital account of India's BOP has emerged with much strength and resilience after liberalization, especially since 1993-94, it has registered a growth of 155.95 percent. Net capital inflows from all sources (excluding IMF) averaged about US $8.89 billion per year over the seven years from 1993-94 to 1999-2000. Global financial crisis affected the capital account balance as there was reversal of capital flows after Sept. 2008 with the result that India has used $ 20.1 billion of her foreign exchange reserves in 2008-09 resulting in decrease in foreign exchange reserves. The situation improved in 2009-10 as foreign direct investment (FDI) and portfolio investment by FIIs picked up.The pattern of foreign investment has been instable during 1980s. It has registered the highest annual growth in 1986-87. There after it has shown a continuous declining trend. Hence, the important observation to be noted there is that foreign direct investment was declining, compared to post liberalization, (See, Graph-2).

Almost similar trend is shown by the net NRI deposits. Net NRI deposits registered the highest annual growth in 2008-09. The net inflows under non-resident Indian (NRI) deposits was higher at US$ 2.2 billion during Q4 of 2008-09 (inflow of US$ 1.1 billion during Q4 of 2007-08) responding to the hike in ceiling interest rates on NRI deposits.[6]

Further, as India embarked on the path of globalization and liberalization following the BoP crisis in the early 1990s, the composition of capital flows witnessed a paradigm shift from official transfers to private capital inflows and External commercial borrowing

[6] RBI, press releases. Jun 30, 2009.

(ECB) emerged as the prime component of debt creating capital flows.[7] With the changing contours of capital flows to India, the composition of India's external debt has also undergone significant changes. The rising trend is also depicted by the log-linear trend line. Both external commercial borrowings as well as external assistance have indicated the positive trend during post reform period, (See, Graph-3). The commercial borrowing have registered the highest growth in 2000-01. The surge of capital flows, testifies to the growing influence of global developments on the Indian economy. Capital flows, as a proportion of GDP, have been on a clear uptrend during this decade. Capital account has registered an annual growth of 48.71 % during the study period. NRI deposits as one of the components of capital account has registered growth of 124.63% while foreign investment attained a growth rate of 103.03 percentage.But here foreign investment has indicated more stability as compared to NRI deposits (See, Table-2).

An examination of regression result shows that capital account as well as all the components of the capital account except NRI deposits have shown a negative trend during the study period. It is NRI deposits that grew on an average by 5 percent over the same period but this is not statistically significant. (See, Table-2)**.**

A.2. Pre and Post-Reform Period [P1 & P2]:

A comparative examination of behavior of components of capital account reveals that growth and instability has increased during post reform period in case of NRI deposits. NRI deposits registered an annual average growth of 158.76% during post-reform period as compared to 39.32% growth in pre-reform period. NRI deposits increased by 119.44%. But, here instability has also gone up.[8] All other components of capital account such as foreign investment, commercial borrowings and external assistance have registered a lower growth. Commercial borrowings declined from 65.51% in pre-reform period to 45.71 % in post-reform period. While external assistance fell from 16.54% in pre-reform period to -11.65% in post-reform period, (See, Table-3).

A decline in the growth of external assistance and external borrowing shows that there has been a structural change in the capital account in terms of a sharp reduction in debt creating flows and an increased recourse to non-debt creating foreign investment flows. For example, debt creating flows, as a percentage of total capital flow in the balance of payments, averaged as much as 97 per cent during the Seventh Plan Period (1985-86 to 1989-90). But the ratio declined very sharply to less than 18 per cent in 1994-95. This declining trend is shared by all the major components of debts flows, namely external assistance, commercial borrowing and non-resident deposits. This favorable shift, away from recourse to debt creating flows for financing the current account deficit, has obvious implications for moderating and reducing future debt service liabilities. The only concern was the declining annual average growth of foreign investment during the post reform period, it fell from 184.70% in pre-reform period to 70.37% in post-reform period.

Although, India has experienced a tremendous inflow of foreign investment. However, a large portion of the inflow has been in the form of purchasing and leasing existing production units instead of setting up new industries. This does not necessarily imply new capital infusion into a country.

[7] See, Gopinath, (2004).

[8] The value of co-efficient of variation has gone up from 1.23 in pre-reform period to 3.70 in post-reform period. (See, Table-3)

The trend in components of capital account were also estimated through linear regression. All the components of capital account such as foreign investment, commercial borrowings and NRI deposits except external assistance have shown a positive trend during post reform period when compared with pre-reform period. Here, none of the trend is statically significant (See, Table-4). Since, more instability and a lower growth has been witnessed during the post-reform period in foreign investment in particular. Therefore, in next section a detail analysis of post- reform period has been attempted.

A.3. First and Second Generation Reforms Period:

An examination of capital account growth within the reform period depicts more fluctuation during second generation reform period. Foreign investment has indicated a continuous declining trend during the second generation reform period, the growth become negative in 2015-16 (i.e. -54.71%), and it is also evident by the log-linear trend line (See, Graph-5). Similar trend is indicated by the external assistance and commercial borrowings. This was due to the global financial crisis. The early signs of the impact of the financial crisis on capital inflows were evident in the portfolio outflows that started in February 2008. Following the failure of Lehman Brothers, there was a sudden change in the external environment, characterized by a global liquidity squeeze and increased risk aversion on the part of international investors. As in the case of other major emerging market economies (EMEs) there was a withdrawal of funds from the domestic equity markets by portfolio investors as part of the global deleveraging process as also a significant reduction in the access of Indian corporates to overseas financing.

Thus, there were large capital outflows by portfolio investors during September-October 2008, with concomitant pressures in the foreign exchange market. Commercial borrowings have indicated negative trend in 2015-16 (See, Graph-6).

However, NRI deposits have indicates rising trend as it is evident by the log-linear trend line (See, Gragh-7). In the year 2008-09 the flow of NRI deposits were increased. This primarily because overseas Indians seem to have reposed faith in the country's banking system at the time of global financial crisis.[9] Here onwards the growth has again declined along with more fluctuations. However, NRI deposit have registered a positive growth of 21.57% in 2015-16.

Further, from Table-8 it becomes evident that capital account has registered a positive growth of 68.17 % during second generation reform period when compared to first generation reform period (25.36%). This is due to the positive growth witnessed by NRI deposits (124.63%) and foreign investment (28.99%) during second generation reform period. However, a detail examination reveals that foreign investment as well as NRI deposits both has registered a lower growth during second generation reform period when compared to first generation reform period. Foreign investment not only has declined from 113.76% in first generation reform period to 28.99% in second generation reform period, but instability has also increased. Similarly, the growth of NRI deposits has declined from 185.17% in first generation reform period to 124.63% in second generation reform period. This become evident from the above that government policy related to foreign investment were not proved to be beneficial during the second generation reform

[9]After the global financial crisis intensified in September 2008 overseas Indians have preferred to send in part of savings into India for safety of funds. Large per cent of NRI funds were parked in Non-resident (external) (NRE) rupee deposits.

period which is a matter of great concern.[10] During the second generation reform period external assistance as well as commercial borrowings have also registered a lower and a negative growth when compared to first generation reform period. This is due to the shifting of policy by India towards encouraging non-debt flows while containing debt ones. During 2004-05, ECBs accounted for only 16.3 per cent of net aggregate capital inflows from a high of 31.9 per cent in 1990-91.[11]

Furthermore, RBI has announced new guidelines pertaining to incremental capital and provisioning requirements for banks having exposure to firms with unhedged currency exposure. This has been done to discourage unhedged borrowings by Indian corporates and thus mitigate the systemic risk arising from overseas borrowings. On September 29, 2015, RBI allowed the Indian corporates to raise funds through rupee denominated bonds. Although RBI has adopted a liberal attitude, some restrictions like the minimum maturity period of five years and the borrowings above USD 750 million to be routed through the approval route are still in place. Finally, the regulators have tried to address the issues regarding the foundations of sound governance in the new framework.[12]

III. Conclusion and Policy Recommendations:

The growth analysis reveals that the capital account not only registered a higher growth during all the sub period and during the study period but also has registered more stability when compared with the current account (See, Appendix Table-1 & 2). Further, capital account has witnessed the highest growth (i.e. 68.17 percent) during second generation reform period indicates that the government policy towards foreign investment and NRI deposits are not only in the right direction but are also fetching good results. In case of NRIs appropriate policies together with stable economic situation is necessary to maintain a regular and steady level of inflows. This also includes more flexibility and freedom to banks that are attracting NRI deposits, in charging the interest rates as well as offering various benefits to the deposit-holders. Policies should be framed and implemented towards keeping these deposits free from any uncertainty so that large outflows of these deposits can be stopped to avoid any future crisis.

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[10] This because foreign direct investment (FDI) which is a part of foreign investment is a major source of non-debt financial resource for the economic development of India.

[11] External Commercial Borrowings (ECBs) includes commercial bank loans, buyers’ credit, suppliers’ credit, securitized instruments such as Floating Rate Notes and Fixed Rate Bonds etc., credit from official export credit agencies and commercial borrowings from Multilateral Financial Institutions. ECBs are being permitted by the Government as a source of finance for Indian Corporate for expansion of existing capacity as well as for fresh investment.

[12] See, Partha Ray &Abhisek Sur (2017).

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Table-1: Key Components of Capital Account of Balance of Payments [1980-81 to 2015-16]

Years Growth [%]	Capital Account	A. Foreign Investment	B. External Assistances	C. Commercial Borrowings	D. NRI Deposits	Overall Balance
AAGR	48.71	103.03	-3.58	49.22	124.63	-197.26
Median	14.82	25.29	15.16	9.55	16.95	-43.63
C.V	2.70	2.39	-22.68	5.93	3.99	-3.27

Source: Calculated from "Handbook of Statistics on Indian economy" RBI Publication -2016

Table-2: Trend in Growth [y=a+bt] [1980-81 to 2015-16]

Y	a	bt	R Square	*F*
Capgr	30.302 (0.659)	1.018 (0.457)	0.006	0.209
Figr	2463.399 (1.724)	-91.925 -1.328)	0.051	1.764
Ext.Bgr	13.409 (0.474)	-0.944 (-0.689)	0.014	0.474
Comm.Bgr	88.198 (0.869)	-2.100 (-0.427)	0.006	0.183
Nri.Dgr	23.924 (0.138)	5.402 (0.642)	0.012	0.412
Other.Cgr	23.924 (0.38)	5.402 (90.642)	0.012	0.412

Overall.Bgr	23.924 (0.138	5.402 (0.642)	0.012	0.412

Note: Figures in parentheses are t-values. (*): Significant at the 1 percent level, (**): Significant at the 5 percent level

Table-3: Growth of Key Components of Capital Account: [1980-81 to 1990-91 and 1991-92 to 2015-16]

Years Growth[%]	Capital A/C	A. Foreign Investment	B. External Assistances	C. Commercial Borrowings	D. NRI Deposits	Overall Balance
Pre-reform period						
AAGR	41.48	184.70	16.54	65.51	39.32	-294.62
Median. Gr	24.83	16.05	13.97	22.11	19.85	-73.85
C.V	1.91	2.07	1.64	1.99	1.23	-2.20
Post-reform Period						
AAGR	51.60	70.37	-11.65	42.71	158.76	158.31
Median. Gr	14.02	25.29	0.61	9.55	16.95	-31.24
C.V	2.88	2.25	-8.08	7.92	3.70	-4.12

Source: Calculated from "Handbook of Statistics on Indian economy" RBI Publication -2016

Table-4: Key Components of Capital Account of Balance of Payments [1980-81 to 1990-91 and 1991-92 to 2015-16]

Y	b0	bt	bD	bD.t	R Square	*F*
Capgr	75.079 (0.805)	-6.109 (-0.406)	-74.682 (-0.572)	8.330 (0.537)	0.017	0.183
Figr	808.653 (2.532)	-59.507 (-1.156)	-535.026 (-1.197)	50.670 (0.955)	0.191	2.441
Ext.Agr	6.240 (0.109)	1.873 (0.203)	-17.833 (-0.222)	-1.875 (-0.197)	0.027	0.282
Comm.Bgr	125.624 (0.608)	-10.930 (-0.328)	-11.386 (-0.039)	7.891 (0.230)	0.009	0.091
Nri.Dgr	73.833 (0.208)	-6.275 (-0.110)	-16.899 (-0.0340	10.491 (0.178)	0.014	0.149
Other.Cgr	223.612 (0.669)	-70.505 (-1.309)	-344.388 (-0.737)	71.69** (1.291)	0.057	0.624
Over.Bgr	353.869 (0.855)	-117.906 (-1.768)	-1289.200 (-2.227)	151.69* (2.206)	0.195	2.511

Note: Figures in parentheses are t-values. (*): Significant at the 1 percent level, (**): Significant at the 5 percent level.

Table-5: Key Components of Capital Account of Balance of Payments [1990-91 to 2001-02 and 2001-02 to 2015-16]

Years Growth [%]	Capital A/C	A. Foreign Investment	B. External Assistances	C. Commercial Borrowings	D. NRI Deposits	Overall Balance
R1						
AAGR	25.36	113.76	1.69	111.25	185.17	-581.64
Median.Gr	-5.50	33.82	0.61	36.38	16.95	-112.11
C.V	2.74	2.00	21.35	3.93	4.01	-1.80
R2						
AAGR	68.17	28.99	-18.74	-7.98	124.63	25.29
Median.Gr	27.91	23.33	1.92	-24.14	16.95	-7.62
C.V	2.74	2.29	-6.35	-29.00	3.99	6.51

Note: AAGR: Average Annual Growth. C.V: Coefficient of variation**.**

Appendix Table:

A: Table-1: Key Components of Balance of Payments Capital Account. [Growth Rate]

Components		P1	P2	R1	R2	Study P
II. Capital A/C	AAGR	41.48	51.6	25.36	68.17	48.71
	Med. Gr	24.83	14.02	-5.50	27.91	14.82
	VAR	1.91	2.88	2.74	2.74	2.7
A. FI	AAGR	184.7	70.37	113.76	28.99	103.03
	Med .Gr	16.05	25.29	33.82	23.33	25.29
	VAR	2.07	2.25	2.00	2.29	2.39
B. External Ass	AAGR	16.54	-11.65	1.69	-18.74	-3.58
	Med. Gr	13.97	0.61	0.61	1.92	15.16
	VAR	1.64	-8.08	21.35	-6.35	-22.68
C. Commercial B	AAGR	65.51	42.71	111.25	-7.98	49.22
	Med. Gr	22.11	9.55	36.38	-24.14	9.55
	VAR	1.99	7.92	3.93	-29	5.93
D.NRI Deposits	AAGR	39.32	158.76	105.49	185.17	124.63
	Med. Gr	19.85	16.95	-6.15	16.95	16.95
	VAR	1.23	3.70	2.27	4.01	3.99
E. Overall B	AAGR	-294.62	-158.31	-581.64	25.29	-197.26
	Med .Gr	-73.85	-31.24	-112.11	-7.62	-43.63

	VAR	-2.20	-4.12	-1.80	6.51	-3.27

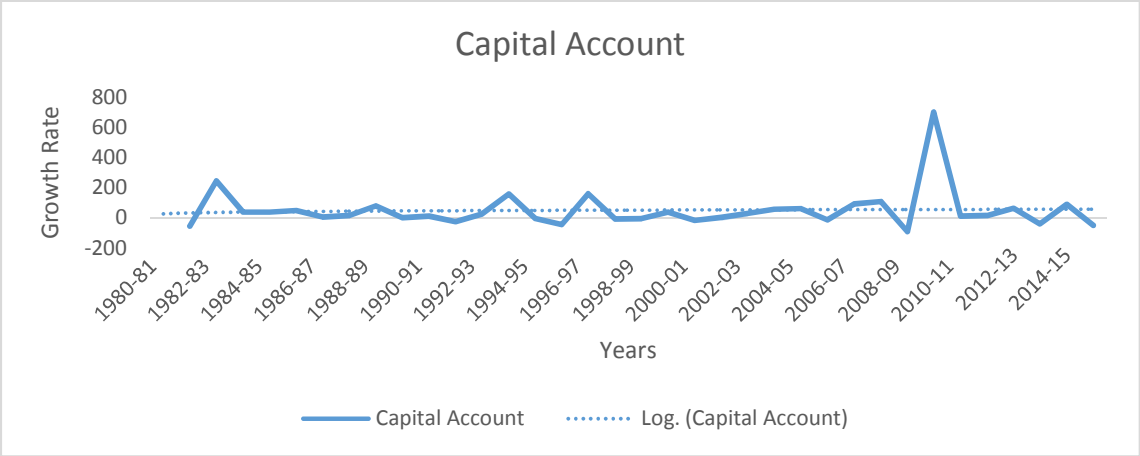
Source: Author's calculation from RBI data.

A: Table-2: Key Components of Balance of Payments Current Account. [Growth Rate]

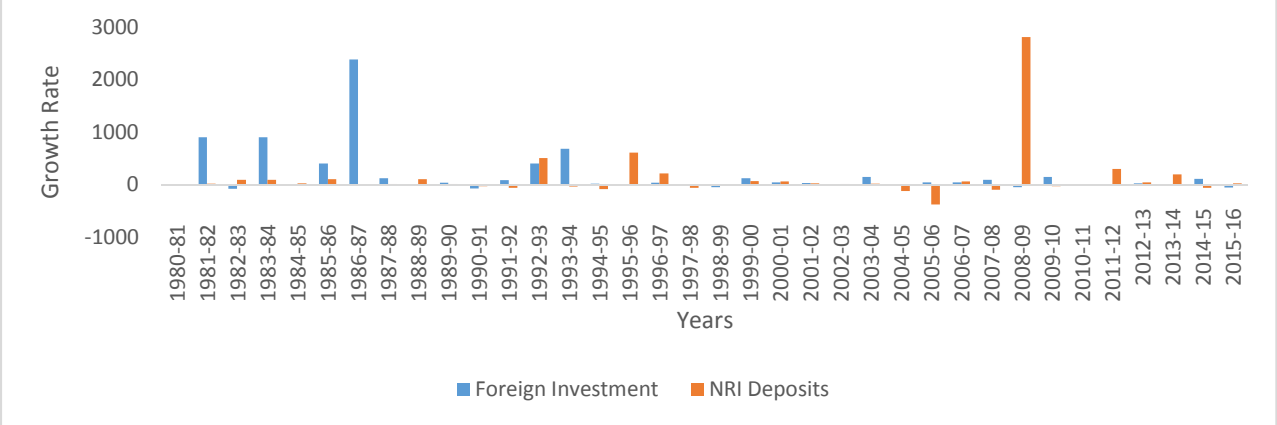
Components		P1	P2	R1	R2	Study P
II. Current A/C	AAGR	27.95	35.07	55.59	21.19	33.04
	Med. Gr	11.74	21.1	21.1	27.55	16.92
	C.V	1.45	3.84	2.85	5.31	3.49
A. Exports	AAGR	17.81	17.74	20.22	15.9	17.76
	Med. Gr	17.52	18.53	18.57	17.81	17.6
	C.V	0.58	0.65	0.45	0.79	0.62
B. Imports	AAGR	14.8	17.93	19.12	17.42	17.04
	Med. Gr	12.25	17.81	18.57	17.81	16.2
	C.V	0.55	0.8	0.65	0.9	0.75
C. Trade Balance	AAGR	12.15	26.23	29.83	24.27	22.21
	Med .Gr	3.27	16.71	33.93	16.71	6.38
	C.V	1.71	1.98	2.21	1.6	2.04
D. Invisibles	AAGR	-25.08	18.35	-80.73	80.3	5.94
	Med. Gr	-7.28	19.31	4.79	26.71	5.07
	C.V	-1.78	15.68	-4.21	2.75	40.94
E. Overall B	AAGR	-294.62	-158.31	-581.64	25.29	-197.26
	Med .Gr	-73.85	-31.24	-112.11	-7.62	-43.63
	C.V	-2.2	-4.12	-1.8	6.51	-3.37

Source: Author's calculation from RBI data. AAGR: Average Annual Growth rate. Med. Gr: Median growth. C.V: Coefficient of variation

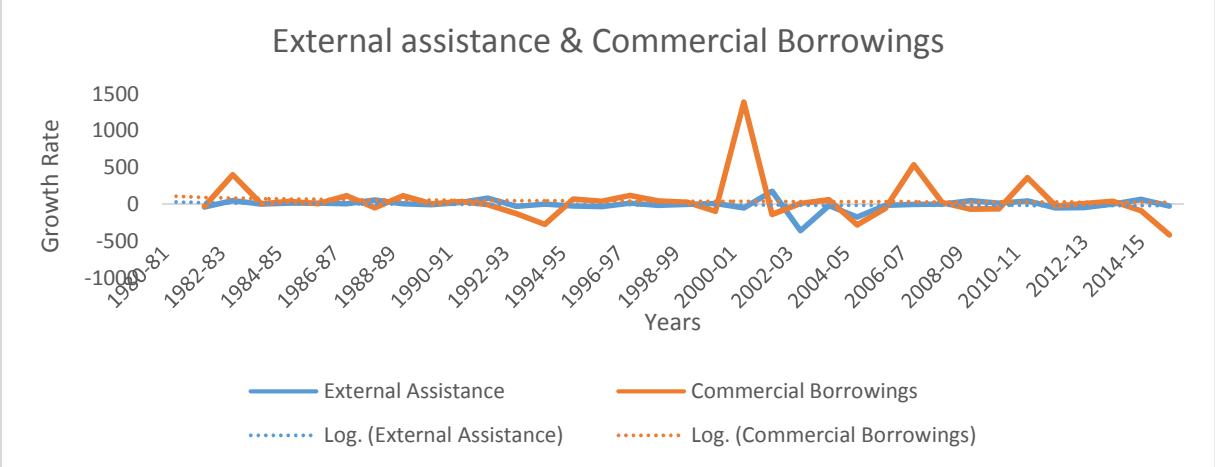
Graph-1: Capital Account Annual Growth: [1980-81 to 2015-16]



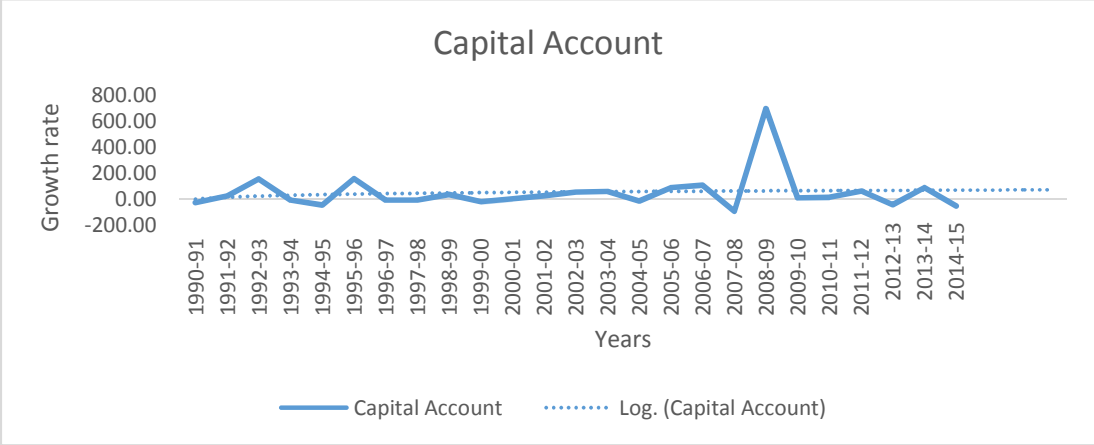
Graph-2: Foreign Investment and NRI Deposits Annual Growth: [1980-81 to 2015-16]



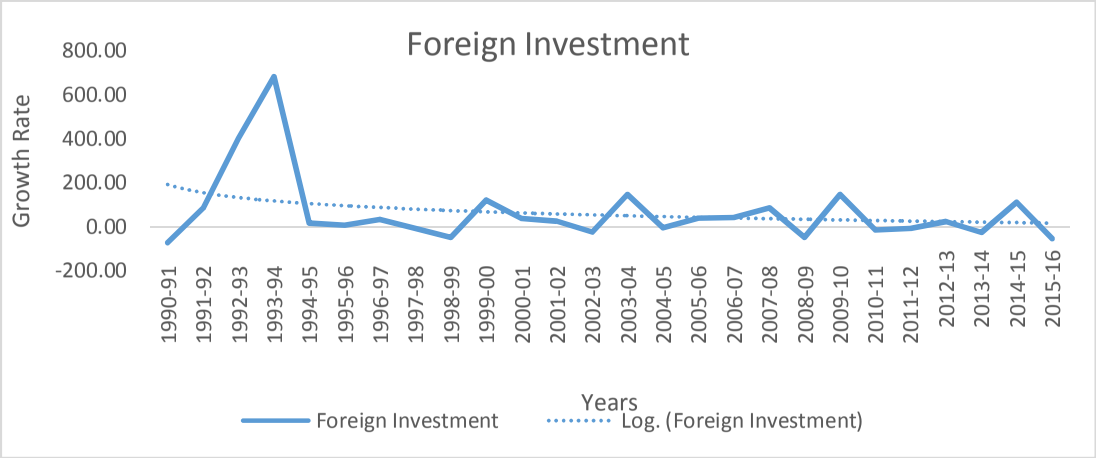
Graph-3: External Assistance, Commercial Borrowings Annual Growth: [1980-81 to 2015-16]



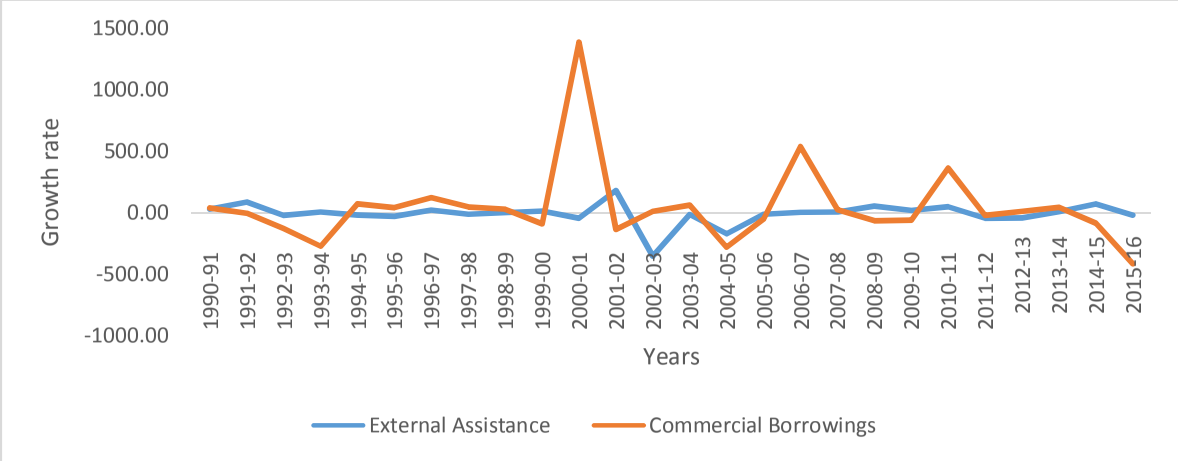
Graph-4: Annual growth of Capital Account: [1990-91 to 2015-16]



Graph-5: Annual Growth of Foreign Investment: [1990-91 to 2015-16]



Graph-6: Annual Growth of Commercial Borrowingsand External Assistance: [1990-91 to 2015-16]



Graph-7: Annual Growth of NRI Deposits: [1990-91 to 2015-16]