

# External Sector

## World Economy

The world economy continues to grow at a brisk pace in 2007, after posting 5.5 per cent growth in 2006 (Table E.1.a)<sup>1</sup>. The forecast of growth in 2007 and 2008 is a uniform 5.2 per cent. Measured in market exchange rates, the growth rate was 3.9 per cent in 2006 and the forecast for holds that it would be 3.4 per cent in 2007 and 3.5 per cent in 2008.

While growth in the advanced economies is likely to decelerate from 3.1 per cent in 2006 to 2.6 per cent in 2007, the developing countries are expected to post a robust growth rate of 8 per cent in 2007 compared to 8.1 per cent achieved in 2006. The growth in the US economy is likely to decelerate to 2 per cent in 2007 after 3.3 per cent in 2006. But in the Euro area and Japan, growth was brisk and kept above the trend. Moreover, domestic demand would assume a central role in economic expansion in those areas.

The volume of world trade in goods and services had posted a smart growth of 9.4 per cent in 2006 with value (in Dollar terms) having grown by 14.8 per cent. The forecast for growth in 2007 is 7.1 per cent in volume and 10.9 per cent in value.

There are some downside risks, albeit modest, to the global economic

growth outlook. Sustained growth has led to the tightening of supply constraints thus exacerbating inflation risks. The international crude oil price (world average) crossed the \$71 per barrel mark in August 2006. It receded to a low of \$50 per barrel in January 2007 and has moved up since to hover above \$75 per barrel in August 2007. Thus, the forecast of lower crude prices in 2007 over 2006 may not now hold true (Table E.1.b). However, the non-fuel commodity prices are forecast to decelerate in 2007.

The second quarter of 2007 has also witnessed increased credit and market risks to the global economy, even though continued strong macroeconomic performance continues to underpin financial stability. However, the IMF expects these risks to remain largely contained.

## India's Merchandise Trade

India's merchandise exports touched \$124.6 billion in 2006-07, posting a growth of 20.9 per cent over exports of \$103.1 billion in 2005-06 (Table E.2). India's exports have grown by an average rate of 23.3 per cent per annum during the five-year period 2002-03 to 2006-07. While exports had accelerated during 2002-03 to 2004-05, there had been deceleration since 2004-05. During the latest

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1. Discussion in this section is based on the World Economic Outlook, IMF, April 2007; Update and Financial Market Update, IMF, July 2007. The growth rate of the world economy is estimated in terms of purchasing power parity (PPP).

cumulative period of April-May 2007-08, exports have accelerated to 20.4 per cent from 19 per cent in the same period of last year.

The Dollar depreciated against the IMF's measure of Standard Drawing Rights (SDR) by 1.5 per cent in 2006-07. Thus, after accounting for the depreciation in the Dollar in the international market, India's exports have grown by 22.4 per cent (SDR terms) in 2006-07.

Total merchandise imports touched \$181.4 billion in 2006-07, thus growing by 21.6 per cent over \$149.2 billion imported in 2005-06. This implies a sharp deceleration in India's imports from a growth rate of 33.8 per cent posted in 2005-06. Both oil and non-oil imports have decelerated. It is a matter of concern that non-oil imports have decelerated sharply during 2005-06 and 2006-07. While non-oil imports grew by 41.8 per cent in 2004-05, the growth rate slumped to 28.8 per cent in 2005-06 and further down to 17.9 per cent in 2006-07. However, the current fiscal exhibits acceleration in total as well as non-oil imports. During the latest cumulative period of April-May 2007-08, total imports have increased by 33.1 per cent compared to 9.3 per cent growth during April-May of 2006-07. Non-oil imports have posted massive acceleration and have grown by 49.4 per cent compared to -2.5 per cent posted in the corresponding period of last years.

India's trade deficit widened to \$56.7 billion in 2006-07 compared to \$46.1 billion in 2005-06. It is almost the double of \$28.0 billion deficit recorded in 2004-05.

### **Composition of India's exports**

Data on composition of India's merchandise exports for the period April-March 2006-07 is shown in Table E.3. Three of the five broad categories, namely, ores and minerals, manufactured goods and petroleum and crude products have shown deceleration in growth rates during 2006-

07. Within manufactured goods, exports of engineering goods and other manufactured products have posted accelerated growth rates of 34.4 and 13.7 per cent respectively. Exports of other commodities registered a remarkable growth of 116 per cent over 11.1 per cent growth recorded in 2005-06. The exports of petroleum and crude products and engineering goods have been the key drivers of export growth.

The commodity composition profile has remained broadly unchanged, though the significance of manufactured exports has declined during the year 2006-07 in comparison to 2005-06. The share of manufactured goods has declined from 70.4 per cent during 2005-06 to 65.6 per cent during 2006-07. Within manufactured goods, the shares of most traditional items such as leather and leather manufactures, chemicals and related products, textiles, readymade garments, gems and jewellery, handicrafts and carpets have shown reduction. The share of engineering goods has increased to 22.9 per cent. The share of petroleum and crude products increased from 11.3 per cent during 2005-06 to 14.7 per cent during 2006-07. The exports of agriculture and allied products have maintained their share while the significance of ores & mineral exports has declined during 2006-07.

### **Direction of Exports**

Of the top 15 destination countries, exports to only five destinations accelerated in 2006-07 - UAE, China, Italy, Belgium and Saudi Arab. Exports to the remaining 10 destination countries have decelerated, including the US (Table E.4). With regard to regional destinations, exports to ASEAN have accelerated while exports to NIEs and EU have decelerated.

The US continued as the most important destination country of India's merchandise exports during 2006-07,

accounting for 14.9 per cent of the total exports. However, the share of the US declined in 2006-07 in contrast to 16.8 per cent in 2005-06. The geographical concentration of India's exports has declined during the year 2006-07. While the top 15 destinations accounted for 66.7 per cent of total exports in 2005-06, their share actually got reduced to 64.6 per cent in 2006-07. With regard to regional exports, the share of India's exports to ASEAN has increased while that to NIEs and EU regions has declined during 2006-07.

### Composition of Imports

Total non-oil imports decelerated to 17.9 per cent during 2006-07 as against a higher growth of 28.8 per cent over the preceding fiscal (Table E.5). Among the broad categories, imports of food and related items and raw materials and intermediaries have accelerated. Major contributors to import growth have been the raw materials and intermediaries (primarily gold & silver and ores and metal scrap) and manufactured goods (iron and steel).

The composition of total non-oil imports shows a tilt towards capital goods as their share has increased from 37.7 per cent in 2005-06 to 41.4 per cent in 2006-07 thus indicating an increase in industrial activity. The share of raw materials & intermediaries has increased from 25.6 per cent to 27.6 per cent over the same period. The share of manufactured goods has also increased from 11.4 per cent to 12.3 per cent of total non-oil imports. Shares of remaining categories have declined. Particularly, the share of export related imports has reduced from 16.6 per cent in 2005-06 to 12.4 per cent in 2006-07.

### Balance of Payments

During the first quarter of 2007-08, the Rupee has appreciated by 6.63 per cent against the Dollar, by 5.19 per cent against the Euro, by 4.41 per cent against the Pound, and, by 10.44 per cent against the Yen. Foreign exchange reserves touched \$222 billion on July 20, 2007, which is \$22.9 billion higher than the end-March 2007 level<sup>2</sup>.

Details of India's balance of payments (net credit) are presented in Table E.6 over the past four years. India's merchandise trade deficit, on balance of payments basis, has widened from \$51.8 billion (6.4 per cent of GDP) in 2005-06 to \$64.9 billion (7.1 per cent of GDP) in 2006-07, thus posting an increase of 25.3 per cent<sup>3</sup>. Net invisible receipts increased to \$55.3 billion (6 per cent of GDP) in 2006-07, a growth of 29.6 per cent over net invisible receipts worth \$42.7 billion (5.3 per cent of GDP) in 2005-06. The surplus on net invisibles has thus financed a large part of the merchandise trade deficit. So, the ratio of current account deficit (CAD) to GDP remained at 1.1 per cent in 2006-07, i.e. the same as in 2005-06.

Within invisibles, both services and private transfers have increased, though growth in services has been much higher during 2006-07. A stronger growth in net invisibles, when compared to merchandise trade deficit has resulted in a low expansion of the current account deficit by 4.6 per in 2006-07.

India's Capital Account Surplus (CAS) increased by 92.1 per cent, from \$23.4 billion in 2005-06 to \$44.9 billion in 2006-07. Much of the increase in CAS has been due to high growth in Foreign Direct

2. Reserve bank of India, First Quarter Review of the Annual Policy Statement on Monetary Policy for the Year 2007-08, July 31, 2007

3. Reserve Bank of India, Macroeconomic and Monetary Developments: First Quarter 2007-08, July 30, 2007

Investment (FDI) and commercial borrowings (including short term credit), which are the two most important components together accounting for 86.3 per cent of CAS. The net FDI inflow has increased by 153.8 per cent, compared with a decline of 43.9 per cent in net FII inflow. Net commercial borrowing has increased by a whopping 336.9 per cent.

The gross credit values on India's balance of payments are shown in Table E.7. In fact, India received a much higher amount of FII than of FDI though the net impact of the FII was highly diluted by high corresponding outward movement (debit) of FII.

The details of India's invisible receipts are shown in Table E.8. Net receipts from services, transfer and income have decelerated in 2006-07. Consequently, total net receipts of total invisibles have decelerated in 2006-07. Net receipts from services account for as much as 59.2 per cent of total net receipts followed by transfers (mainly remittances) making a contribution of 49.6 per cent. Within transfers, private transfers have been much higher than official transfers during 2006-07.

Within invisibles, receipts from gross exports of services have increased from \$61.4 billion to \$81.3 billion in 2006-07 (Table E.9). The exports to services account for 68.3 per cent of total receipts on invisibles. Within services, gross receipts from exports of travel, transportation, insurance and miscellaneous have increased during 2006-07. Gross receipts from transfers, primarily private transfers have also increased during 2006-07.

#### **Doha Development Round: Roadblock**

The DDR negotiations hit a roadblock on June 21, 2007. The G-4,

which met in Potsdam, Germany, failed to reach a preliminary agreement which could then be taken forward by the 150 WTO Members under the auspices of Doha Development Round (DDR).

While agriculture has been the main issue of contention, non-agricultural market access (NAMA) has not been very far behind. GATS negotiations on services are simmering over a backburner with slow fire.

The game is clear. While India and Brazil are representing the interests of the developing countries, the EU and the US are attempting to do similar job for the OECD countries. It is surprising to the extent of being inauspicious that one of the major trade player, China, has not been invited to participate in an enlarged G-5 group. Its participation would not only raise the credibility of this small group and to its future negotiations.

India and Brazil are demanding that OECD countries make large cuts in their Overall Agricultural Trade-Distorting Domestic Subsidies (OTDS), particularly in the US and the EU, and greater market access through reduction in tariff protection, mainly by EU and Japan. A large proportion of the total agricultural support in the OECD countries is on account for tariff protection with domestic subsidies playing a much smaller role. The share of export subsidies in total OECD agricultural support is less than 10 per cent. These are provided mainly by the EU. It has already been agreed that these would be phased out. On the other hand, the EU and the United States would like to see meaty reductions in non-agricultural tariffs imposed by the developing countries (NAMA).

India and Brazil must play an important role in getting the DDR back on rails, provided the EU and the US

show similar inclination. The failure of the negotiations would have serious implications for world trade. It is bound to be a losing proposition for almost all parties, with the LDCs taking most of the losses. The OECD

countries would also have to suffer a major part of the overall absolute losses as well as the associated uncertainty and instability for future scope of making gains from international trade.

**Table E.1.a: Growth of World Output and Trade and Consumer Prices (% change, y-o-y)**

Country/Region	2005	2006	2007	2008
<b>A. World Output</b>	4.9	5.5	5.2	5.2
<b>I. Advanced Economies</b>	2.6	3.1	2.6	2.8
US	3.2	3.3	2.0	2.8
Japan	1.9	2.2	2.6	2.0
European Union, <i>of which</i>	2.0	3.2	3.1	2.8
France	1.7	2.0	2.2	2.3
Germany	0.9	2.8	2.6	2.4
Italy	0.1	1.9	1.8	1.7
United Kingdom	1.8	2.8	2.9	2.7
NIEs of Asia	4.7	5.3	4.8	4.8
<b>II. Other Emerging Market and Developing Countries</b>	7.5	8.1	8.0	7.6
Developing Asia	9.2	9.7	9.6	9.1
China	10.4	11.1	11.2	10.5
Russia	6.4	6.7	7.0	6.8
India	9.0	9.7	9.0	8.4
<b>III. World Growth Based on Market Exchange Rates</b>	3.3	3.9	3.4	3.5
<b>B. World Trade (Goods &amp; Services)</b>				
<b>I. Volume</b>	7.5	9.4	7.1	7.4
<b>II. Price Deflator</b> in US \$	5.5	5.4	2.8	0.8
in SDR	5.8	5.9	1.1	0.4
<b>III. Imports</b>				
i) Advanced Economies	6.1	7.6	4.6	6.0
ii) Other Emerging Market and Developing Countries	12.2	15.0	12.8	11.1
<b>IV. Exports</b>				
i) Advanced Economies	5.8	8.5	5.5	6.2
ii) Other Emerging Market and Developing Countries	11.2	11.1	10.7	9.2
<b>C. Consumer Prices</b>				
i) Advanced Economies	2.3	2.3	1.8	2.1
ii) Other Emerging Market and Developing Countries	5.4	5.3	5.4	4.9

Note: Values for 2007, 2008 are IMF projections unless otherwise specified

**Table E.1.b: Growth in World Trade Prices**

<b>World Prices</b>	annual percentage change			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>1. World Trade Prices in US\$</b>				
Manufactures	3.4	4.4	4.4	1.1
Oil	41.3	20.5	-5.5	6.6
Non-fuel Primary Commodity	10.3	28.4	4.2	-8.8
<b>2. World Trade Prices in SDR</b>				
Manufactures	3.6	4.9	2.7	0.8
Oil	41.6	21.0	-7.0	6.2
Non-fuel Primary Commodity	10.5	29.0	2.5	-9.1
<b>3. World Trade Prices in EURO</b>				
Manufactures	3.2	3.6	0.8	0.7
Oil	41.0	19.5	-8.8	6.1
Non-fuel Primary Commodity	10.0	27.4	0.6	-9.2

Note: Values for 2007, 2008 are IMF projections unless otherwise specified

Source: IMF, *World Economic Outlook*, April 2007

**Table E.2: India's Foreign Trade (US\$ Million) and Currency Movement (% change, y-o-y)**

<b>Year</b>	<b>SDR vis-à-vis US\$ (% change)#</b>	<b>REER ## (%)</b>	<b>Exports</b>	<b>Growth rate (%)</b>	<b>Oil imports</b>	<b>Growth rate (%)</b>	<b>Non-oil imports</b>	<b>Growth rate (%)</b>	<b>Total imports</b>	<b>Growth rate (%)</b>	<b>Trade balance</b>
2002-03	-3.6	-2.6	52719.4	20.3	17639.5	26.0	43772.6	17.0	61412.1	19.4	-8692.7
2003-04	-7.4	3.2	63842.6	21.1	20569.5	16.6	57579.6	31.5	78149.1	27.3	-14306.5
2004-05	-4.0	-0.8	83535.9	30.8	29844.1	45.1	81673.3	41.8	111517.4	42.7	-27981.5
2005-06	1.8	2.3	103044.3	23.4	43951.3	47.3	105232.7	28.8	149183.9	33.8	-46139.6
2006-07	-1.5	-3.0	124629.5	20.9	57271.1	30.3	124097.2	17.9	181368.3	21.6	-56738.8
<b>April-May</b>											
2006-07	2.3	-1.9	18639.5	19.0	9073.6	42.9	17767.7	-2.5	26841.3	9.3	-8201.8
2007-08	-3.2	6.1	22436.4	20.4	9165.2	1.0	26547.9	49.4	35713.1	33.1	-13276.8

# A positive/negative sign indicates appreciation/depreciation of US\$ vis-à-vis SDR

## A positive/negative sign indicates appreciation/depreciation of Rupee

Note: REER is the index of real effective exchange rate of Indian Rupee based on 36 country bilateral export weights

REER for April-May corresponds to the period April

Figures for period 2005-06 are final, and for 2006-07 are provisional

Figures for period April-May are provisional

Source: DGC&S, in RBI, *Handbook of Statistics on Indian Economy*, 2005-06

GOI, Ministry of Commerce and Industry, Press Release, May 1, 2007 and July 2 & 5, 2007

Reserve Bank of India, Monthly Bulletin, July 2007

www.ExchangeRate.com

**Table E.3: Share and Growth of India's Major Export Commodities  
(April-March, % \$ Value)**

Commodity/ Commodity Groups	Share in Total Exports		Growth Rate	
	2005-06	2006-07	2005-06	2006-07
<b>I. Agricultural &amp; Allied Products</b>	9.9	9.9	20.7	22.7
<b>II. Ores &amp; Minerals</b>	6.0	5.6	21.5	14.3
<b>III. Manufactured Goods of which</b>	70.4	65.6	19.6	14.3
1. Leather & Leather Manufactures	2.6	2.3	11.5	8.9
2. Chemicals & Related Products	10.0	9.2	28.5	13.3
3. Engineering Goods	20.9	22.9	25.0	34.4
4. Textiles (excl RMG)	6.7	5.9	9.2	7.3
5. Readymade Garments (RMG)	8.4	6.9	31.5	1.1
6. Gems and Jewellery	15.1	12.3	13.0	0.5
7. Handicrafts	0.4	0.3	22.6	-19.4
8. Carpets	0.8	0.7	34.1	4.3
9. Other Manufactured Products	5.3	4.9	4.3	13.7
<b>IV. Petroleum &amp; Crude Products</b>	11.3	14.7	66.8	59.6
<b>V. Other Commodities</b>	2.4	4.3	11.1	116.0
<b>All Commodities</b>	100.0	100.0	23.4	20.9
SDR per US\$ (\$ Appreciation/ Depreciation) <sup>#</sup>			1.8	-1.5
REER ( Rupee Appreciation/ Depreciation) <sup>##</sup>			2.3	-3.0

\* Growth rates are based on data in GOI, Ministry of Commerce and Industry, Press Release, May 1, 2007 and July 5, 2007

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Source: DGCI&S

**Table E.4: Share and Growth of India's Exports to Major Destinations  
(April-March, % \$ Value)**

Country	Share in Total Exports		Growth Rate	
	2005-06	2006-07	2005-06	2006-07
U S A	16.8	14.9	26.2	8.9
U Arab Emirates	8.3	9.5	17.1	40.1
China Peoples Republic	6.6	6.6	20.5	22.9
Singapore	5.3	4.8	35.8	11.2
U K	4.9	4.4	37.6	9.8
Hong Kong	4.3	3.7	21.3	4.9
Germany	3.5	3.2	27.1	11.4
Italy	2.4	2.9	10.3	46.8
Belgium	2.8	2.7	14.6	21.2
Japan	2.4	2.2	16.8	13.6
Netherland	2.4	2.1	54.4	8.0
Saudi Arab	1.8	2.0	28.3	43.0
Korea Republic	1.8	2.0	75.6	38.4
Sri Lanka DSR	2.0	1.8	43.5	11.5
South Africa	1.5	1.8	55.4	47.4
ROW	33.3	35.4	17.5	30.4
ASEAN	4.0	4.2	10.4	30.5
NIEs	12.0	11.2	32.3	14.7
EU	22.4	21.1	27.8	15.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>23.4</b>	<b>20.9</b>
SDR per US\$ (\$ Appreciation/ Depreciation) <sup>#</sup>			1.8	-1.5
REER ( Rupee Appreciation/ Depreciation) <sup>##</sup>			2.3	-3.0

\* Growth rates are based on data in GOI, Ministry of Commerce and Industry, Press Release, May 1, 2007 and July 5, 2007

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Note: Values are sorted on exports for April-March 2007

ASEAN includes Indonesia, Malaysia, Phillipines, Thailand

NIEs includes Hong Kong, Korea, Taiwan, Singapore

EU refers to EU25 and includes Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovak Republic, Slovenia

Source: DGCI&S

**Table E.5: Share and Growth of India's Imports of Major Non-oil Commodities  
(April-March, % \$ Value)**

Commodities	Share in Total Imports		Growth Rate	
	2005-06	2006-07	2005-06	2006-07
I. Food & related items	3.1	2.9	-7.1	20.0
II. Export related items	16.6	12.4	8.3	-4.5
III. Capital goods	37.7	41.4	48.9	39.7
IV. Raw materials & intermediaries	25.6	27.6	16.7	36.8
V. Manufactured goods	11.4	12.3	50.1	36.2
VI. Other commodities	5.6	3.4	39.7	-23.0
Total Non-Oil Imports	100.0	100.0	28.8	17.9
SDR per US\$ (\$ Appreciation/ Depreciation) <sup>#</sup>			1.8	-1.5
REER ( Rupee Appreciation/ Depreciation) <sup>##</sup>			2.3	-3.0

\* Growth rates are based on data in GOI, Ministry of Commerce and Industry, Press Release, May 1, 2007 and July 5, 2007

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Source: DGCI&S

**Table E.6: Overall Balance of Payment in India, Net Credit (US\$ Million)**

	2003-04	2004-05	2005-06	2006-07
<b>A. Current account</b>				
1. Merceandise Trade Balance	-13718	-33702	-51841	-64905
2. Net Invisible Receipts of weice	27801	31232	42655	55296
a) Services	10144	15426	23881	32727
b) Private Transfers	21608	20525	24102	27195
Current Account Balance	14083	-2470	-9186	-9609
<b>B. Capital account</b>				
1. Foreign investment of which	13744	13000	17224	15499
a) FDI in India	4322	5987	7661	19442
b) FII in India	11356	9311	12494	7004
2. External assistance	-2858	1923	1682	1770
3. Commercial borrowings (including seort term credit)	-1506	8986	4431	19359
4. Banking capital	6033	3874	1373	2087
5. Rupee debt service	-376	-417	-572	-162
6. Oteer capital	1699	656	-738	6391
Capital Account Balance	16736	28022	23400	44944
<b>C. Error &amp; omissions</b>	602	607	838	1271
<b>D. Overall balance</b>	31421	26159	15052	36606
<b>E. Monetary movements</b>	-31421	-26159	-15052	-36606
1. I.M.F	0	0	0	0
2. Foreign exchange reserves (increase -/ decrease +)	-31421	-26159	-15052	-36606
SDR per US\$ (\$ Appreciation/ Depreciation) (% change) <sup>#</sup>	-7.4	-4.0	1.8	-1.5
REER (Rupee Appreciation/ Depreciation) (% change) <sup>##</sup>	3.2	-0.8	2.3	-3.0

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## A positive/negative sign indicates appreciation/depreciation of Rupee

Source: Reserve Bank of India, Montely Bulletin, various issues

**Table E.7: Overall Balance of Payment in India, Credit (US\$ Million)**

	2003-04	2004-05	2005-06	2006-07
<b>A. Current account</b>				
1. Merchandise Trade Balance	66285	85206	105152	127090
2. Net Invisible Receipts <i>of which</i>	53508	69533	92294	119163
a) Services	26868	43249	61404	81330
b) Private Transfers	22182	21075	24560	28223
Current Account Balance	119793	154739	197446	246253
<b>B. Capital account</b>				
1. Foreign investment <i>of which</i>	32682	46934	76061	130035
a) FDI in India	4322	6052	7722	19531
b) FII in India	28218	40847	68120	109532
2. External assistance	3350	3809	3627	3728
3. Commercial borrowings (including short term credit)	16317	26478	33902	46741
4. Banking capital	19222	14581	21658	36768
5. Rupee debt service	0	0	0	0
6. Other capital	4314	6737	6505	10129
Capital Account Balance	75885	98539	141753	227401
<b>C. Error &amp; omissions</b>	602	607	838	1271
<b>D. Overall balance</b>	196280	253885	340037	474925
<b>E. Monetary movements</b>	0	0	0	0
1. I.M.F	0	0	0	0
2. Foreign exchange reserves (increase -/ decrease +)	0	0	0	0
SDR per US\$ (\$ Appreciation/ Depreciation) (% change) <sup>#</sup>	-7.4	-4.0	1.8	-1.5
REER (Rupee Appreciation/ Depreciation) (% change) <sup>##</sup>	3.2	-0.8	2.3	-3.0

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## A positive/negative sign indicates appreciation/depreciation of Rupee

Source: Reserve Bank of India, Monthly Bulletin, various issues

**Table E.8: India's Invisibles on Current Account, Net Credit (US\$ Million)**

	2003-04	2004-05	2005-06	2006-07
<b>Invisibles</b>	27801	31232	42655	55296
<b>Services</b>	10144	15426	23881	32727
Travel	1435	1417	1389	2188
Transportation	879	144	-1550	-788
Insurance	56	148	22	559
G.n.i.e	28	-10	-197	-144
Miscellaneous <i>of which</i>	7746	13727	24217	30912
Software services	12324	16900	22262	28798
<b>Transfers</b>	22162	20785	24284	27415
Official	554	260	182	220
Private	21608	20525	24102	27195
<b>Income</b>	-4505	-4979	-5510	-4846
SDR per US\$ (\$ Appreciation/ Depreciation) (% change) <sup>#</sup>	-7.4	-4.0	1.8	-1.5
REER (Rupee Appreciation/ Depreciation) (% change) <sup>##</sup>	3.2	-0.8	2.3	-3.0

# A positive/negative sign indicates appreciation/depreciation of US\$ vis-à-vis SDR

## A positive/negative sign indicates appreciation/depreciation of Rupee

Source: Reserve Bank of India, Monthly Bulletin, various issues

**Table E.9: India's Invisibles on Current Account, Credit (US\$ Million)**

	2003-04	2004-05	2005-06	2006-07
<b>Invisibles</b>	53508	69533	92294	119163
<b>Services</b>	26868	43249	61404	81330
Travel	5037	6666	7853	9423
Transportation	3207	4683	6291	8069
Insurance	419	870	1050	1200
G.n.i.e	240	401	309	273
Miscellaneous <i>of which</i>	17965	30629	45901	62365
Software services	12800	17700	23600	31300
<b>Transfers</b>	22736	21691	25228	28861
Official	554	616	668	638
Private	22182	21075	24560	28223
<b>Income</b>	3904	4593	5662	8972
SDR per US\$ (\$ Appreciation/ Depreciation) (% change) <sup>#</sup>	-7.4	-4.0	1.8	-1.5
REER (Rupee Appreciation/ Depreciation) (% change) <sup>##</sup>	3.2	-0.8	2.3	-3.0

# A positive/negative sign indicates appreciation/depreciation of US\$ vis-à-vis SDR

## A positive/negative sign indicates appreciation/depreciation of Rupee

Source: Reserve Bank of India, Montely Bulletin, various issues