

Net ECB inflows surge over 2x to \$18.4 bn in 10MFY25

Net inflows from external commercial borrowings more than doubled to \$18.4 billion in the April 2024 to January 2025 period compared to a year ago amid declining costs of overseas fundraising, according to the RBI data.

The ECB registrations (\$47.3 billion) and disbursements (\$42.3 billion) during April 2024 – January 2025 on a cumulative basis were significantly higher than those recorded in the corresponding period of the previous year.

ECB outflows due to principal repayments stood at \$23.9 billion dur-

ing the April 2024-January 2025 period, resulting in robust net inflows of \$18.4 billion – more than twice the level observed in the same period of the previous year, according to the State of the Economy article in the RBI bulletin.

Net inflows under ECBs were \$9.5 billion in FY24, substantially higher than the levels recorded in 2022-23. The article noted that the continued decline in the secured overnight financing rate (SOFR) since August 2024 has contributed to a reduction in the overall cost of ECBs.

ABHIJIT LELE