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India's External Debt as at the end of September 2018

As per the standard practice, India's external debt statistics are released with a lag of one quarter. The external debt data as at end-September 2018 in Indian rupees and US dollars as well as revised data for earlier quarters are set out in [Statements 1 and 2](#), respectively. The major developments relating to India's external debt as at end-September 2018 are presented below.

Highlights

At end-September 2018, India's external debt witnessed a decline of 3.6 per cent over its level at end-March 2018, on account of a decrease in commercial borrowings and non-resident Indian (NRI) deposits. The decrease in the magnitude of external debt was primarily due to valuation gains resulting from the appreciation of the US dollar against the Indian rupee and major currencies. The external debt to GDP ratio stood at 20.8 per cent at end-September 2018, higher than its level of 20.5 per cent at end-March 2018.¹

Major highlights pertaining to India's external debt at end-September 2018 are presented below:

- At end-September 2018, India's external debt was placed at US\$ 510.4 billion, recording a decrease of US\$ 19.3 billion over its level at end-March 2018 (Table 1).
- Valuation gains due to the appreciation of the US dollar *vis-à-vis* the Indian rupee and major currencies (*viz.*, SDR, yen, euro, and pound sterling) were placed at US\$ 25.4 billion. Excluding the valuation effect, the increase in external debt would have been US\$ 6.1 billion instead of a decrease of US\$ 19.3 billion at end-September 2018 over end-March 2018.
- Commercial borrowings continued to be the largest component of external debt with a share of 37.1 per cent, followed by NRI deposits (23.9 per cent) and short-term trade credit (19.9 per cent).
- At end-September 2018, long-term debt (with original maturity of above one year) was placed at US\$ 406.1 billion, recording a decline of US\$ 21.4 billion over its level at end-March 2018.
- The share of long-term debt (original maturity) in total external debt at end-September 2018 was 79.6 per cent, lower than its level of 80.7 per cent at end-March 2018.
- The share of short-term debt (with original maturity of up to one year) in total external debt increased to 20.4 per cent at end-September 2018 from 19.3 per cent at end-March 2018. The ratio of short-term debt (original maturity) to foreign

¹ The ratio is based on external debt and GDP valued in rupee terms.

exchange reserves increased to 26.1 per cent at end-September 2018 (24.1 per cent at end-March 2018).

- Short-term debt on a residual maturity basis (*i.e.*, debt obligations that include long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity) constituted 43.8 per cent of total external debt at end-September 2018 (42.0 per cent at end-March 2018) and stood at 55.8 per cent of foreign exchange reserves (52.3 per cent at end-March 2018) (Table 2).
- US dollar denominated debt continued to be the largest component of India's external debt with a share of 49.7 per cent at end-September 2018, followed by the Indian rupee (36.1 per cent), SDR (5.3 per cent), yen (4.7 per cent) and euro (3.2 per cent).
- The borrower-wise classification shows that the outstanding debt of both government and non-government sectors decreased at end-September 2018 (Table 3).
- Debt service payments declined to 6.5 per cent of current receipts at end-September 2018 as compared with 7.5 per cent at end-March 2018 (Table 4) – reflecting lower repayments of external commercial borrowings.

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Table 1: External Debt - Outstanding and Variation

Component	Outstanding as at end of (US\$ billion)			Absolute variation (US\$ billion)		Percentage variation (%)	
	Sep. 2017 PR	Mar. 2018 PR	Sep. 2018 P	Sep. 2018 over Sep. 2017	Sep. 2018 over Mar. 2018	Sep. 2018 over Sep. 2017	Sep. 2018 over Mar. 2018
1	2	3	4	5	6	7	8
1. Multilateral	55.2	57.3	56.5	1.3	-0.8	2.3	-1.4
2. Bilateral	23.0	25.3	23.3	0.3	-2.0	1.3	-8.0
3. IMF	5.6	5.8	5.6	-0.1	-0.2	-1.3	-4.0
4. Trade Credit	9.6	9.5	8.4	-1.2	-1.1	-12.6	-11.5
5. Commercial Borrowings	189.7	202.3	189.3	-0.3	-12.9	-0.2	-6.4
6. NRI Deposits	118.0	126.2	121.9	3.9	-4.3	3.3	-3.4
7. Rupee Debt	1.2	1.2	1.1	-0.1	-0.1	-6.4	-7.1
8. Short-term Debt	92.8	102.2	104.3	11.5	2.2	12.4	2.1
<i>Of which:</i>							
Short-term trade credit	91.1	100.4	101.7	10.6	1.3	11.7	1.3
Total Debt	495.1	529.7	510.4	15.3	-19.3	3.1	-3.6
<i>Memo Items:</i>							
A. Long-term debt (original maturity) @	402.3	427.5	406.1	3.8	-21.4	0.9	-5.0
B. Short-term debt (original maturity) #	92.8	102.2	104.3	11.5	2.2	12.4	2.1
PR: Partially Revised. P: Provisional.							
@: Debt with original maturity of above one year.							
#: Debt with original maturity of up to one year.							

(US\$ billion)					
Component	Short-term up to one year**	Long-term			Total (2 to 5)
		1 to 2 years	2 to 3 years	More than 3 years	
1	2	3	4	5	6
1. Sovereign Debt (long-term) \$	5.2	7.1	7.4	82.7	102.4
2. Commercial Borrowings #	26.5	23.7	23.8	107.7	181.7
3. NRI deposits {(i)+(ii)+(iii)}	87.3	15.4	8.9	10.3	121.9
(i) FCNR(B)	16.0	3.0	1.6	1.9	22.4
(ii) NR(E)RA	59.3	11.4	6.8	8.2	85.7
(iii) NRO	12.0	1.0	0.6	0.3	13.8
4. Short-term Debt * (original maturity)	104.3				104.3
Total (1 to 4)	223.4	46.2	40.1	200.7	510.4
<i>Memo Items:</i>					
Short-term debt (residual maturity) as per cent of total external debt					43.8
Short-term debt (residual maturity) as per cent of reserves					55.8
\$: Inclusive of FPI investments in government securities.					
#: Commercial borrowings are inclusive of trade credit, FPI investments in corporate debt instruments and a portion of non-government multilateral and bilateral borrowings and therefore may not tally with the figures provided in other tables under original maturity.					
*: Includes FPI investments in security receipts issued by Asset Reconstruction Companies (ARCs) under the extant corporate debt limits.					
**: Short-term debt by residual maturity comprises long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity.					

(US\$ billion)				
Component	End-March			End-Sep. 2018 P
	2016	2017 PR	2018 PR	
1	2	3	4	5
A. Sovereign Debt (I+II)	93.6	95.9	111.9	102.7
<i>(As a percentage of GDP)</i>	<i>4.5</i>	<i>4.1</i>	<i>4.3</i>	<i>4.2</i>
I. External Debt on Government Account under External Assistance	61.1	62.8	68.6	66.7
II. Other Government External Debt @	32.5	33.1	43.4	35.9
B. Non-Government Debt #	391.2	375.5	417.7	407.7
<i>(As a percentage of GDP)</i>	<i>18.9</i>	<i>16.0</i>	<i>16.2</i>	<i>16.6</i>
C. Total External Debt (A+B)	484.8	471.5	529.7	510.4
<i>(As a percentage of GDP)</i>	<i>23.4</i>	<i>20.0</i>	<i>20.5</i>	<i>20.8</i>
PR: Partially Revised. P: Provisional.				
@: Other government external debt includes defence debt, investment in Treasury Bills/ government securities by FPIs, foreign central banks and international institutions and IMF.				
#: Includes external debt of Monetary Authority.				

Table 4: India's Key External Debt Indicators

(Per cent, unless indicated otherwise)

End-March	External Debt (US\$ billion)	Ratio of External Debt to GDP	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total Debt	Ratio of Concessional Debt to Total Debt	Ratio of Short-Term Debt to Foreign Exchange Reserves	Ratio of Short-Term Debt (original maturity) to Total Debt
1	2	3	4	5	6	7	8
1991	83.8	28.7	35.3	7.0	45.9	146.5	10.2
1996	93.7	27.0	26.2	23.1	44.7	23.2	5.4
2001	101.3	22.5	16.6	41.7	35.4	8.6	3.6
2006	139.1	16.8	10.1#	109.0	28.4	12.9	14.0
2007	172.4	17.5	4.7	115.6	23.0	14.1	16.3
2008	224.4	18.0	4.8	138.0	19.7	14.8	20.4
2009	224.5	20.3	4.4	112.2	18.7	17.2	19.3
2010	260.9	18.2	5.8	106.9	16.8	18.8	20.1
2011	317.9	18.2	4.4	95.9	14.9	21.3	20.4
2012	360.8	21.1	6.0	81.6	13.3	26.6	21.7
2013	409.4	22.4	5.9	71.3	11.1	33.1	23.6
2014	446.2	23.9	5.9	68.2	10.4	30.1	20.5
2015	474.7	23.9	7.6	72.0	8.8	25.0	18.0
2016	484.8	23.4	8.8	74.3	9.0	23.2	17.2
2017 PR	471.5	20.0	8.3	78.5	9.3	23.8	18.7
2018 PR	529.7	20.5	7.5	80.2	9.1	24.1	19.3
End-Sep. 2018 P	510.4	20.8	6.5	78.5	9.0	26.1	20.4

PR: Partially Revised. P: Provisional.

Works out to 6.3 per cent with the exclusion of India Millennium Deposits (IMDs) repayments of US\$ 7.1 billion and pre-payment of external debt of US\$ 23.5 million.