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RESERVE BANK OF INDIA

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India's External Debt as at the end of June 2015

As per the standard practice, India's external debt statistics for the quarters ending March and June are released by the Reserve Bank of India with a lag of one quarter and those for the quarters ending September and December by the Ministry of Finance, Government of India. The external debt data as at end-June 2015 in 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-June 2015 are presented below.

Highlights

India's external debt at end-June 2015 witnessed an increase of 1.8 per cent over its level at end-March 2015, primarily on account of a rise in outstanding NRI deposits and commercial borrowings. Furthermore, the increase in the magnitude of external debt was partly offset by the valuation gains resulting from the appreciation of the US dollar *vis-a-vis* the Indian rupee and other major currencies. The external debt/GDP ratio stood at 24.0 per cent at end-June 2015, recording an increase over its level of 23.7 per cent at end-March 2015.

Major highlights pertaining to India's external debt as at end-June 2015 are presented below:

- India's external debt at end-June 2015 was placed at US\$ 482.9 billion recording an increase of US\$ 8.5 billion over its level at end-March 2015 (Table 1).
- Excluding valuation gains due to appreciation of the US dollar against the Indian rupee and other major currencies, the increase in external debt during the quarter would have been higher at US\$ 10.1 billion.
- Commercial borrowings continued to be the largest component of external debt with a share of 38.4 per cent, followed by NRI deposits (24.8 per cent) and short-term trade credit (16.6 per cent).
- The share of short-term debt (original maturity) in total debt witnessed a decline over the preceding quarter as well as over the corresponding quarter of the previous year as FII investment in Government treasury bills was phased out.
- Accordingly, the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 23.7 per cent as at end-June 2015 (24.8 per cent as at end-March 2015). Similarly, on residual maturity basis, the ratio of short-term debt to foreign exchange reserves worked out to 51.9 per cent at end-June 2015 (54.2 per cent at end-March 2015) (Table 2).

- The US dollar denominated debt continued to be the largest component of India's external debt with a share of 58.1 per cent at end-June 2015, followed by Indian rupee (28.4 per cent), SDR (5.9 per cent), Japanese Yen (3.9 per cent) and Euro (2.3 per cent).
- Across borrower categories, the outstanding debt of Government marginally declined whereas non-Government debt increased and their shares in total external debt were 18.5 per cent and 81.5 per cent, respectively, at end-June 2015 (Table 3).
- Debt service payments remained at 7.5 per cent as in the previous quarter (Table 4).

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Sangeeta Das
Director

Table 1: External Debt - Outstanding and Variation							
(US\$ billion)							
Item	Outstanding at the end of			Absolute variation		Percentage variation	
	June 2014 R	March 2015 PR	June 2015 P	Jun-15 over Jun-14	Jun-15 over Mar-15	Jun-15 over Jun-14	Jun-15 over Mar-15
1	2	3	4	5	6	7	8
1. Multilateral	53.7	52.4	53.4	-0.3	1.0	-0.5	1.9
2. Bilateral	24.6	21.6	20.8	-3.8	-0.9	-15.6	-4.0
3. IMF	6.1	5.5	5.6	-0.6	0.1	-9.0	2.0
4. Trade Credit	15.0	12.6	12.1	-2.9	-0.6	-19.6	-4.6
5. Commercial Borrowings	155.9	180.9	185.4	29.5	4.5	18.9	2.5
6. NRI Deposits	106.3	115.2	119.9	13.6	4.7	12.8	4.1
7. Rupee Debt	1.5	1.5	1.4	-0.1	-0.1	-6.5	-7.1
8. Short-term Debt	90.1	84.7	84.4	-5.7	-0.3	-6.3	-0.4
<i>Of which</i>							
Short-term trade credit	82.0	80.8	80.0	-2.0	-0.8	-2.4	-1.0
Total Debt	453.1	474.4	482.9	29.8	8.5	6.6	1.8
Memo Items							
A. Long-Term Debt	363.1	389.7	398.5	35.5	8.8	9.8	2.3
B. Short-Term Debt	90.1	84.7	84.4	-5.7	-0.3	-6.3	-0.4
P: Provisional. PR: Partially Revised. R: Revised.							

Table 2: Residual Maturity of External Debt Outstanding as at End-June 2015					
(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) \$	9.8	10.4	10.7	58.5	89.4
2. Commercial Borrowings #	33.2	29.2	26.3	100.5	189.2
3. NRI deposits {(i)+(ii)+(iii)}	61.8	33.8	9.0	15.3	119.9
(i) FCNR(B)	11.9	23.4	2.5	6.4	44.2
(ii) NR(E)RA	41.9	9.6	6.1	8.4	66.0
(iii) NRO	7.9	0.9	0.4	0.5	9.7
4. Short-term Debt* (Original maturity)	84.4				84.4
Total (1 to 4)	189.1	73.4	46.0	174.3	482.9
Memo Items					
Short-term debt (Residual maturity as per cent of total external debt)					38.3
Short-term debt (Residual maturity as per cent of Reserves)					51.9
<p>\$: Inclusive of FII Investments in Government Securities.</p> <p>#: Commercial Borrowings are inclusive of trade credit, FII investments in corporate debt instruments and a portion of non-Government multilateral and bilateral borrowing and therefore may not tally with the figures provided in other Tables under original maturity</p> <p>*: Also includes FII investments in sovereign debt and commercial paper.</p>					

Table 3: Government and Non-Government External Debt				
(US\$ billion)				
Component	End-March			End-June
	2013	2014	2015 PR	2015 P
1	2	3	4	5
A. Sovereign Debt (I+II)	81.7	83.7	89.8	89.5
<i>(As a percentage of GDP)</i>	4.4	4.4	4.5	4.5
I. External Debt on Government Account under External Assistance	61.3	62.2	58.5	58.9
II. Other Government External Debt @	20.3	21.5	31.3	30.6
B. Non-Government Debt #	327.8	362.6	384.7	393.4
<i>(As a percentage of GDP)</i>	17.8	19.2	19.2	19.6
C. Total External Debt (A+B)	409.5	446.3	474.4	482.9
<i>(As a percentage of GDP)</i>	22.3	23.6	23.7	24.0

P: Provisional. PR: Partially Revised.
 @: Other Government external debt includes Defence Debt, Investment in Treasury Bills/ Government Securities by FIIs, Foreign Central Banks and International Institutions and IMF.
 #: Includes external debt of Monetary Authority.

Table 4: India's Key External Debt Indicators							
End-March	External Debt (US \$ billion)	Ratio of External Debt to GDP (per cent)	Debt Service Ratio (per cent)	Ratio of Foreign Exchange Reserves to Total Debt (per cent)	Ratio of Concessional Debt to Total Debt (per cent)	Ratio of Short-Term Debt to Foreign Exchange Reserves (per cent)	Ratio of Short-Term Debt to Total Debt (per cent)
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	20.9	6.0	81.6	13.3	26.6	21.7
2013	409.5	22.3	5.9	71.3	11.1	33.1	23.6
2014	446.3	23.6	5.9	68.2	10.4	30.1	20.5
2015 PR	474.4	23.7	7.5	72.0	8.8	24.8	17.9
End-June 2015 P	482.9	24.0	7.5	73.7	8.7	23.7	17.5

P: Provisional. PR: Partially Revised.
 # 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.