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India's External Debt as at the end of June 2019

The stock of external debt at end-June 2019 in rupees and US dollars as well as revised data for earlier quarters are set out in [Statements I \(old format\)](#) and [II \(IMF's 2013 External Debt Statistics \(EDS\) Guide format¹\)](#). The major developments relating to India's external debt as at end-June 2019 are presented below.

Highlights

At end-June 2019, India's external debt witnessed an increase of 2.6 per cent over its level at end-March 2019, primarily on account of an increase in commercial borrowings, non-resident deposits, and short-term trade credit. The increase in external debt was also contributed by valuation losses resulting from the depreciation of the US dollar against Indian rupee and other major currencies. The external debt to GDP ratio remained at 19.8 per cent at end-June 2019, the same as its level at end-March 2019.

Major highlights pertaining to India's external debt at end-June 2019 are presented below:

- At end-June 2019, India's external debt was placed at US\$ 557.4 billion, recording an increase of US\$ 14.1 billion over its level at end-March 2019 (Table 1).
- Valuation losses due to the depreciation of the US dollar *vis-à-vis* Indian rupee and other major currencies were placed at US\$ 1.7 billion. Excluding the valuation effect, the increase in external debt would have been US\$ 12.4 billion instead of US\$ 14.1 billion at end-June 2019 over end-March 2019.
- Commercial borrowings remained the largest component of external debt, with a share of 38.4 per cent, followed by non-resident deposits (24.0 per cent) and short-term trade credit (18.7 per cent).
- At end-June 2019, long-term debt (with original maturity of above one year) was placed at US\$ 447.7 billion, recording an increase of US\$ 12.8 billion over its level at end-March 2019.
- The share of short-term debt (with original maturity of up to one year) in total external debt declined to 19.7 per cent at end-June 2019 from 20.0 per cent at end-March 2019; the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 25.5 per cent at end-June 2019 (26.3 per cent at end-March 2019).
- 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 43.2 per cent of total external debt at end-June 2019 (43.3 per cent at end-March 2019) and stood at 56.0 per cent of foreign exchange reserves (57.0 per cent at end-March 2019) (Table 2).

¹The concepts set out in the IMF's 2013 *EDS Guide* are harmonized with those of the *System of National Accounts (SNA) 2008* and the sixth edition of the IMF's *Balance of Payments and International Investment Position Manual (BPM6)* published in 2009.

- US dollar denominated debt continued to be the largest component of India's external debt, with a share of 51.5 per cent at end-June 2019, followed by the Indian rupee (34.7 per cent), yen (5.1 per cent), SDR (4.7 per cent) and the euro (3.2 per cent).
- The borrower-wise classification shows that the outstanding debt of both government and non-government sectors increased at end-June 2019 (Table 3).
- The share of outstanding debt of nonfinancial corporations in total external debt was the highest at 41.6 per cent, followed by deposit-taking corporations (except the central bank) (29.8 per cent), general government (19.2 per cent) and other financial corporations (6.2 per cent).
- The instrument-wise classification shows that the loans were the largest component of external debt, with a share of 34.9 per cent, followed by currency and deposits (24.5 per cent), trade credit and advances (19.2 per cent) and debt securities (17.1 per cent).
- Debt service (principal repayments plus interest payments) declined to 5.8 per cent of current receipts at end-June 2019 as compared with 6.4 per cent at end-March 2019, reflecting lower repayments of commercial borrowings (Table 4).

(Yogesh Dayal)
Chief General Manager

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Table 1: External Debt - Outstanding and Variation

(US\$ billion)							
Component	Outstanding as at end of			Absolute variation		Percentage variation	
	June 2018 PR	March 2019 PR	June 2019 P	Jun-19 over Jun-18	Jun-19 over Mar-19	Jun-19 over Jun-18	Jun-19 over Mar-19
1	2	3	4	5	6	7	8
1. Multilateral	56.9	57.5	59.0	2.1	1.5	3.6	2.6
2. Bilateral	24.3	25.7	26.6	2.3	0.9	9.3	3.6
3. IMF	5.6	5.5	5.5	-0.1	0.0	-1.2	0.1
4. Trade Credit	8.8	8.0	7.8	-1.0	-0.1	-11.6	-1.9
5. Commercial Borrowings	193.4	206.7	214.1	20.7	7.4	10.7	3.6
6. Non-resident Deposits	124.3	130.4	133.6	9.3	3.2	7.5	2.4
7. Rupee Debt	1.1	1.2	1.1	0.0	0.0	-1.0	-3.4
8. Short-term Debt	98.7	108.4	109.7	11.0	1.3	11.2	1.2
<i>Of which:</i>							
Short-term trade credit	96.9	102.4	104.4	7.5	2.0	7.7	1.9
Total Debt	513.1	543.3	557.4	44.3	14.1	8.6	2.6
<i>Memo Items:</i>							
A. Long-term Debt (original maturity)@	414.4	434.9	447.7	33.3	12.8	8.0	3.0
B. Short-term Debt (original maturity)#	98.7	108.4	109.7	11.0	1.3	11.2	1.2
PR: Partially Revised. P: Provisional.							
@: Debt with original maturity of above one year.							
#: Debt with original maturity of up to one year.							

Table 2: Residual Maturity of External Debt Outstanding as at End-June 2019

(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)\$	5.5	7.6	8.2	85.3	106.6
2. Commercial Borrowings#	30.6	25.5	27.3	124.1	207.5
3. Non-resident deposits {(i)+(ii)+(iii)}	94.8	16.8	13.1	8.8	133.6
(i) FCNR(B)	16.2	3.0	2.8	2.3	24.4
(ii) NR(E)RA	64.9	12.7	9.6	6.2	93.4
(iii) NRO	13.7	1.1	0.7	0.2	15.8
4. Short-term Debt* (original maturity)	109.7				109.7
Total (1 to 4)	240.6	50.0	48.6	218.2	557.4
<i>Memo Items:</i>					
Short-term Debt (residual maturity) as per cent of Total External Debt					43.2
Short-term Debt (residual maturity) as per cent of Reserves					56.0
\$: 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.					
*: Also 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.					

Table 3: Government and Non-Government External Debt

(US\$ billion)				
Component	End-March			End-June
	2017	2018 PR	2019 PR	2019 P
1	2	3	4	5
A. Sovereign Debt (I+II)	95.9	111.9	103.8	106.9
<i>(As a percentage of GDP)</i>	<i>(4.1)</i>	<i>(4.3)</i>	<i>(3.8)</i>	<i>(3.8)</i>
I. External Debt on Government Account under External Assistance	62.8	68.6	68.8	70.9
II. Other Government External Debt@	33.1	43.4	35.0	36.0
B. Non-government Debt#	375.1	417.3	439.5	450.5
<i>(As a percentage of GDP)</i>	<i>(15.8)</i>	<i>(15.9)</i>	<i>(16.0)</i>	<i>(16.0)</i>
C. Total External Debt (A+B)	471.0	529.3	543.3	557.4
<i>(As a percentage of GDP)</i>	<i>(19.9)</i>	<i>(20.1)</i>	<i>(19.8)</i>	<i>(19.8)</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	28.3	35.3	7.0	45.9	146.5	10.2
1996	93.7	26.6	26.2	23.1	44.7	23.2	5.4
2001	101.3	22.1	16.6	41.7	35.4	8.6	3.6
2006	139.1	17.1	10.1#	109.0	28.4	12.9	14.0
2007	172.4	17.7	4.7	115.6	23.0	14.1	16.3
2008	224.4	18.3	4.8	138.0	19.7	14.8	20.4
2009	224.5	20.7	4.4	112.2	18.7	17.2	19.3
2010	260.9	18.5	5.8	106.9	16.8	18.8	20.1
2011	317.9	18.6	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	23.8	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	471.0	19.9	8.3	78.5	9.4	23.8	18.7
2018 PR	529.3	20.1	7.5	80.2	9.1	24.1	19.3
2019 PR	543.3	19.8	6.4	76.0	8.7	26.3	20.0
End-June 2019 P	557.4	19.8	5.8	77.1	8.6	25.5	19.7

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.