



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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Website : [www.rbi.org.in](http://www.rbi.org.in)

ई-मेल email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

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## India's External Debt as at the end of June 2016

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 2016 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 2016 are presented below.

### Highlights

At end-June 2016, India's external debt witnessed a decline of 1.1 per cent over its level at end-March 2016, primarily on account of a decline in commercial borrowings. The decline in the magnitude of external debt was partly due to valuation gains resulting from the appreciation of the US dollar *vis-a-vis* the Indian rupee and other major currencies. The external debt to GDP ratio stood at 23.4 per cent as at end-June 2016, a shade lower than its level of 23.7 per cent at end-March 2016.

Major highlights pertaining to India's external debt as at end-June 2016 are presented below:

- At end-June 2016, India's external debt was placed at US\$ 479.7 billion, recording a decline of US\$ 5.4 billion over its level at end-March 2016 (Table 1).
- Valuation gains due to appreciation of the US dollar against the Indian rupee and other major currencies was placed at US\$ 1.4 billion. Excluding the valuation effect, the decline in external debt would have been US\$ 4.0 billion instead of US\$ 5.4 billion as at end-June 2016 over the level at end-March 2016.
- Commercial borrowings continued to be the largest component of external debt with a share of 36.6 per cent, followed by NRI deposits (26.3 per cent) and short-term trade credit (16.6 per cent).
- At end-June 2016, long-term debt was placed at US\$ 397.6 billion, recording a decline of US\$ 4.1 billion over its level at end-March 2016. The share of long-term debt in total external debt was marginally higher at 82.9 per cent as at end-June 2016 as compared to its level at end-March 2016.
- The share of short-term debt (original maturity) in total debt witnessed a marginal decline over its level at end-March 2016. The ratio of short-term debt (original maturity) to foreign exchange reserves declined to 22.6 per cent as at end-June 2016 (23.1 per cent at end-March 2016).

- On a residual maturity basis, short-term debt constituted 42.4 per cent of total external debt at end-June 2016 (42.6 per cent at end-March 2016) and stood at 55.9 per cent of total foreign exchange reserves (57.4 per cent at end-March 2016) (Table 2).
- US dollar denominated debt continued to be the largest component of India's external debt with a share of 57.1 per cent as at end-June 2016, followed by the Indian rupee (28.6 per cent), SDR (5.9 per cent), Japanese yen (4.8 per cent) and Euro (2.4 per cent).
- The borrower classification shows that the outstanding debt of the Government increased; however, non-Government debt declined at end-June 2016 (Table 3).
- Debt service payments declined to 7.5 per cent of current receipts as at end-June 2016 as compared with 8.8 per cent at end-March 2016 (Table 4).

<b>Table 1: External Debt - Outstanding and Variation</b>							
(US\$ billion)							
Component	Outstanding at the end of			Absolute variation		Percentage variation	
	June 2015 R	March 2016 PR	June 2016 P	Jun-16 over Jun-15	Jun-16 over Mar-16	Jun-16 over Jun-15	Jun-16 over Mar-16
1	2	3	4	5	6	7	8
1. Multilateral	53.4	54.0	54.5	1.1	0.5	2.0	0.9
2. Bilateral	21.2	22.5	24.0	2.7	1.5	13.0	6.6
3. IMF	5.6	5.6	5.6	0.0	0.0	-0.5	-0.7
4. Trade Credit	11.9	10.7	10.6	-1.3	-0.1	-11.2	-1.1
5. Commercial Borrowings	185.0	180.8	175.7	-9.3	-5.1	-5.0	-2.8
6. NRI Deposits	119.9	126.9	126.3	6.4	-0.7	5.3	-0.5
7. Rupee Debt	1.4	1.3	1.1	-0.3	-0.2	-21.7	-14.3
8. Short-term Debt	83.6	83.4	82.1	-1.6	-1.3	-1.9	-1.6
<i>Of which</i>							
Short-term Trade Credit	79.3	80.0	79.7	0.4	-0.3	0.5	-0.4
<b>Total Debt</b>	<b>482.0</b>	<b>485.1</b>	<b>479.7</b>	<b>-2.4</b>	<b>-5.4</b>	<b>-0.5</b>	<b>-1.1</b>
<b>Memo Items</b>							
A. Long-term Debt	398.4	401.7	397.6	-0.8	-4.1	-0.2	-1.0
B. Short-term Debt	83.6	83.4	82.1	-1.6	-1.3	-1.9	-1.6
P: Provisional. PR: Partially Revised. R: Revised							

<b>Table 2: Residual Maturity of External Debt Outstanding as at End-June 2016</b>					
(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) \$	4.4	6.2	6.6	77.3	94.6
2. Commercial Borrowings #	26.2	20.3	23.2	107.0	176.8
3. NRI Deposits {(i)+(ii)+(iii)}	90.5	13.1	11.3	11.4	126.3
(i) FCNR(B)	33.1	2.7	6.1	3.2	45.1
(ii) NR(E)RA	48.9	9.6	4.9	7.8	71.2
(iii) NRO	8.4	0.8	0.3	0.5	10.0
4. Short-term Debt* (Original maturity)	82.1				82.1
<b>Total (1 to 4)</b>	<b>203.2</b>	<b>39.5</b>	<b>41.2</b>	<b>195.8</b>	<b>479.7</b>
<i>Memo Items</i>					
Short-term Debt (Residual maturity) as per cent of Total External Debt					42.4
Short-term Debt (Residual maturity) as per cent of Reserves					55.9
\$: Inclusive of FII Investments in Government Securities.					
#: Commercial Borrowings are inclusive of trade credit, FII 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 FII investments in sovereign debt and commercial paper.					

<b>Table 3: Government and Non-Government External Debt</b>				
(US\$ billion)				
Component	End-March			End-June
	2014	2015	2016 PR	2016 P
1	2	3	4	5
<b>A. Sovereign Debt (I+II)</b>	<b>83.7</b>	<b>89.7</b>	<b>93.4</b>	<b>94.7</b>
<i>(As a percentage of GDP)</i>	4.4	4.5	4.6	4.6
I. External Debt on Government Account under External Assistance	62.2	58.5	61.1	63.3
II. Other Government External Debt @	21.5	31.3	32.4	31.4
<b>B. Non-Government Debt #</b>	<b>362.5</b>	<b>385.3</b>	<b>391.6</b>	<b>385.0</b>
<i>(As a percentage of GDP)</i>	19.3	19.3	19.1	18.8
<b>C. Total External Debt (A+B)</b>	<b>446.2</b>	<b>475.0</b>	<b>485.1</b>	<b>479.7</b>
<i>(As a percentage of GDP)</i>	23.8	23.8	23.7	23.4
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.				

<b>End-March</b>	<b>External Debt (US \$ billion)</b>	<b>Ratio of External Debt to GDP (per cent)</b>	<b>Debt Service Ratio (per cent)</b>	<b>Ratio of Foreign Exchange Reserves to Total Debt (per cent)</b>	<b>Ratio of Concessional Debt to Total Debt (per cent)</b>	<b>Ratio of Short-Term Debt to Foreign Exchange Reserves (per cent)</b>	<b>Ratio of Short-Term Debt to Total Debt (per cent)</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
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	409.5	22.4	5.9	71.3	11.1	33.1	23.6
2014	446.2	23.8	5.9	68.2	10.4	30.1	20.5
2015	475.0	23.8	7.6	71.9	8.8	25.0	18.0
2016 PR	485.1	23.7	8.8	74.3	9.0	23.1	17.2
End-June 2016 P	479.7	23.4	7.5	75.8	9.4	22.6	17.1

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.