

India's External Debt: Trends, Policy Measures and Cross-Country Comparison^{*}

The current account deficit was largely financed through debt flows with continued uncertainty in the global economy affecting the quantum of equity flows during the first quarter of 2012-13. However, the magnitude of increase in external debt was lower than that of the preceding quarter largely due to valuation gains resulting from appreciation of US dollar against Indian rupee and other international currencies. Increase in external debt during Q1 of 2012-13 was largely due to rise in Non-resident external Rupee denominated ((NR(E) RA) deposits, *inter alia*, induced by deregulation of interest rates on these deposits in December 2011 and increased recourse to short-term trade credit. A notable aspect of the components of the debt was that external commercial borrowings recorded a marginal decline due to higher repayments and also reflecting growing risk aversion due to increased exchange rate volatility. With regard to currency composition of debt, the US dollar denominated debt continued to be the highest, constituting more than fifty percent of total external debt. The trends in key vulnerability indicators suggest that though the external debt is within manageable level, there was some deterioration during the first quarter in terms of debt-GDP ratio, short-term debt to total debt and reserves to total debt warranting close monitoring of external debt. However, India's debt position in terms of these key vulnerability indicators appears better *vis-a-vis* top twenty indebted countries.

The article begins with an outline of external debt as at end-June 2012. Section I presents detailed analysis of external debt. Section II provides the cross-country comparison based on World Bank's 'Global Development Finance' data with a focus on 'where does India stand' in terms of different indicators *vis-a-vis* Top twenty indebted countries. Section III details the recent policy

measures. Concluding observations are presented in Section IV.

Section I: India's External Debt as at end-June 2012

External debt stock at end-June 2012 increased moderately

India's external debt, as at end-June 2012, was placed at US\$ 349.5 billion showing an increase of US\$ 3.9 billion or 1.1 per cent over the end-March 2012 level primarily on account of Non-resident external rupee ((NR(E) RA) denominated deposits and short-term trade credits (Table 1, Statement 1 and Statement 2). Significantly, the stock of multilateral debt and external commercial borrowings (ECB) at the end of June 2012 was lower than that of the level at end of March 2012. The decline in the stock of ECB was due to higher repayments during the quarter coupled with growing risk aversion due to increased exchange rate volatility.

The share of short-term debt in total debt rose over the preceding as well as corresponding quarter of the previous year mainly due to higher trade credit. The long-term debt at US\$ 269.1 billion and short-term debt at US\$ 80.5 billion accounted for 77.0 per cent and 23.0 per cent, respectively, of the total external debt as at end-June 2012 (Table 2). Although, widening CAD was largely financed through debt flows, rise in magnitude of debt over the preceding quarter has been relatively moderate since a part of the rise was offset by valuation gains. The valuation gains during the first quarter of 2012-13 amounted to US\$ 7.9 billion reflecting the appreciation of US dollar against the Indian rupee and other major currencies. Thus excluding the valuation gains the stock of external debt as at end-June 2012 would have increased by US\$11.8 billion.

ECB disbursements during Q1 of 2012-13 were lower reflecting subdued domestic economic activity and growing risk aversion

Keeping in view the financing requirements of Indian companies in manufacturing and infrastructure

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Table 1: External Debt – Outstanding and Variation

(US\$ million)

Item	Outstanding at the end-of			Absolute variation		Percentage variation	
	Jun-11	Mar 2012PR	Jun 2012 P	Jun-12 over Jun-11	Jun-12 over Mar-12	Jun-12 over Jun-11	Jun-12 over Mar-12
	1	2	3	4	5	6	7
1. Multilateral	49,375	50,453	49,780	406	-673	0.8	-1.3
2. Bilateral	26,168	26,714	27,248	1,081	534	4.1	2.0
3. IMF	6367	6163	6037	-330	-126	-5.2	-2.0
4. Trade Credit	18,692	18,980	19,094	402	114	2.2	0.6
5. External Commercial Borrowings	92,675	105,210	104,841	12,166	-369	13.1	-0.4
6. NRI Deposits	52,898	58,608	60,874	7,976	2,266	15.1	3.9
7. Rupee Debt	1,568	1,354	1,219	-349	-135	-22.3	-10.0
8. Short-Term Debt	68,474	78,179	80,450	11,976	2,271	17.5	2.9
<i>Of which</i>							
(i) Short Term Trade Credit	61,532	65,130	70,508	8,976	5,378	14.6	8.3
Total Debt	316,216	345,661	349,543	33,327	3,882	10.5	1.1
Memo Items							
A. Long-Term Debt (1 to 7)	247,742	267,482	269,093	21,351	1,611	8.6	0.6
B. Short-Term Debt	68,474	78,179	80,450	11,976	2,271	17.5	2.9

P: Provisional. PR: Partially Revised.

Source: Ministry of Finance, Government of India and Reserve Bank of India

sector, the repayment of outstanding Rupee loans raised for capital expenditure or for fresh Rupee capital expenditure, an ECB with a maximum ceiling of US \$

10 billion was permitted in June 2012. However, the ECB approvals during Q1 of 2012-13 stood marginally lower at around US\$ 7.6 billion as compared with US \$

Table 2: External Debt by Component

(US \$ million)

Item	End- March			End-June	
	2010	2011	2012PR	2011 PR	2012 P
	1	2	3	4	5
1. Multilateral	42,857 (16.4)	48,474 (15.8)	50,453 (14.6)	49,375 (15.6)	49,780 (14.2)
2. Bilateral	22,593 (8.7)	25,698 (8.4)	26,714 (7.7)	26,168 (8.3)	27,248 (7.8)
3. IMF	6,041.0 (2.3)	6,308 (2.1)	6163 (1.8)	6367 (2.0)	6037 (1.7)
4. Trade Credit	16,841 (6.5)	18,613 (6.1)	18,980 (5.5)	18,692 (5.9)	19,094 (5.5)
5. ECBs	70,726 (27.1)	88,565 (28.9)	105,210 (30.4)	92,675 (29.3)	104,841 (30.0)
6. NRI Deposits	47,890 (18.4)	51,682 (16.9)	58,608 (17.0)	52,898 (16.7)	60,874 (17.4)
7. Rupee Debt	1,658 (0.6)	1,601 (0.5)	1,354 (0.4)	1,567 (0.5)	1,219 (0.3)
8. Long-term Debt (1to 7)	208,606 (79.9)	240,941 (78.8)	267,482 (77.4)	247,742 (78.3)	269,093 (77.0)
9. Short-term Debt	52,329 (20.1)	64,990 (21.2)	78,179 (22.6)	68,474 (21.7)	80,450 (23.0)
Total (8+9)	260,935 (100.0)	305,931 (100.0)	345,661 (100.0)	316,216 (100.0)	349,543 (100.0)

P: Provisional. PR: Partially Revised. IMF: International Monetary Fund; ECBs: External Commercial Borrowings; NRI: Non-Resident Indian

Note: Figures in parentheses are percentage to total external debt.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

Table 3 : External Commercial Borrowings

(US \$ million)

Year	Approvals#	Gross Disbursement*	Amortisation*	Interest*	Total Servicing
	1	2	3	4	5 (3+4)
2000-01	2,837	9,621	5,313	1,695	7,008
2001-02	2,653	2,684	4,272	1,456	5,728
2002-03	4,235	3,505	5,206	1,167	6,373
2003-04	6,671	5,225	8,015	2,031	10,046
2004-05	11,490	9,084	3,658	959	4,617
2005-06	17,175	14,343	11,584	3,015	14,599
2006-07	25,353	20,257	3,814	2,517	6,331
2007-08	28,900	28,700	6,060	3,652	9,712
2008-09	15,702	13,226	6,578	3,965	10,543
2009-10	20,636	13,980	11,498	3,244	14,742
2010-11 R	25,195	22,272	10,094	3,508	13,602
2011-12 PR	35,597	28,922	19,782	5,416	25,198
2011-12 (April-June) PR	7,980	6,451	831	187	1,018
2012-13 (April-June)P	7,581	5,214	4,371	1,678	6,049

P: Preliminary; PR: Partially Revised; * Revised; based on Balance of Payments data.

: Based on date of agreement of the loan which may differ from the date of granting the loan registration number by the RBI. Ceiling on ECB approvals is fixed on the basis of the latter, which may either be after or before the date of agreement of the loan. Hence, there may be some difference between the amount shown under approvals in the table and the amount of ceiling fixed for a particular year.

Note: Debt service payments during 2003-04 and 2005-06 include redemption of RIBs and IMDs, respectively.

8.0 billion in the corresponding period of the previous year (Table 3). Moreover, the disbursements of ECBs as per cent to total approvals declined to 69 per cent during Q1 of 2012-13 from 81.0 per cent in the corresponding period of the preceding year, mainly reflecting subdued domestic economic activity and growing risk aversion due to increased exchange rate volatility. Lower disbursements, as a result, along with higher repayments led to marginal decline in outstanding ECB at the end of Q1 of 2012-13.

US dollar denominated debt remains the highest in total external debt

The US Dollar denominated debt continued to be the largest with a share of 56.3 per cent in the total external debt as at end-June 2012 followed by Indian rupee (21.4 per cent), Japanese yen (9.1 per cent), SDR (8.3 per cent) and Euro (3.3 per cent) (Table 4).

Component of loans accounted for nearly half of external debt

The instrument-wise classification of India's external debt across the borrower category reveals that the share of loans accounted for 48.7 per cent of total debt outstanding as at end-June 2012 as compared to 49.0 per cent as at end-March 2012. The share of trade credit (long-term and short-term) at 20.8 per cent as at

end-June 2012 has been higher as compared to 19.5 per cent as at end-March 2012. The share of currency and deposits at 17.5 per cent of the total India's external debt as at end-June 2012 also witnessed a marginal increase as against 17.0 per cent as at end-March 2012 (Table 5).

Short-term debt based on residual maturity is nearly 43 per cent of total debt and over 50 per cent of foreign exchange reserves

Based on residual maturity, the short-term debt accounted for 42.9 per cent of total external debt as

Table 4: Currency Composition of External Debt

(Percentage share in total external debt)

Currency	End-March			End-June	
	2010	2011	2012	2011	2012 P
	1	2	3	4	5
US Dollar	53.2	53.6	55.0	54.2	56.3
SDR	10.7	9.7	8.7	9.5	8.3
Indian rupee	18.7	19.5	21.4	19.2	21.4
Japanese Yen	11.5	11.4	9.1	11.1	9.1
Euro	3.6	3.7	3.7	3.7	3.3
Pound Sterling	1.8	1.7	0.9	1.7	0.9
Others	0.5	0.4	1.2	0.6	0.7
Total	100	100	100	100	100

P: Preliminary; PR: Partially Revised.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

Table 5: Instrument-wise Classification of External Debt Outstanding

(US\$ million)		
Borrower	End-March 2012	End-June 2012
	1	2
A. Government (1+2+3)	81,895	80,152
1. Short-Term	6,107	5,418
(i) Money Market Instruments	6,107	5,418
2. Long-term {(i)+(ii)+(iii)}	69,626	68,698
(i) Bonds and Notes	5,261	5,047
(ii) Loans	62,801	62,057
(iii) Trade Credit	1,564	1,594
3. Other debt liabilities	6,163	6,037
(i) IMF	6,163	6,037
B. Monetary Authority	170	174
1. Short-term	170	174
(i) Currency and Deposits	170	174
C. Non-Government (1+2)	263,596	269,216
1. Short-Term {(i)+(ii)}	71,902	74,858
(i) Money Market Instruments	6,772	4,351
(ii) Trade Credit	65,130	70,508
2. Long-term {(i)+(ii)+(iii)+(iv)}	191,694	194,358
(i) Bonds and Notes	26,045	24,649
(ii) Loans	106,418	108,199
(iii) Currency and Deposits	58,608	60,874
(iv) Trade Credits	623	636
Total External Debt (A+B+C)	345,661	349,542

Source: Ministry of Finance, Government of India and Reserve Bank of India.

at end-June 2012. Within the short-term debt, the share of NRI deposits was the highest at 29 per cent. With relatively lower accretion to reserves, the ratio of short-term debt by residual maturity to foreign exchange reserves rose to 51.8 per cent at end-June 2012 (Table 6).

Share of trade credit in short-term debt rose as at end-June 2012-13

Short-term debt predominantly comprised of trade credit and FII investments in Government debt, and other components include investment by foreign central banks and international institutions in Treasury Bills and external liabilities owed to central banks and commercial banks.

Short-term debt by original maturity has increased as at end-June 2012 over end-March 2012 on account of increase in trade related credits with maturity band of six months to one year mainly reflecting higher availment by oil companies. The share of short-term trade credit in total short-term debt was higher at 87.6 per cent as at end-June 2012 as compared with 83.3 per cent as at end-March 2012 (Table 7).

Table 6: Residual Maturity of External Debt Outstanding as at End-June 2012

(US \$ million)					
Components	Short-term	Long-term			Total
	Up to one year	1 to 2 years	2 to 3 years	More than 3 years	(1) to (4)
	1	2	3	4	5
1. Sovereign Debt (long-term) \$	4,433	4,620	4,835	60,846	74,735
2. External Commercial Borrowings #	21,804	15,877	19,430	76,372	133,484
3. NRI deposits {(i)+(ii)+(iii)}	43,327	5,595	4,548	7,404	60,874
(i) FCNR(B)	11,660	1,313	799	500	14,272
(ii) NR(E)RA	23,621	3,069	3,104	5,887	35,681
(iii) NRO	8,046	1,213	645	1,017	10,921
4. Short-term Debt* (Original maturity)	80,450	0	0	0	80,450
Total (1 to 4)	150,014	26,093	28,813	144,622	349,542
<i>Memo Items</i>					
Short-term debt (Residual maturity as per cent of total debt)	42.9				
Short-term debt (Residual maturity as per cent of Reserves)	51.8				

\$: Inclusive of FII investment in Government securities amounting to US \$ 5,047 million.

: External Commercial Borrowings are inclusive of trade credit and a portion of non-Government multilateral and bilateral borrowing and therefore may not tally with the ECB provided in other Tables under original maturity.

* : Also includes short-term component of sovereign debt amounting to US\$ 5,362 million.

Note: Residual Maturity of NRI Deposits is estimated on the basis of returns submitted by authorised dealers.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

Table 7: Short-Term Debt by Original Maturity

(US \$ Million)

	End-March			End-June	
	2010	2011	2012	2011	2012
	1	2	3	4	5
A. Short-Term Debt	52,329	64,990	78,179	68,474	80,450
a) Trade-related Credits	47,473	58,462	65,130	61,532	70,508
(i) Above 6 months and upto 1 year	28,003	35,347	39,182	36,933	45,220
(ii) Up to 6 months	19,470	23,116	25,948	24,599	25,288
b) FII Investments in Government Treasury Bills & other instruments	3357	5,424	9,395	5901	8,268
c) Investment in Treasury Bills by foreign central banks and international institutions, etc.	103	50	64	48	56
d) External Debt Liabilities of:	1,396	1,053	3,590	993	1,619
(i) Central Bank	695	155	170	133	174
(ii) Commercial Bank	701	898	3420	860	1445
B. Imports (during the year)*	300,644	381,061	499,533	417,504	495,063
C. Trade Credit to Imports (%)	15.8	15.3	13.0	14.7	14.2

* : On balance of payment basis.

Source: Ministry of Finance, Government of India and Reserve Bank of India

Share of Government debt recorded marginal decline

Government (Sovereign) external debt stood at US\$ 80.1 billion as at end-June 2012 as against US\$ 81.9 billion as at end-March 2012. The shares of Government and non-Government external debt in the total external debt were 22.9 per cent and 77.1 per cent, respectively, as at end-June 2012 as compared to 23.7 per cent and 76.3 per cent, respectively, at the end of the preceding quarter (Table 8).

Servicing of ECBs accounted for 80 per cent of total debt service payments

Debt service ratio is measured by the proportion of total debt service payments (*i.e.*, principal repayments

plus interest payments) to current receipts (minus official transfers) on Balance of Payments (BoP) basis. During Q1 of 2012-13, India's debt service ratio improved marginally to 5.9 per cent from 6.0 per cent during 2011-12 (Table 9). Servicing of External Commercial Borrowings (including principal and interest payments) increased to around 80 per cent of total debt service payments during 2011-12 and Q1 of 2012-13 from an average of about 70 per cent during the period 2008-09 to 2010-11 indicating growing recourse to the use of ECBs by the companies to meet their financing requirements.

Based on outstanding long-term debt, as at end-June 2012, principal repayments for ECBs including Foreign Currency Convertible Bonds (FCCBs) are

Table 8: Government and Non-Government External Debt

(US \$ million)

Components	End-March			End June
	2010	2011	2012	2012
	1	2	3	4
A. Sovereign Debt (I+II)	67,067	78,071	81,895	80,152
(As a percentage of GDP)	4.6	4.7	4.7	-
I. External Debt on Government Account under External Assistance	55,235	62,295	63,374	62,750
II. Other Government External Debt @	11,845	15,776	18,521	17,402
B. Non-Government Debt #	193,868	227,859	263,766	269,390
(As a percentage of GDP)	13.6	13.2	15.3	-
C. Total External Debt (A+B)	260,935	305,931	345,661	349,543
(As a percentage of GDP)	18.3	17.8	20.0	-

@ : Other Government external debt includes defence debt, investment in Treasury Bills/ Government securities by FIIs, foreign central banks and international institutions. # Includes external debt of Monetary Authority.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

Table 9: India's External Debt Service Payments

(US \$ Million)

Sr. No.	Item	2008-09	2009-10	2010-11	2011-12	April-June 2012
		1	2	3	4	5
1	External Assistance	3,384	3,461	3,667	3,923	826
	Repayment	2,375	2,585	2,839	3,125	657
	Interest	1,009	876	828	798	169
2	External Commercial Borrowings	10543	14742	13602	25198	6049
	Repayment	6,578	11,498	10,094	19,782	4371
	Interest	3,965	3,244	3,508	5,416	1678
3	I.M.F.	0	0	0	0	0
	Repayment	0	0	0	0	0
	Interest	0	0	0	0	0
4	NRI Deposits Interest	1,547	1,599	1,737	2,313	827
5	Rupee Debt Service Repayments	101	97	17	79	26
6	Total Debt Service (1 to 5)	15,575	19,899	19,075	31,513	7,728
	Repayment	9,054	14,180	13,002	22,986	5,054
	Interest	6,521	5,719	6,073	8,527	2,674
7	Current Receipts #	356.175	345.144	448.067	528.372	130.679
	Debt Service Ratio (6/7) (%)	4.4	5.8	4.3	6.0	5.9

#: Currents Receipts minus Official Transfers.

Note: Debt Service ratio is defined as total repayments of principal and interest on debt as a ratio of current receipts.**Source:** Ministry of Finance, Government of India and Reserve Bank of India.

projected to be higher between 2015-16 and 2016-17 though they are expected to come down in the subsequent years. The projections do not include future debt service obligations arising out of fresh borrowings (Table 10).

Key Indicators of India's External Debt

Among the indicators of external debt considered

for assessing vulnerability, while the solvency indicator, *i.e.*, debt service ratio, showed a shade better during the first quarter 2012-13 than the Q4 2011-12, the other solvency indicators, *viz.*, debt-GDP ratio, short-term debt to foreign exchange reserves and total external debt showed some deterioration as at end-June 2012 as compared to end-March 2012 (Table 11).

Table 10: Projected Debt Service Payments for ECBs and FCCBs

(US\$ million)

Year	Principal	Interest	Total
	1	2	3
2012-13*	12,644	2,331	14,975
2013-14	9,081	2,483	11,564
2014-15	11,828	2,283	14,111
2015-16	14,416	1,956	16,372
2016-17	14,537	1,383	15,920
2017-18	9,550	836	10,386
2018-19	4,941	511	5,452
2019-20	2,690	343	3,033
2020-21	2,267	233	2,500
2021-22	1,658	138	1,796
2022-23	764	83	847
2023-24	679	55	734

*: Exclusive Q1 of 2012-13.

Note: Projections on debt servicing are based on the end-March 2012 debt outstanding position.

Table 11: India's Key External Debt Indicators

Year	External Debt	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 to Total Debt
	(US \$ billion)	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)
	1	2	3	4	5	6	7
1990-91	83.8	28.7	35.3	7.0	45.9	146.5	10.2
1995-96	93.7	27.0	26.2	23.1	44.7	23.2	5.4
2000-01	101.3	22.5	16.6	41.7	35.4	8.6	3.6
2001-02	98.8	21.1	13.7	54.7	35.9	5.1	2.8
2002-03	104.9	20.3	16.0*	72.5	36.8	6.1	4.5
2003-04	112.6	18.0	16.1**	100.3	35.8	3.9	3.9
2004-05	134.0	18.1	5.9 ^	105.6	30.7	12.5	13.2
2005-06	139.1	16.8	10.1 #	109.0	28.4	12.9	14.0
2006-07	172.4	17.5	4.7	115.6	23.0	14.1	16.3
2007-08	224.4	18.0	4.8	138.0	19.7	14.8	20.4
2008-09	224.5	20.3	4.4	112.1	18.7	17.2	19.3
2009-10 PR	260.9	18.3	5.8	106.8	16.8	18.8	20.0
2010-11 PR	305.9	17.8	4.3	99.6	15.5	21.3	21.2
2011-12 PR	345.7	20.0	6.0	85.1	13.8	26.6	22.6
End-June 2012P	349.5	21.7	5.9	82.9	13.5	27.8	23

P: Provisional. PR: Partially Revised.

* : Works out to 12.4 per cent, with the exclusion of pre-payment of external debt of US \$ 3,430 million.

** : Works out to 8.2 per cent with the exclusion of pre-payment of external debt of US \$ 3,797 million and redemption of Resurgent India Bonds (RIBs) of US \$ 5,549 million.

^ : Works out to 5.7 per cent with the exclusion of pre-payment of external debt of US \$ 381 million.

: 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.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

Section II: External Debt: Cross-Country Comparison

The international comparison of external debt of the twenty most indebted countries based on the latest data available in Global Development Finance Online Database, World Bank, reveals that China remains at the top in terms of external debt followed by Russian Federation, Brazil and Turkey. India was the fifth most indebted country in 2010, the same as in the previous year (Table 12).

India's debt indicators compare favourably with those of Top 20 indebted countries

In terms of concessional debt, India stands at the fourth highest position after Pakistan, Indonesia and Philippines. In debt service ratio it was the fifth lowest after China, Thailand, South Africa and Malaysia. In terms of ratio of external debt to Gross National Income (GNI), India's position was fourth lowest, with China having the lowest ratio of external debt. In terms of short-term debt to total external debt, India's position was seventh lowest. Similarly, in terms of short-term debt to total reserves, India's position was fifth lowest

Table 12: Total External Debt Outstanding

Country Name	(US \$ billion)					
	2005	2006	2007	2008	2009	2010
1	2	3	4	5	6	7
China	283.0	322.8	373.1	379.8	432.2	548.6
Russian Federation	239.9	250.7	361.3	402.7	373.4	384.7
Brazil	187.5	193.5	237.6	262.2	276.9	347.0
Turkey	168.8	204.8	252.9	284.1	271.2	293.9
India	139.1	172.4	224.4	224.5	260.9	305.9
Mexico	165.8	161.2	178.6	187.1	171.5	200.1
Indonesia	134.3	125.3	133.8	147.6	162.9	179.1
Argentina	124.9	115.9	117.3	118.9	120.3	127.8
Romania	38.9	53.9	84.2	102.5	118.0	121.5
Kazakhstan	43.5	72.4	95.5	107.3	111.1	118.7
Ukraine	32.5	51.2	77.5	96.7	103.4	116.8
Chile	45.4	50.2	56.2	65.4	73.1	86.3
Malaysia	51.9	54.9	61.4	66.1	66.3	81.5
Philippines	61.7	60.4	66.0	65.0	63.1	72.3
Thailand	46.4	45.9	45.3	49.8	57.9	71.3
Colombia	37.7	38.0	43.7	46.4	52.1	63.1
Pakistan	33.6	36.7	41.5	49.1	54.6	56.8
Venezuela, RB	44.9	43.7	48.3	52.8	55.2	55.6
Bulgaria	15.7	21.0	33.0	48.6	53.5	48.1
South Africa	31.1	35.5	43.6	42.6	42.5	45.2

Note: The source for India is Government of India and Reserve Bank of India. Therefore, the data for India pertain to financial year (April-March) and not calendar year.

Sources: Global Development Finance Online Database, World Bank, Ministry

Table 13: International Comparison of Top Twenty Debtor Countries, 2010

Country Name	Total External Debt (US \$ billion)	Concessional Debt/ Total External Debt (per cent)	Debt Service Ratio (per cent)	External Debt Stock/GNI (per cent)	Short-term Debt/Total External Debt (per cent)	Short-term Debt/Total Reserves (per cent)
1	2	3	4	5	6	7
Argentina	127.8	2.0	16.7	36.1	27.4	67.1
Brazil	347.0	3.3	19.0	16.9	18.9	22.7
Bulgaria	48.1	1.9	14.2	104.8	32.0	89.3
Chile	86.3	0.3	15.2	45.9	30.0	93.0
China	548.6	7.3	3.3	9.3	63.4	11.9
Colombia	63.1	1.9	21.0	22.8	13.0	29.2
India	305.9	15.5	4.3	17.8	21.2	21.3
Indonesia	179.1	25.6	16.6	26.1	17.5	32.5
Kazakhstan	118.7	1.0	71.4	94.3	7.6	32.0
Malaysia	81.5	4.3	5.2	35.4	43.0	32.9
Mexico	200.1	1.2	9.8	19.5	19.5	32.4
Pakistan	56.8	59.1	15.2	31.3	4.0	13.3
Philippines	72.3	21.6	18.4	36.2	8.7	10.1
Romania	121.5	5.8	31.2	76.4	20.6	52.1
Russian Federation	384.7	0.5	12.8	26.9	10.1	8.1
South Africa	45.2	0.0	4.9	12.7	27.2	28.1
Thailand	71.3	9.4	4.8	23.4	54.0	22.4
Turkey	293.9	3.3	36.7	40.4	26.6	90.9
Ukraine	116.8	1.1	40.7	85.9	22.7	76.5
Venezuela, RB	55.6	2.9	8.8	14.3	27.8	52.0

Source: Data for India as published by national authorities for 2010-11 and those for other countries as at end-December 2010 as available in World Bank's Global Development Finance Online Database.

as Russian Federation, Philippines, China, and Pakistan had higher reserves to debt ratio than India (Table 13). Instrument-wise, debt position of select countries indicates that the share of trade credit in total external debt was the highest for India; the share of debt as Russian Federation, Philippines, China, and Pakistan has lower reserves to debt ratio than India. Instrument-wise external debt indicate that debt securities was relatively lower in case of India compared to major EMEs (Table 13 and Table 14).

The sector-wise debt position of select countries reveals that the share of Government debt at about one-fourth of total external was relatively higher compared to other EMEs like Brazil, Kazakhstan, Romania and Russian Federation; while the share of banks in total external debt at about 18 per cent was lower for India compared to most of these EMEs (Table 15).

The concessional debt as a percentage of total debt has declined over the years as a result of growing

importance of external borrowings from private sources at commercial terms (Table 16).

The debt to national income ratio provides some indication of burden of servicing external debt. Among the top 20 debtor countries, India ranked fourth lowest in terms of the ratio of external debt to National Income (Table 17).

Solvency indicators compare well with those top 20 indebted countries

The ratio of debt-service payments to exports of goods and services is a key solvency indicator that gauges the extent to which the export revenue is used in servicing its debt. Higher the ratio, more vulnerable is the economy. During 2010, the ratio was placed at 5.6 per cent, the fifth lowest among top 20 debtor countries of the world. The Latin American countries and some the CIS nations continue to have high debt-service ratios, reflecting heavy burden of amortisation and interest payments. Similarly, other solvency parameters such as the ratio of short-term debt to total external debt and the ratio of short-term debt to

Table 14: Gross External Debt Position by Instrument

US \$ billion

2011Q4							
Countries	Debt Securities	Loans	Currency and Deposits	Trade Credits	Other Liabilities	Direct Investment Intercompany Lending	Total
1	2	3	4	5	6	7	8
Argentina	49.2	36.8	0.5	12.9	17.5	24.0	141.0
Brazil	111.6	144.6	0.6	33.1	8.3	105.9	404.1
India	37.7	168.6	52.6	66.6	6.1	0.0	331.6
Indonesia	65.2	140.5	7.1	6.4	6.2	0.0	225.4
Kazakhstan	17.7	35.7	1.1	8.7	0.8	59.9	123.8
Mexico	175.6	81.0	5.0	16.7	7.8	0.0	286.1
Poland	100.7	95.4	32.5	16.1	4.7	75.1	324.5
Romania	8.6	73.2	18.5	2.8	2.0	23.9	128.9
Russian Federation	44.8	241.5	157.3	2.4	14.1	85.3	545.4
Turkey	50.5	185.2	38.0	25.7	1.5	5.5	306.4
2012Q1							
Argentina	50.8	35.9	0.4	13.1	17.6	24.0	141.8
Brazil	115.9	143.0	0.8	33.8	7.7	113.2	414.4
India	41.3	172.7	58.8	66.7	6.2	0.0	345.7
Indonesia	66.7	141.7	6.9	5.9	7.3	0.0	228.5
Kazakhstan	19.0	36.0	1.2	8.7	0.9	63.4	129.3
Mexico	203.7	76.9	2.9	17.7	7.3	0.0	308.5
Poland	114.0	99.3	33.8	16.7	5.0	81.6	350.4
Romania	10.8	74.8	18.3	2.7	2.1	24.7	133.4
Russian Federation	50.8	248.7	158.6	2.9	15.3	89.2	565.5
Turkey	53.8	188.1	43.3	25.7	1.5	5.8	318.2

- : Nil/Negligible.

Note: Data in respect of India is partially revised.**Source:** Quarterly External Debt Statistics. The World Bank and IMF.

international reserves in case of India continued to be at moderate level as compared with the top 20 debtor countries of the world (Table 18).

The Quarterly External Debt Statistics (QEDS), jointly developed by the World Bank and the International Monetary Fund, brings out detailed external debt data of countries that are subscribing to IMF's Special Data Dissemination Standard/General Data Dissemination System. The position in respect of the 69 reporting countries for the fourth quarter of 2011, and the first quarter of 2012 which has been released by the World Bank is given at Annex I.

European Banks Exposure to India

The debt crisis in the euro zone has raised concerns about the continuous flow of funds to India. According to the Bank of International Settlements, consolidated foreign claims on India were estimated at \$ 311.6 billion on immediate borrower basis as at end-

June 2012; of which European banks accounted for \$132.2 billion. The amount others owed to India on an ultimate risk basis was \$ 43.6 billion of which European entities excluding UK accounted for \$ 6.6 billion.

Section III: External Debt Management in India and Recent Policy Measures

The external debt policy of India continues to focus on raising sovereign loans on concessional terms with longer maturities, regulating the levels of ECB and their end-use, rationalising the interest rates on Non-Resident Indian (NRI) deposits, and monitoring short-term debt. In terms of hierarchy, long-term flows are preferable to short-term. ECB flows under both the automatic and approval routes are moderated by interest rate ceilings and those under the automatic route are governed by an indicative ceiling on total quantity as well. There is also a limit on FII investment in debt securities comprising of government securities

Table 15: Gross External Debt Position by Sector (USD billion)

Countries	General Government	Monetary Authorities	Banks	Other Sectors	Direct Investment Intercompany
2011Q4					
1	2	3	4	5	6
Argentina	68.2	5.0	3.9	39.8	24.0
Brazil	57.8	4.4	138.2	97.7	105.9
India	81.2	0.1	57.9	192.1	..
Indonesia	112.4	6.2	18.5	88.3	..
Kazakhstan	4.5	0.6	14.6	44.3	59.9
Mexico	127.4	4.9	22.0	131.8	..
Poland	115.7	5.0	66.4	62.2	75.1
Romania	28.8	14.8	29.4	32.0	23.9
Russian Federation	34.7	11.2	162.2	251.9	85.3
Turkey	82.9	9.7	90.1	118.2	5.5
2012 Q1					
Argentina	69.7	4.0	3.7	40.3	24.0
Brazil	58.7	4.5	138.0	100.0	113.2
India	81.9	0.2	65.3	198.5	..
Indonesia	112.5	5.9	19.2	90.9	..
Kazakhstan	4.6	0.7	14.8	45.8	63.4
Mexico	150.2	4.7	18.4	135.1	..
Poland	129.8	6.7	66.9	65.3	81.6
Romania	31.9	14.9	29.5	32.4	24.7
Russian Federation	36.3	11.5	168.4	260.0	89.2
Turkey	85.5	9.7	95.8	121.5	5.8

.. Not available.

Note: Data in respect of India is partially revised.**Source:** Quarterly External Debt Statistics. World Bank & IMF

and corporate bonds. Amidst subdued FII equity flows, policy measures were undertaken to improve capital inflows particularly debt flows for smooth financing of the current account deficit.

Recent Policy Developments

External Commercial Borrowings

Taking into account the financing requirements of the corporate sector and prevailing liquidity conditions in the domestic and international financial markets, the Ministry of Finance, Government of India, in consultation with the Reserve Bank of India, regularly reviews the policy stance on External Commercial Borrowings (ECBs) and trade credits and introduce various policy measures that are consistent with the debt management objectives. The principal elements of policy for ECBs include keeping the maturities long, costs low and encouraging investments

in infrastructure and export sectors. ECB by corporates are permitted through automatic route and approval routes. Proposals that meet minimum criterion are permitted under the automatic route and other cases fall under the approval route are considered by an empowered Committee of the Reserve Bank.

June 2012

Indian companies in manufacturing and infrastructure sector and having foreign exchange earnings have been allowed to avail of ECB for repayment of outstanding Rupee loans towards capital expenditure and/or fresh Rupee capital expenditure under the approval route with an overall ceiling for such ECBs placed at US \$ 10 billion.

September 2012

It was decided to allow companies in the infrastructure sector, where 'infrastructure' is as defined under the extant guidelines on ECB to avail of

Table 16: Nature of Indebtedness of Top Twenty Countries

(Per cent)

Country Name	Concessional debt to Total external debt					PPG@ to Total external debt				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
1	2	3	4	5	6	7	8	9	10	11
Argentina	1.3	1.4	1.7	2.0	2.0	1.8	1.9	1.3	1.7	2.0
Brazil	1.4	1.1	1.4	2.4	3.3	3.0	1.6	1.4	0.9	0.7
Bulgaria	3.7	2.6	2.0	1.8	1.9	2.7	1.8	2.3	1.0	0.9
Chile	0.5	0.4	0.3	0.3	0.3	1.1	0.9	1.3	1.6	0.4
China	10.6	10.1	10.8	10.0	7.3	0.3	0.2	0.2	0.2	0.2
Colombia	2.7	2.2	2.1	2.0	1.9	3.5	2.4	1.8	1.7	1.6
India	28.4	23.0	19.7	18.7	16.8	0.6	0.8	1.2	0.5	0.4
Indonesia	29.5	28.6	29.3	26.8	25.6	2.6	2.6	1.9	1.9	1.3
Kazakhstan	1.3	1.0	1.1	1.0	1.0	0.5	0.8	0.2	0.2	0.3
Malaysia	9.0	5.3	6.5	5.6	4.3	2.4	2.6	1.2	3.3	1.2
Mexico	0.9	0.6	0.5	0.8	1.2	4.1	2.0	1.8	1.9	1.8
Pakistan	70.4	68.3	62.0	58.8	59.1	1.4	1.4	1.3	1.5	1.6
Philippines	20.6	20.0	23.1	22.9	21.6	7.0	3.4	3.7	4.0	4.9
Romania	2.1	1.6	1.6	3.5	5.8	1.8	1.3	1.7	1.3	1.7
Russian Federation	0.9	0.6	0.5	0.5	0.5	3.9	1.2	1.8	1.8	1.7
South Africa	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.9	0.8	0.6
Thailand	14.1	13.5	13.6	10.9	9.4	1.7	1.0	1.1	0.6	0.5
Turkey	2.1	2.4	2.6	3.2	3.3	2.0	1.9	1.8	1.9	1.5
Ukraine	3.5	2.1	1.5	1.3	1.1	1.7	1.3	0.7	2.3	1.2
Venezuela, RB	0.9	0.9	0.8	1.8	2.9	4.6	1.9	1.6	1.0	1.3

@ Public and Publicly Guaranteed Debt.

Note: The source data for India is Government of India and Reserve Bank of India.

Therefore, the data for India pertain to financial year (April-March) and not calendar year.

Source: Global Development Finance Online Database, World Bank, Ministry of Finance, Government of India and Reserve Bank of India.

trade credit up to a maximum period of five years for import of capital goods.

The rate of withholding tax on interest payments on external commercial borrowings was reduced from 20 per cent to 5 per cent which is applicable for three years, *i.e.*, July 1, 2012 to June 30, 2015. This is expected to reduce the cost of ECB borrowing by companies.

Foreign Institutional Investors

The recent policy measures pertaining to foreign institutional investors (FIIs) having a bearing on capital inflows are detailed below.

June 2012

The limit for investment by FIIs in Government securities was increased by an additional amount of US\$ 5 billion to US\$ 20 billion. In order to broad base the non-resident investor base for government securities, long term investors like Sovereign Wealth Funds (SWFs), multilateral agencies, endowment funds, insurance funds, pension funds and foreign central

banks were allowed to invest in government securities for the entire limit of US\$ 20 billion. With this the total FII investment in debt securities comprising government and corporate bonds now stands at US\$ 65 billion.

The terms and conditions for the scheme for FII investment in infrastructure debt and the scheme for non-resident investment in Infrastructure Development Funds (IDFs) were further rationalised in terms of lock-in period and residual maturity. Further, Qualified Foreign Investors (QFIs) can invest in those mutual fund (MF) schemes that hold at least 25 per cent of their assets (either in debt or in equity or both) in infrastructure sector under the current US\$ 3 billion sub-limit for investment in mutual funds related to infrastructure.

Non-Resident Indian Deposits

With a view to providing greater flexibility to banks in mobilising non-resident deposits and also in view of the prevailing market conditions, interest rates

Table 17: Debt to Current Receipts and National Income Ratio

(Per cent)

Country Name	External debt stocks (per cent of GNI)					External Debt Stocks (per cent of Current Receipts) @				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
1	2	3	4	5	6	7	8	9	10	11
Argentina	55.5	45.9	37.2	40.4	36.1	192.3	160.8	135.4	171.2	152.1
Brazil	18.2	17.8	16.2	17.7	16.9	118.2	121.2	108.8	146.1	143.9
Bulgaria	64.9	84.8	98.7	114.1	104.8	95.5	119.9	152.2	219.3	169.5
Chile	39.1	38.6	41.5	49.0	45.9	71.8	67.5	78.8	107.6	98.3
China	11.8	10.6	8.3	8.6	9.3	28.9	26.2	22.6	30.0	28.9
Colombia	24.3	21.9	19.8	23.0	22.8	126.5	121.2	104.5	131.9	135.4
India	16.8	16.4	18.7	18.2	16.9	78.6	80.1	70.3	90.9	80.9
Indonesia	35.9	32.3	30.0	31.3	26.1	106.6	99.9	93.2	120.9	101.3
Kazakhstan	101.3	104.1	94.2	108.4	94.3	168.4	172.5	134.7	219.3	177.4
Malaysia	36.2	33.6	30.8	35.1	35.4	28.7	28.3	27.3	33.5	32.1
Mexico	17.3	17.6	17.3	19.8	19.5	59.2	60.1	59.0	68.7	62.7
Pakistan	28.2	28.5	29.3	32.8	31.3	171.4	178.2	183.3	238.0	198.8
Philippines	49.9	44.5	37.4	37.5	36.2	105.3	102.2	101.6	116.2	103.3
Romania	45.0	49.8	51.4	71.9	76.4	129.8	157.9	155.4	226.2	204.7
Russian Federation	26.1	28.5	25.0	31.6	26.9	68.8	81.9	68.9	98.7	79.8
South Africa	13.9	15.8	16.0	15.4	12.7	42.2	44.9	40.6	51.4	43.3
Thailand	23.1	19.0	19.0	22.8	23.4	29.2	24.0	23.0	31.0	30.5
Turkey	39.1	39.5	39.3	44.7	40.4	165.6	167.7	155.3	182.7	184.0
Ukraine	48.3	55.1	54.1	90.1	85.9	99.3	114.5	106.2	175.7	157.9
Venezuela, RB	24.0	21.1	16.9	17.1	14.3	58.1	59.7	50.1	89.2	80.0

@ Current receipts include exports of goods and services (including workers' remittances).

Note: In this Table, the source of data for India is Government of India and Reserve Bank of India. Therefore, the data for India since 1990 onwards pertain to financial year (April-March) and not calendar year. Figures pertain to external debt to GDP ratio.

Source: Global Development Finance, World Bank, Ministry of Finance, Government of India and Reserve Bank of India.

on Non-Resident (External) Rupee (NRE) Deposits and Ordinary Non-Resident (NRO) Accounts were deregulated in December 2011. Accordingly, banks are free to determine their interest rates on both savings deposits and term deposits of maturity of one year and above under Non-Resident (External) Rupee (NRE) Deposits and savings deposits under Ordinary Non-Resident (NRO) Accounts. However, interest rates offered by banks on NRE and NRO deposits cannot be higher than those offered by them on comparable domestic rupee deposits. The revised deposit rates are applicable to fresh deposits and on renewal of maturing deposits.

May 2012

During May 2012, policy measures were taken in respect of Foreign Currency Non-Resident [FCNR (B)] deposits and export credit in foreign currency to improve the flow of foreign currency. Interest rate ceiling on FCNR (B) deposits of banks was raised from

125 basis points (bps) above the corresponding LIBOR/Swap rates to 200 bps for maturity period of 1 year to less than 3 years, and to 300 bps for maturity period of 3 to 5 years.

Export Credit

The ceiling rate on export credit in foreign currency which was constraining the availability of credit to exporters in foreign currency was deregulated by allowing banks to freely determine their interest rates on such credit.

Section IV: Conclusion

There was a moderate increase in external debt during Q1 of 2012-13 largely due to valuation gains emanating from appreciation of US dollar against Indian rupee and other international currencies. The increase in external debt during this period was primarily on account of rise in Non-resident external Rupee denominated ((NR (E) RA) deposits and increase in short-term trade credit. The disbursements of external

Table 18: Solvency Indicators – Debt and Interest Service Ratio

(Per cent)

Country	Debt Service Ratio					Interest Service Ratio				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
1	2	3	4	5	6	7	8	9	10	11
Argentina	36.2	12.3	8.8	17.3	16.7	6.6	5.2	3.5	4.8	4.3
Brazil	38.0	28.0	23.4	23.5	19.0	9.0	7.4	6.7	7.5	5.7
Bulgaria	12.4	15.3	16.8	21.4	14.2	3.4	4.2	5.0	6.2	2.2
Chile	20.8	14.3	19.5	25.6	15.2	2.9	2.6	2.3	2.7	2.7
China	2.5	2.2	2.0	2.8	3.3	0.8	0.8	0.6	0.4	1.8
Colombia	34.4	23.9	17.8	22.3	21.0	8.6	8.3	6.8	7.4	6.9
India	4.7	4.8	4.4	5.8	4.3	2.3	2.1	1.8	1.7	1.4
Indonesia	24.0	17.9	13.5	18.5	16.6	3.2	3.8	2.9	3.3	3.0
Kazakhstan	33.7	49.1	42.0	50.9	71.4	5.4	6.5	5.5	11.2	7.4
Malaysia	4.0	4.8	3.6	6.1	5.2	1.2	1.2	1.0	1.1	0.8
Mexico	19.7	12.3	10.4	12.3	9.8	4.2	4.1	3.0	3.4	3.0
Pakistan	10.8	11.3	11.3	15.2	15.2	4.0	4.8	4.0	4.5	3.7
Philippines	23.9	15.7	19.1	18.2	18.4	6.8	5.9	6.2	6.4	4.8
Romania	20.8	21.7	27.5	31.2	31.2	5.2	6.1	5.6	6.1	4.7
Russian Federation	13.8	9.1	11.5	15.1	12.8	3.5	3.7	3.9	4.8	3.7
South Africa	6.5	5.4	4.3	4.5	4.9	1.9	2.0	1.7	2.0	2.4
Thailand	9.4	11.8	7.8	6.7	4.8	1.2	0.9	0.8	0.8	0.7
Turkey	32.9	32.4	30.3	41.9	36.7	7.9	8.0	7.4	8.2	7.2
Ukraine	18.0	17.6	19.7	38.8	40.7	4.3	4.6	4.1	7.8	6.0
Venezuela, RB	13.1	7.3	5.8	6.4	8.8	4.4	4.4	3.2	5.1	5.0

.. Not available.

Note: The source data for India is Government of India and Reserve Bank of India. Therefore, the data for India pertain to financial year (April-March) and not calendar year.**Source:** Global Development Finance Online Database, World Bank, Ministry of Finance, Government of India and Reserve Bank of India.

commercial borrowings turned out to be lower during Q1 of 2012-13 than the corresponding period of previous year due to risk aversion. With regard to currency composition of debt, the US dollar denominated debt continued to be the highest constituting more than fifty per cent of total external debt. India fares better in terms of various indicators *vis-à-vis* top twenty indebted countries. The key indicators suggest that

though the external debt is within in manageable level, there was some deterioration during the first quarter in terms of solvency indicators such as short-term debt to total debt and reserves to total debt warranting close monitoring of external debt. The trends also underscore the need to renew focus on equity flows for financing of current account deficit from the point of view of debt sustainability in the medium term.

**Annex I: Gross External Debt of QUEDS reporting countries for End-December 2011 and
End-March 2012 - Original Maturity**

(US \$ billion)

Countries	2011Q4			2012Q1		
	Short-term	Long-term	Total	Short-term	Long-term	Total
1 Argentina	41.4	99.6	141.0	40.4	101.4	141.8
2 Armenia	0.9	6.5	7.4	0.7	6.7	7.3
3 Australia	339.9	949.0	1,289.0	342.1	996.2	1,338.3
4 Austria	216.5	570.4	786.8	233.1	587.6	820.7
5 Belarus	13.4	20.6	34.0	12.9	20.8	33.7
6 Belgium	720.7	682.7	1,403.5	690.6	726.9	1,417.5
7 Brazil	40.1	364.0	404.1	34.2	380.2	414.4
8 Bulgaria	12.9	33.8	46.7	13.3	35.4	48.7
9 Canada	399.8	796.2	1,196.0	393.6	819.2	1,212.8
10 Chile	17.2	81.4	98.6	17.8	82.1	99.9
11 Colombia	10.8	65.1	75.9	10.1	66.8	76.9
12 Costa Rica	2.9	7.9	10.8	2.9	8.0	10.9
13 Croatia	6.7	52.9	59.6	7.1	54.6	61.7
14 Czech Republic	28.0	65.9	93.9	30.3	72.6	102.9
15 Denmark	250.8	317.8	568.6	265.9	328.7	594.6
16 Ecuador	0.0	0.0	0.0	0.0	0.0	0.0
17 Egypt	3.0	30.7	33.7	3.0	30.5	33.4
18 El Salvador	1.2	10.9	12.2	1.2	11.0	12.2
19 Estonia	8.4	11.8	20.2	8.8	12.4	21.2
20 Finland	252.3	283.5	535.8	275.7	307.3	583.0
21 France	1,873.2	3,130.6	5,003.8	1,877.7	3,323.9	5,201.6
22 Georgia	1.6	9.6	11.3	1.7	9.7	11.4
23 Germany	1,793.5	3,534.2	5,327.7	2,103.8	3,676.8	5,780.6
24 Greece	234.9	241.6	476.5	245.7	272.8	518.4
25 Hong Kong, China	713.1	203.6	916.6	740.7	216.4	957.1
26 Hungary	31.5	174.9	206.4	30.3	180.3	210.6
27 Iceland	66.2	44.6	110.8	0.0	0.0	0.0
28 India	76.0	255.4	331.4	78.2	267.6	345.8
29 Indonesia	38.2	187.2	225.4	37.4	191.1	228.5
30 Ireland	619.7	1,593.5	2,213.2	579.8	1,634.3	2,214.1
31 Israel	45.6	58.4	103.9	42.0	58.1	100.1
32 Italy	689.9	1,646.1	2,336.0	798.4	1,703.3	2,501.7
33 Japan	2,272.7	842.5	3,115.2	2,284.2	778.2	3,062.3
34 Jordan	9.9	7.3	17.2	9.8	7.5	17.3
35 Kazakhstan	8.9	114.9	123.8	8.9	120.4	129.3
36 Korea	136.1	262.2	398.4	136.3	275.1	411.4
37 Kyrgyz Republic	0.0	0.0	0.0	0.0	0.0	0.0
38 Latvia	12.0	26.0	38.0	12.8	27.1	39.9
39 Lithuania	5.2	26.9	32.1	5.3	30.3	35.6
40 Luxembourg	1,152.0	904.9	2,056.9	1,212.7	973.6	2,186.2
41 Macedonia	1.7	4.6	6.3	1.8	4.8	6.6
42 Malaysia	43.7	48.0	91.7	45.3	47.9	93.2
43 Malta	31.3	12.3	43.5	32.5	13.0	45.5
44 Mexico	51.3	234.7	286.1	59.3	249.2	308.5
45 Moldova	1.9	3.6	5.5	1.9	3.7	5.7
46 Morocco	3.8	25.7	29.6	4.3	26.4	30.7
47 Netherlands	1,009.7	1,442.8	2,452.5	1,081.3	1,466.8	2,548.0
48 Norway	242.3	344.0	586.3	273.0	369.4	642.4

**Annex I: Gross External Debt of QUEDS reporting countries for End-December 2011 and
End-March 2012 - Original Maturity (Concl.)**

(US \$ billion)

Countries	2011Q4			2012Q1		
	Short-term	Long-term	Total	Short-term	Long-term	Total
49 Peru	6.3	37.2	43.5	7.1	39.6	46.7
50 Philippines	7.0	54.7	61.7	7.4	55.5	62.9
51 Poland	45.5	279.0	324.5	46.8	303.7	350.4
52 Portugal	191.3	289.4	480.7	213.2	293.4	506.7
53 Romania	20.2	108.7	128.9	20.1	113.3	133.4
54 Russian Federation	69.9	475.5	545.4	72.1	493.3	565.5
55 Singapore	888.5	197.0	1,085.4	905.0	200.7	1,105.7
56 Slovak Republic	29.7	39.0	68.6	28.6	42.0	70.6
57 Slovenia	11.0	42.8	53.8	15.4	41.1	56.5
58 South Africa	18.9	92.6	111.5	21.8	96.7	118.5
59 Spain	780.1	1,493.7	2,273.8	869.2	1,508.1	2,377.3
60 Sweden	319.0	670.6	989.6	326.9	706.5	1,033.4
61 Switzerland	805.1	465.1	1,270.1	842.0	494.7	1,336.7
62 Thailand	45.0	61.0	106.0	56.2	63.0	119.2
63 Tunisia	4.9	17.5	22.5	5.5	17.6	23.1
64 Turkey	83.8	222.6	306.4	90.2	228.0	318.2
65 Ukraine	32.7	93.5	126.2	32.8	94.1	126.9
66 United Kingdom	7,011.3	2,862.9	9,874.2	7,264.2	2,944.0	10,208.1
67 United States	5,414.3	10,093.9	15,508.2	5,263.6	10,217.7	15,481.2
68 Uruguay	0.1	13.9	14.1	0.1	14.5	14.6
69 EURO Area	0.0	1,830.8	1,830.8	0.0	1,843.3	1,843.3

Source: : Table 1 of the Quarterly External Debt Database, World Bank.

Statement 1 : India's External Debt Outstanding

(₹ billion)

Item	Jun-11 R	Sep- 11 R	Dec-11 R	Mar-12 PR	Jun-12 QE
	1	2	3	4	5
I. Multilateral	2,225	2,404	2,657	2,571	2,849
A. Government borrowing	1,939	2,090	2,310	2,226	2,445
i) Concessional	1,225	1,309	1,436	1,387	1,498
a) IDA	1,209	1,291	1,417	1,368	1,478
b) Others #	16	18	19	19	20
ii) Non-concessional	714	781	874	839	947
a) IBRD	398	428	477	453	510
b) Others ##	316	353	397	386	437
B. Non-Government borrowing	286	314	347	345	403
i) Concessional	0	0	0	0	0
ii) Non-concessional	286	314	347	345	403
a) Public sector	161	179	197	194	228
IBRD	93	103	111	111	127
Others ##	68	76	86	83	102
b) Financial institutions	85	93	102	103	119
IBRD	21	22	25	27	30
Others ##	64	71	77	76	89
c) Private sector	40	42	48	48	56
IBRD	0	0	0	0	0
Others	40	42	48	48	56
II. Bilateral	1,178	1,325	1,439	1,362	1,555
A. Government borrowing	816	922	988	916	1,050
i) Concessional	816	922	988	916	1,050
ii) Non-concessional	0	0	0	0	0
B. Non-Government borrowing	362	403	451	446	505
i) Concessional	42	45	66	68	79
a) Public sector	17	18	36	41	49
b) Financial institutions	25	28	29	27	30
c) Private sector	0	0	0	0	0
ii) Non-concessional	320	358	385	378	426
a) Public sector	138	149	157	142	157
b) Financial institutions	38	40	42	39	43
c) Private sector	144	169	186	197	226
III. International Monetary Fund	285	304	325	315	340
IV. Trade Credit	837	930	1,026	971	1,077
a) Buyers' credit	737	818	906	859	950
b) Suppliers' credit	28	32	34	32	36
c) Export credit component of bilateral credit	71	80	86	80	91
d) Export credit for defence purposes	0	0	0	0	0

Statement 1 : India's External Debt Outstanding

(₹ billion)

Item	Jun-11 R	Sep- 11 R	Dec-11 R	Mar-12 PR	Jun-12 QE
	1	2	3	4	5
V. COMMERCIAL BORROWING	4,145	4,726	5,297	5,383	5,903
a) Commercial bank loans	2,828	3,313	3,767	3,755	4,212
b) Securitised borrowings \$ (including FCCBs) SEBI Debt Funds	1,286	1,386	1,502	1,602	1,672
c) Loans/securitised borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	31	27	28	26	20
VI. NRI Deposits (above one-year maturity)	2,358	2,558	2,796	2,998	3,428
a) NR(E)RA	1,168	1,240	1,354	1,607	2,009
b) FCNR(B)	720	774	819	766	804
c) NRO Deposits	471	545	623	626	615
VII. Rupee Debt *	70	70	70	69	69
a) Defence	63	63	63	62	62
b) Civilian +	7	7	7	7	7
VIII. Short-term Debt	3,062	3,499	4,047	4,000	4,530
a) Trade Related credits	2,752	3,150	3,460	3,332	3,970
1) Above 180 days	1,652	1,885	2,118	2,005	2,546
2) Upto 180 days	1,100	1,266	1,342	1,327	1,424
b) FII investment in Government T-Bills and other instruments	264	302	473	481	466
c) Investment in Treasury Bills by foreign central banks and international Institutions etc.	2	3	3	3	3
d) External Debt Liabilities of :	44	43	110	184	91
1) Central Banks	6	6	6	9	10
2) Commercial Banks	38	37	104	175	81
IX. GROSS TOTAL	14,160	15,816	17,657	17,668	19,750
MEMO ITEMS					
A. Total Long-term Debt	11,098	12,317	13,610	13,670	15,221
As % of Total Debt	78.4	77.9	77.1	77.4	77.1
B. Short-term Debt	3,062	3,499	4,047	4,000	4,530
As % of Total Debt	21.6	22.1	22.9	22.6	22.9
C. Concessional Debt	2,153	2,346	2,560	2,440	2,695
As % of Total Debt	15.2	14.8	14.5	13.8	13.6

R: Revised. QE : Quick Estimates; PR : Partially Revised..

Refers to Debt outstanding to Institutions like IFAD, OPEC & EEC(SAC)

Refers to debt outstanding against loans from ADB

\$ Includes net investment by 100 per cent FII debt funds

* Debt denominated in Rupees and payable in exports

+ Includes Rupee suppliers' credit from end-March 1990 onwards.

Notes : Multilateral loans do not include revaluation of IBRD pooled loans and exchange rate adjustment under IDA loans for Pre-1971 credits.

Statement 2 : India's External Debt Outstanding

(US \$ million)

Item	Jun-11 R	Sep- 11 R	Dec-11 R	Mar-12 PR	Jun-12 QE
	1	2	3	4	5
I. Multilateral	49,375	49,122	49,909	50,453	49,780
A. Government borrowing	43,015	42,702	43,380	43,686	42,707
i) Concessional	27,177	26,743	26,977	27,221	26,163
a) IDA	26,815	26,378	26,617	26,853	25,809
b) Others ##	362	365	360	368	354
ii) Non-concessional	15,838	15,959	16,402	16,465	16,544
a) IBRD	8,829	8,748	8,953	8,896	8,908
b) Others ##	7,009	7,211	7,449	7,568	7,635
B. Non-Government borrowing	6,360	6,420	6,530	6,767	7,073
i) Concessional	0	0	0	0	0
ii) Non-concessional	6,360	6,420	6,530	6,767	7,073
a) Public sector	3,568	3,658	3,706	3,808	3,991
IBRD	2,061	2,096	2,090	2,177	2,211
Others ##	1,507	1,562	1,616	1,631	1,780
b) Financial institutions	1,892	1,910	1,913	2,018	2,081
IBRD	459	452	466	531	525
Others ##	1,433	1,458	1,447	1,487	1,555
c) Private sector	899	852	910	941	1,001
IBRD	0	0	0	0	0
Others	899	852	910	941	1,001
II. Bilateral	26,168	27,077	27,038	26,714	27,248
A. Government borrowing	18,104	18,836	18,561	17,987	18,332
i) Concessional	18,104	18,836	18,561	17,987	18,332
ii) Non-concessional	0	0	0	0	0
B. Non-Government borrowing	8,064	8,241	8,477	8,727	8,916
i) Concessional	930	934	1,227	1,339	1,377
a) Public sector	374	368	680	812	851
b) Financial institutions	555	566	547	527	526
c) Private sector	0	0	0	0	0
ii) Non-concessional	7,135	7,307	7,250	7,388	7,538
a) Public sector	3,073	3,042	2,965	2,780	2,772
b) Financial institutions	842	819	797	762	748
c) Private sector	3,220	3,446	3,488	3,846	4,018
III. International Monetary Fund	6,367	6,213	6,108	6,163	6,037
IV. Trade Credit	18,692	19,020	19,271	18,980	19,094
a) Buyers' credit	16,487	16,731	17,024	16,794	16,864
b) Suppliers' credit	630	651	634	623	636
c) Export credit component of bilateral credit	1,574	1,638	1,614	1,564	1,594
d) Export credit for defence purposes	0	0	0	0	0

Statement 2: India's External Debt Outstanding

(US \$ million)

Item	Jun-11PR	Sep- 11PR	Dec-11 P	Mar-12 P	Jun-12 QE
	1	2	3	4	5
V. COMMERCIAL BORROWING	92,675	96,627	99,466	105,210	104,841
a) Commercial bank loans	63,233	67,735	70,728	73,402	74,796
b) Securitized borrowings \$ (including FCCBs) SEBI Debt Funds	28,759	28,335	28,218	31,306	29,696
c) Loans/securitized borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	683	557	520	503	349
d) Self Liquidating Loans	0	0	0	0	0
VI. NRI Deposits (above one-year maturity)	52,898	52,304	52,497	58,608	60,874
a) NR(E)RA	26,190	25,344	25,430	31,408	35,681
b) FCNR(B)	16,142	15,824	15,376	14,968	14,272
c) NRO Deposits	10,565	11,136	11,691	12,232	10,921
VII. Rupee Debt *	1,568	1,422	1,307	1,354	1,219
a) Defence	1,411	1,278	1,175	1,216	1,101
b) Civilian +	157	144	132	138	118
VIII. Short-term Debt	68,473	71,530	75,995	78,179	80,450
a) Trade Related credits	61,531	64,402	64,978	65,130	70,508
1) Above 180 days	36,933	38,528	39,779	39,182	45,220
2) Upto 180 days	24,599	25,874	25,199	25,948	25,288
b) FII investment in Government T-Bills and other instruments	5,901	6,176	8,886	9,395	8,268
c) Investment in Treasury Bills by foreign central banks and international Institutions etc.	48	66	58	64	56
d) External Debt Liabilities of :	993	886	2,073	3,590	1,619
1) Central Banks	133	123	118	170	174
2) Commercial Banks	860	763	1,955	3,420	1,445
IX. GROSS TOTAL	316,216	323,314	331,591	345,661	349,543
MEMO ITEMS					
A. Total Long-term Debt	247,743	251,784	255,597	267,482	269,093
As % of Total Debt	78.3	77.9	77.1	77.4	77.0
B. Short-term Debt	68,473	71,530	75,995	78,179	80,450
As % of Total Debt	21.7	22.12	22.9	22.6	23.0
C. Concessional Debt	47,779	47,935	48,073	47,901	47,092
As % of Total Debt	15.1	14.8	14.5	13.8	13.5

R: Revised. P : Provisional; PR : Partially Revised.

Refers to Debt outstanding to Institutions like IFAD, OPEC & EEC(SAC)

Refers to debt outstanding against loans from ADB

\$ Includes net investment by 100 per cent FII debt funds

* Debt denominated in Rupees and payable in exports

+ Includes Rupee suppliers' credit from end-March 1990 onwards.

Notes : Multilateral loans do not include revaluation of IBRD pooled loans and exchange rate adjustment under credits IDA loans for Pre-1971.