

## India's External Debt: Trend, Policy Changes and Cross-country Comparison\*

India's external debt data are compiled and released on a quarterly basis with a lag of one quarter. As per the standard practice, external debt statistics for the quarters ending March and June are compiled and released by the Reserve Bank of India and those for the quarters ending September and December by the Ministry of Finance, Government of India. The data on India's external debt outstanding as at end-June 2011 were released by the Reserve Bank on September 30, 2011. This article provides a review of external debt position of India as at end-June 2011 and policy developments in this sector during the year so far. The article has been divided into four sections. The major highlights and review of India's external debt as at end-June 2011 are set out in Section I. A cross-country comparison of external debt among the select developing countries is presented in Section II. The recent policy measures undertaken by the Government of India and the Reserve Bank are briefly stated in Section III. Finally, based on the major indicators of debt sustainability, the concluding observations on India's external debt stock are presented in Section IV.

### Section I

#### Major Highlights

- (i) India's external debt, as at end-June 2011, was placed at US\$ 317.0 billion recording an increase of US\$ 10.5 billion or 3.4 per cent over the level at end-March 2011. About 70 per cent of the increase in total external debt during the quarter was on account of commercial borrowings and short-term trade credits broadly reflecting surge in imports.
- (ii) Excluding the valuation effects due to the depreciation of the US dollar against other major international currencies and the Indian rupee, the increase in external debt as at end-June 2011

worked out to US \$ 9.0 billion over end-March 2011.

- (iii) The share of commercial borrowings in total external debt continued to be the highest at 29.4 per cent as at end-June 2011, followed by short-term debt (21.6 per cent), NRI deposits (16.7 per cent) and multilateral debt (15.6 per cent).
- (iv) Based on residual maturity, short-term debt accounted for 43.3 per cent of the total external debt as at end-June 2011. Of this, the share of NRI deposits was the highest at 32.0 per cent. The share of short-term debt, by original maturity, was 21.6 per cent.
- (v) The ratio of short-term debt to foreign exchange reserves rose marginally to 21.7 per cent as at end-June 2011 from 21.3 per cent as at end-March 2011.
- (vi) The debt denominated in US dollar accounted for the highest share with 54.2 per cent in total external debt as at end-June 2011 followed by the Indian rupee (19.2 per cent) and Japanese Yen (11.1 per cent).
- (vii) The ratio of foreign exchange reserves to external debt as at end June 2011 at 99.6 per cent remained almost at the same level as at end-March 2011.

#### 1. India's External Debt as at end-June 2011

- (i) India's external debt, as at end-June 2011, was placed at US\$ 317.0 billion recording an increase of US\$ 10.5 billion or 3.4 per cent over the end-March 2011 level primarily on account of increase in commercial borrowings, short-term trade credits and NRI deposits (Table 1, Table 2 and Chart 1)
- (ii) The long-term debt at US\$ 248.5 billion and short-term debt at US\$ 68.5 billion accounted for 78.4 per cent and 21.6 per cent, respectively, of the

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**Table 1: External Debt Outstanding**

(US \$ billion)

	Total External Debt	Variation			
		Over Corresponding Quarter of Previous Year		Over Previous Quarter	
		Amount	Per cent	Amount	Per cent
		1	2	3	4
Mar-09	224.5	0.1	0.0	-5.3	-2.1
Jun-09	229.9	4.6	2.0	5.4	2.4
Sep-09	243.2	18.1	8.0	13.3	5.8
Dec-09	252.8	23.0	10.0	9.6	4.0
Mar-10	261.0	36.5	16.3	8.2	3.3
Jun-10	270.3	40.6	17.7	9.3	3.6
Sep-10	288.7	46.1	19.0	18.4	6.8
Dec-10	295.9	43.6	17.3	7.2	2.5
March 2011 PR	306.4	44.1	16.8	10.6	3.6
Jun-11 P	316.9	43.8	16.0	10.5	3.4

P: Preliminary; PR : Partially Revised.

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

total external debt as at end-June 2011. The share of commercial borrowings stood highest at 29.4 per cent in the total external debt as at end-June 2011 followed by short-term debt (21.6 per cent), NRI deposits (16.7 per cent) and multilateral debt (15.6 per cent) (Table 2).

## 2. Valuation Changes

- (i) The valuation change over the quarter reflecting the depreciation of the US dollar against other major international currencies and the Indian rupee amounted to US\$ 1.4 billion. Therefore,

**Table 2 : External Debt by Component**

(US \$ million)

Item	End- March			End-June	
	2009	2010	2011PR	2010	2011 P
	1	2	3	4	5
1. Multilateral	39,538 (17.6)	42,859 (16.4)	48,473 (15.8)	44,677 (16.5)	49,374 (15.6)
2. Bilateral	20,610 (9.2)	22,593 (8.7)	25,828 (8.4)	22,963 (8.5)	26,312 (8.3)
3. IMF	1018 (0.5)	6041 (2.3)	6308 (2.1)	5885 (2.2)	6367 (2.0)
4. Trade Credit	14,481 (6.5)	16,867 (6.5)	18,649 (6.1)	17,417 (6.4)	18,711 (5.9)
5. External Commercial Borrowings	62,461 (27.8)	70,800 (27.1)	88,918 (29.0)	73,248 (27.1)	93,220 (29.4)
6. NRI Deposits	41,554 (18.5)	47,890 (18.3)	51,682 (16.9)	48,108 (17.8)	52,898 (16.7)
7. Rupee Debt	1,523 (0.7)	1,657 (0.6)	1,601 (0.5)	1,584 (0.6)	1,567 (0.5)
<b>8. Long-term Debt (1to 7)</b>	<b>1,81,185</b> (80.7)	<b>2,08,707</b> (80.0)	<b>2,41,459</b> (78.8)	<b>2,13,882</b> (79.1)	<b>2,48,449</b> (78.4)
<b>9. Short-term Debt*</b>	<b>43,313</b> (19.3)	<b>52,329</b> (20.0)	<b>64,990</b> (21.2)	<b>56,439</b> (20.9)	<b>68,473</b> (21.6)
<b>Total (8+9)</b>	<b>2,24,498</b> <b>(100.0)</b>	<b>2,61,036</b> <b>(100.0)</b>	<b>3,06,449</b> <b>(100.0)</b>	<b>2,70,321</b> <b>(100.0)</b>	<b>3,16,922</b> <b>(100.0)</b>

P: Provisional; PR : Partially Revised.

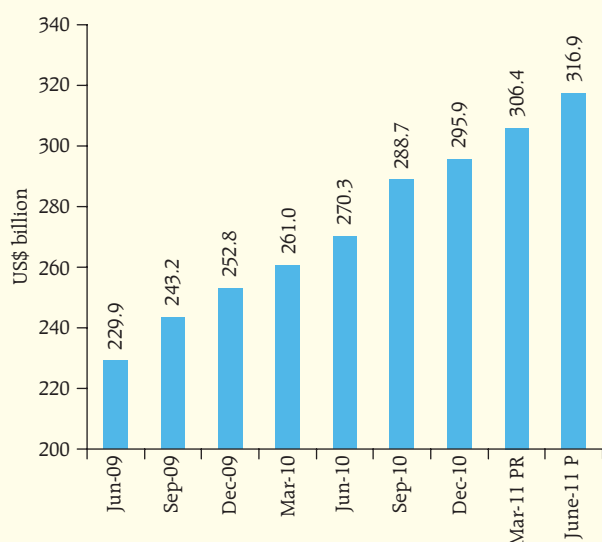
IMF: International Monetary Fund; ECBs: External Commercial Borrowings; NRI: Non-Resident Indian.

\*: Short-term trade credit constitutes about 90 per cent of total short-term debt.

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

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

Chart 1: India's External Debt



excluding the valuation effects, the stock of external debt as at end-June 2011 would have increased by US \$ 9.0 billion over the level at end-March 2011 (Table 3).

### 3. Components of External Debt

- (i) All the components of the external debt showed an increase over the quarter barring Rupee debt. The external commercial borrowings and short term trade credits accounted for 70 per cent of the rise in total external debt over the quarter

Table 3: Valuation Effect on External Debt

(US \$ million)			
External debt end-June 2010	Total Variation over end-March 2010	Valuation Loss(-)/ Gain(+)	Variation net of Valuation
	1	2	3= (1-2)
316,922	10,473	-1,433	9,040

broadly reflecting the surge in imports. NRI deposits and multilateral borrowings accounted for about 20 per cent of the increase in total external debt (Table 4 and Chart 2).

### 4. External Commercial Borrowings

- (i) The ECB approvals for April-June 2011 stood higher at around US\$ 8.0 billion as compared with US\$ 5.3 billion in the corresponding period of the previous year, resulting in a higher disbursement during April-June 2011 (Table 5).

### 5. Currency Composition of India's External Debt

- (i) The US Dollar denominated debt continues to be the largest with a share of 54.2 per cent in the total external debt as at end-June 2011. The share of Indian rupee in the total external debt stock accounted for 19.2 per cent as at end-June 2011 followed by Japanese Yen (11.1 per cent), and SDR (9.5 per cent). The share of Euro accounted for

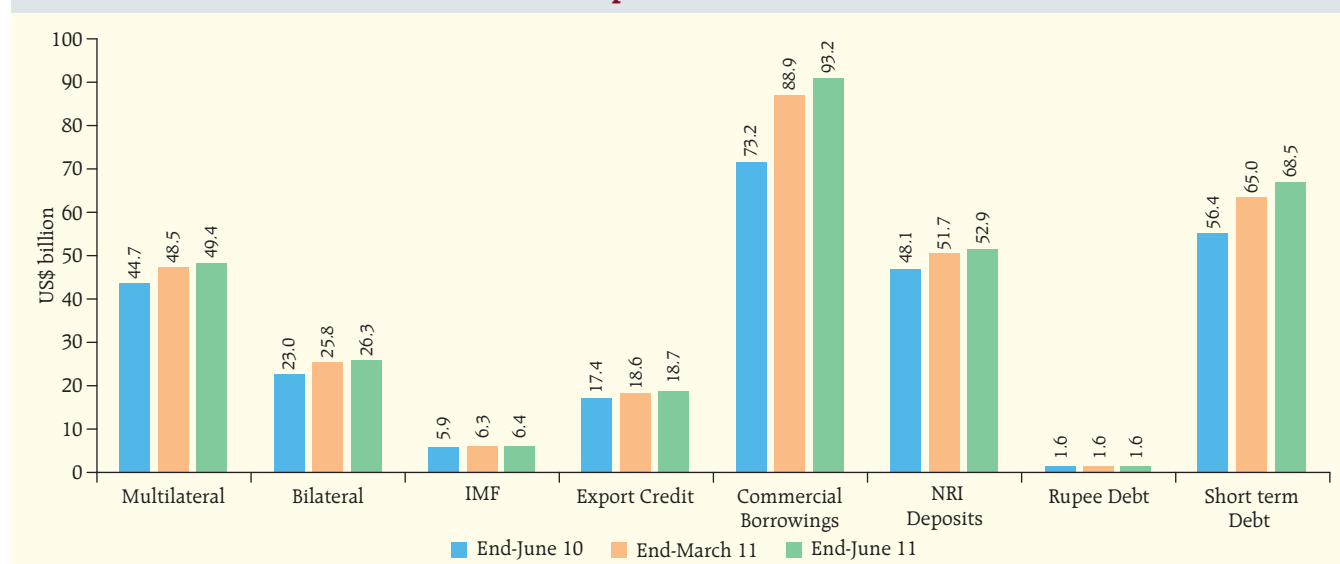
Table 4: External Debt - Outstanding and Variation

(US\$ million)							
Item	Outstanding at the end-of			Absolute variation		Percentage Variation	
	Jun-10	Mar-11 PR	Jun - 2011 P	Jun-11 over Jun-10	Jun-11 over Mar-11	Jun-11 over Jun-10	Jun-11 over Mar-11
	1	2	3	4	5	6	7
1. Multilateral	44,677	48,473	49,374	4,697	901	10.5	1.9
2. Bilateral	22,963	25,828	26,312	3,349	484	14.6	1.9
3. IMF	5885	6308	6367	482	59	8.2	0.9
4. Trade Credit	17,417	18,649	18,711	1,294	62	7.4	0.3
5. External Commercial Borrowings	73,248	88,918	93,220	19,972	4,302	27.3	4.8
6. NRI Deposits	48,108	51,682	52,898	4,790	1,216	10.0	2.4
7. Rupee Debt	1,584	1,601	1,567	-17	-34	-1.1	-2.1
8. Short-Term Debt	56,439	64,990	68,473	12,034	3,483	21.3	5.4
Of which:							
Short-Term Trade Credit	51,791	58,462	61,532	9,741	3,070	18.8	5.3
<b>Total Debt (1 to 8)</b>	<b>2,70,321</b>	<b>3,06,449</b>	<b>3,16,922</b>	46,601	10,473	17.2	3.4
<b>Memo Items</b>							
A. Long-Term Debt (1 to 7)	2,13,882	2,41,458	2,48,449	34,567	6,991	16.2	2.9
B. Short-Term Debt	56,439	64,990	68,473	12,034	3,483	21.3	5.4

P: Provisional; PR: Partially Revised.

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

Chart 2: Components of External Debt



3.7 per cent as at end-June 2011 (Table 6 and Chart 3).

## 6. Instrument-wise Classification of External Debt

- (i) The instrument-wise classification of India's external debt across the borrower category reveals that the share of loans accounted for 49.9 per cent of total debt outstanding as at end-June 2011 as

compared to 49.6 per cent as at end-March 2011. The share of trade credit (long-term and short-term) at 20.1 per cent as at end-June 2011 recorded a marginal increase as compared to 19.8 per cent as at end-March 2011. The share of currency and deposits at 16.7 per cent of the total India's external debt as at end-June 2011 witnessed a decline as against 16.9 per cent as at end-March 2011 (Table 7).

Table 5 : External Commercial Borrowings

(US\$ million)

Year	Approvals#	Gross Disbursement*	Amortisation*	Interest*	Total Servicing	ECB Outstanding
	1	2	3	4	5 (3+4)	6
2000-01	2,837	9,621	5,043	1,683	6,726	24,408
2001-02	2,653	2,684	4,013	1,534	5,547	23,320
2002-03	4,235	3,505	5,001	1,180	6,181	22,472
2003-04	6,671	5,225	8,015	2,031	10,046	22,007
2004-05	11,490	9,084	3,571	959	4,530	26,405
2005-06	17,175	14,343	11,518	2,996	14,514	26,452
2006-07	24,492	20,257	3,814	2,517	6,331	41,443
2007-08	28,842	28,700	6,060	3,644	9,704	62,334
2008-09	16,517	13,226	6,578	3,965	10,543	62,461
2009-10	20,683	13,980	10,641	3,244	13,885	70,800
2010-11PR	25,415	21,249	9,650	3,525	13,175	88,918
2010-11(April-June) PR	5,291	4,245	1,960	791	2,751	73,248
2011-12 P(April-June) P	7,980	5,930	3,017	1,294	4,311	93,220

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:** Disbursements during 2000-01 include IMDs (US \$5.5 billion). Debt service payments during 2003-04 and 2005-06 include redemption of RIBs and IMDs, respectively.

**Table 6: Currency Composition of External Debt**

Currency	(Percentage share in total external debt)				
	End-March			End-June	
	2009	2010	2011PR	2010	2011 P
	1	2	3	4	5
US Dollar	54.1	53.2	53.1	55.2	54.2
SDR	9.8	10.7	9.7	10.0	9.5
Indian Rupee	15.4	18.7	19.9	17.8	19.2
Japanese Yen	14.3	11.5	11.4	11.5	11.1
Euro	4.1	3.6	3.7	3.3	3.7
Pound Sterling	1.9	1.8	1.7	1.8	1.7
Others	0.4	0.5	0.5	0.4	0.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

P: Preliminary. PR: Partially Revised.

**Note:** Currency composition as at end-March 2008, end-March 2009, end-March 2010 and end-March 2011 incorporates the original currency composition of short-term debt; in the previous years, the entire short-term debt was taken to be denominated in US dollars.

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

## 7. Short-term Debt

- (i) The data on short-term debt by original maturity include suppliers' credit up to and above 180 days, FII investments in Government debt, investment by foreign central banks and international institutions in Treasury Bills and external liabilities of central banks and commercial banks.
- (ii) Short-term debt by original maturity has increased over the period largely because of the increase in trade related credits reflecting surge in imports. The share of short-term trade credit in total short-term debt was marginally lower at 90.0 per cent

as at end-June 2011 as compared with 91.0 per cent as at end-March 2011 (Table 8).

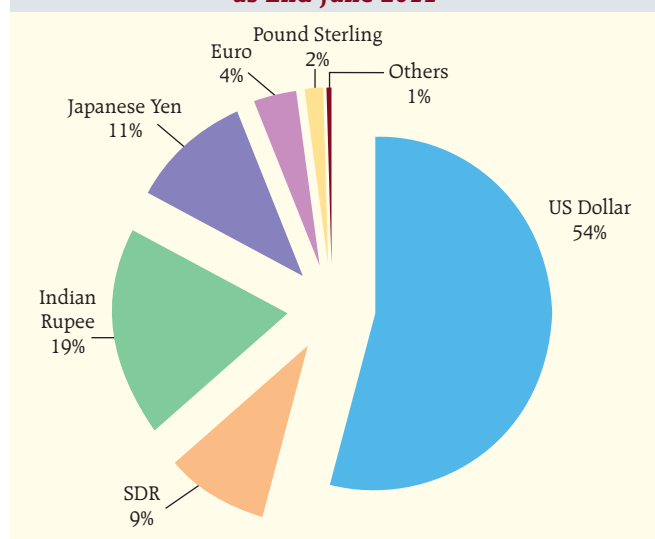
## 8. External Debt by Residual Maturity

- (i) Based on residual maturity, the short-term debt accounted for 43.3 per cent of total external debt as at end-June 2011. The ratio of short-term debt by residual maturity to foreign exchange reserves

**Table 7: Instrument-wise Classification of External Debt Outstanding**

(US\$ million)			
Sr. No.	Borrower	End-March 2011	End-June 2011
		1	2
<b>A.</b>	<b>Government (1+2+3)</b>	<b>78,165</b>	<b>78,698</b>
1.	Short-Term	2,843	2,933
(i)	Money Market Instruments	2,843	2,933
2.	Long-term {(i)+(ii)+(iii)}	69,014	63,397
(i)	Bonds and Notes	5,428	5,274
(ii)	Loans	62,014	62,541
(iii)	Trade Credit	1,572	1,582
3.	Other debt liabilities	6,308	6,367
	IMF	6,308	6,367
<b>B.</b>	<b>Monetary Authority</b>	<b>155</b>	<b>133</b>
1.	Short-term	155	133
(i)	Currency and Deposits	155	133
<b>C.</b>	<b>Non-Government (1+2)</b>	<b>228,128</b>	<b>238,091</b>
1.	Short-Term {(i)+(ii)}	61,993	65,407
(i)	Money Market Instruments	3,531	3,875
(ii)	Trade Credit	58,462	61,532
2.	Long-term {(i)+(ii)+(iii)+(iv)}	166,135	172,685
(i)	Bonds and Notes	23,823	23,555
(ii)	Loans	89,998	95,602
(iii)	Currency and Deposits	51,682	52,898
(iv)	Trade Credits	632	629
	<b>Total External Debt (A+B+C)</b>	<b>306,448</b>	<b>316,922</b>

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

**Chart 3: Currency Composition of External Debt as End-June 2011**

**Table 8: Short-Term Debt by Original Maturity**

(US \$ million)

	End-March			End-June	
	2009	2010	2011	2010	2011
	1	2	3	4	5
<b>A Short-Term Debt</b>	<b>43,313</b>	<b>52,329</b>	<b>64,990</b>	<b>56,439</b>	<b>68,473</b>
a) Trade-related Credits	39,915	47,472	58,462	51,791	61,532
(i) Above 6 months and up to 1 year	23,346	28,003	35,347	31,178	36,933
(ii) Up to 6 months	16,569	19,469	23,116	20,614	24,599
b) FII Investments in Government Treasury Bills & other instruments	2,065	3,357	5,424	3,238	5,901
c) Investment in Treasury Bills by foreign central banks and international institutions	105	103	50	84	48
d) External Debt Liabilities of:	1,228	1,397	1,053	1,325	993
(i) Central Bank	764	696	155	639	133
(ii) Commercial Bank	464	701	898	686	860
<b>B. Imports (during the year)*</b>	<b>308,521</b>	<b>300,609</b>	<b>380,935</b>	<b>87,160</b>	<b>116,121</b>
<b>C. Trade Credits to Imports (%)</b>	<b>12.9</b>	<b>15.8</b>	<b>15.3</b>		

\* On balance of payment basis.

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

worked out to 43.5 per cent at end-March 2011 (Table 9).

- (ii) The 'short-term debt by residual maturity' comprises the repayments due under medium and long-term debt by original maturity during one year reference period along with the short-term debt with original maturity. The balance constitutes the long-term debt by residual maturity.

(iii) While external debt is generally compiled in terms of original maturity, analysing the external debt, in particular short term debt in terms of residual maturity is important from the point of view of foreign exchange liquidity management and to ascertain the total foreign exchange outgo on account of debt service payments in the immediate future.

**Table 9: Residual Maturity of External Debt Outstanding as at End-June 2011**

(US \$ million)

Components	Short-term Up to one year	Long-term			Total (1) to (4)
		1 to 2 years	2 to 3 years	More than 3 years	
	1	2	3	4	5
1. Sovereign Debt (long-term) \$	5,028	5,251	5,419	60,066	75,764
2. External Commercial Borrowings #	20,313	18,162	15,115	66,196	1,19,787
3. NRI deposits {(i) + (ii) + (iii)}	43,434	5,514	2,387	1,563	52,898
(i) FCNR(B)	13,027	1,856	743	517	16,142
(ii) NR(E)RA	22,628	2,095	917	550	26,190
(iii) NRO	7,779	1,562	728	496	10,565
4. Short-term Debt* (Original maturity)	68,473	0	0	0	68,473
<b>Total (1 to 4)</b>	<b>1,37,248</b>	<b>28,928</b>	<b>22,922</b>	<b>1,27,825</b>	<b>3,16,922</b>
<i>Memo Items</i>					
Short-term debt (Residual maturity as per cent of total debt)	43.3				
Short-term debt (Residual maturity as per cent of Reserves)	43.5				

\$ Inclusive of FII investment in Government securities amounting to US \$ 5,274 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\$ 2,934 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 10: Government and Non-Government External Debt

(US \$ million)

Sr. No.	Components	End- March			End June
		2009	2010	2011	2011
		1	2	3	4
<b>A.</b>	<b>Sovereign Debt (I+II)</b>	<b>55,870</b>	<b>67,067</b>	<b>78,165</b>	<b>78,698</b>
	(As a percentage of GDP)	5.1	4.7	4.5	-
	I. External Debt on Government Account under External Assistance	51,816	55,235	62,388	62,944
	II. Other Government External Debt @	4,054	11,832	15,777	15,754
<b>B.</b>	<b>Non-Government Debt #</b>	<b>168,628</b>	<b>193,969</b>	<b>228,283</b>	<b>238,225</b>
	(As a percentage of GDP)	15.4	13.4	12.9	-
<b>C.</b>	<b>Total External Debt (A+B)</b>	<b>224,498</b>	<b>261,036</b>	<b>306,448</b>	<b>316,923</b>
	(As a percentage of GDP)	20.5	18.0	17.4	-

@ 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.

## 9. Government and Non-Government External Debt

- (i) Government (Sovereign) external debt stood at US\$ 78.7 billion as at end-June 2011 as against US\$ 67.1 billion as at end-March 2010. The share of Government external debt in the total external debt at 24.8 per cent at end-June 2011 declined marginally over end - March 2011 (25.5 per cent). Concomitantly, the share of non-Government debt in total external debt rose during the quarter to

75.2 per cent from 74.5 per cent (Table 10 and Chart 4).

## 10. Debt Service Payments

- (i) During 2010-11, India's debt service ratio had improved to 4.2 per cent from 5.5 per cent a year ago due to moderation in debt service payments coupled with growth in current receipts. However, during April-June 2011 debt service ratio increased marginally to 4.6 per cent reflecting higher principal repayments (Table 11). Servicing of

Table 11: India's External Debt Service Payments

(US \$ million)

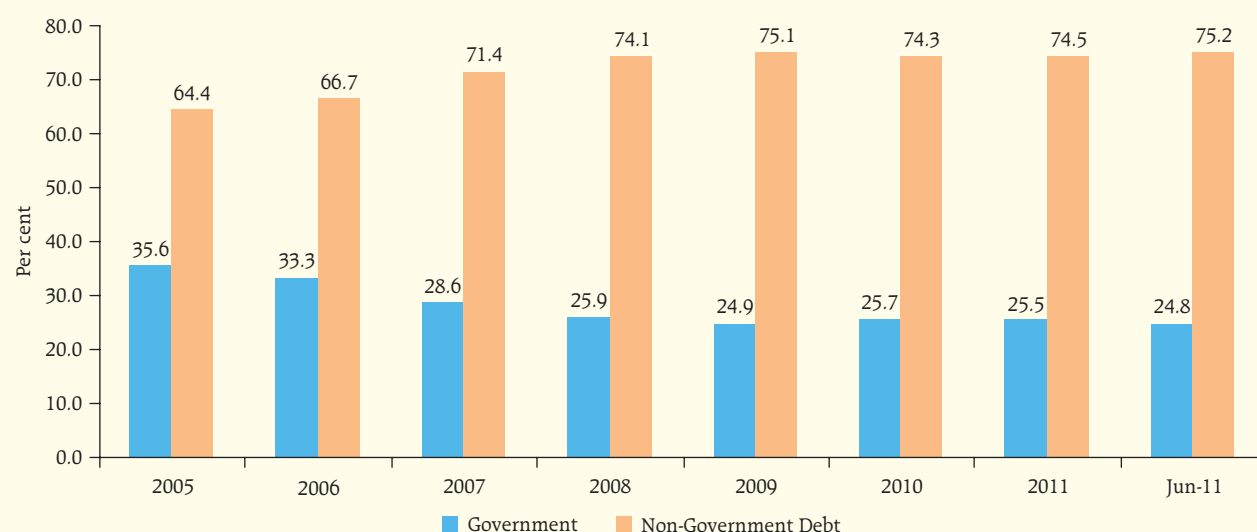
Sr. No.	Item	2007-08	2008-09	2009-10	2010-11	April-June 2011
		1	2	3	4	5
1	External Assistance	3,241	3,384	3,461	3,668	1016
	Repayment	2,099	2,375	2,585	2,840	829
	Interest	1,142	1,009	876	828	187
2	External Commercial Borrowing	9704	10543	13885	13175	4311
	Repayment	6,060	6,578	10,641	9,650	3017
	Interest	3,644	3,965	3,244	3,525	1294
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	1,813	1,547	1,599	1,737	503
5	Rupee Debt Services repayment	121	101	97	17	31
6	Total Debt Service(1 to 5)	14,879	15,575	19,042	18,649	5,861
	Repayment	8,280	9,054	13,323	12,559	3,877
	Interest	6,599	6,521	5,719	6,090	1,984
7	Current Receipts ##	314,284	356,175	344,917	447,405	128,137
	<b>Debt-Service Ratio (6/7)(%)</b>	<b>4.7</b>	<b>4.4</b>	<b>5.5</b>	<b>4.2</b>	<b>4.6</b>

## : 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.

Chart 4: Share of Government and Non-Government External Debt



External Commercial Borrowings (including principal and interest payments) during the first quarter of 2011-12 accounted for 73.6 per cent of the total debt service as against 70.6 per cent during 2010-11.

- (ii) Based on outstanding long-term debt, as at end-June 2011, principal repayments for ECBs including Foreign Currency Convertible Bonds (FCCBs) are projected to be higher between 2011-12 and 2015-16 though they are expected to come down in the subsequent years (Table 12). The projections do not include future debt service obligations arising out of fresh borrowings.

Table 12: Projected Debt Service Payments\*

Year	(US \$ million)		
	Principal	Interest	Total
	1	2	3
2011-12	19088	3779	22867
2012-13	19310	3677	22987
2013-14	15883	2790	18673
2014-15	17460	2400	19860
2015-16	18955	2093	21048
2016-17	12965	1520	14485
2017-18	10435	1167	11602
2018-19	8219	965	9184
2019-20	6940	831	7771
2020-21	6955	703	7658

\* The projections on debt servicing are based on the end-March 2010 debt outstanding position. Projections exclude NRI deposits and FII investment in Government debt securities.

## Section II

### 11. External Debt: Cross-Country Comparison

- (i) According to the latest data available in Global Development Finance Online Database, World Bank, the international comparison of external debt of the twenty most indebted countries 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 2009, the same as in the previous year (Table 13).
- (ii) The element of concessionality in India's external debt portfolio was the fourth highest after Pakistan, Indonesia and Philippines (Table 14).
- (iii) India's debt service ratio was third lowest after China and Malaysia.
- (iv) In terms of ratio of external debt to Gross National Income (GNI), India's position was third lowest, with China having the lowest ratio of external debt.
- (v) India's position with respect to short term debt to total external debt was eleventh lowest while Pakistan has the lowest ratio of short-term debt to total external debt.



**Table 13: Total External Debt Outstanding**

(US \$ billion)				
Country Name	2006	2007	2008	2009
	1	2	3	4
1 China	325.3	373.8	378.2	428.4
2 Russian Federation	250.7	368.1	402.5	381.3
3 Brazil	193.5	237.6	262.1	276.9
4 Turkey	195.5	236.0	263.5	251.4
<b>5 India</b>	<b>172.4</b>	<b>224.4</b>	<b>224.5</b>	<b>261.0</b>
6 Poland	..	..	..	..
7 Mexico	162.5	192.7	203.6	192.0
8 Indonesia	125.3	133.9	146.2	157.5
9 Argentina	115.9	117.3	118.9	120.2
10 Romania	53.9	84.2	102.5	117.5
11 Kazakhstan	72.4	95.5	107.3	109.9
12 Ukraine	50.1	73.9	93.1	93.2
13 Chile	48.1	56.4	64.3	71.6
14 Malaysia	55.0	61.6	66.2	66.4
15 Philippines	60.3	65.9	64.9	62.9
16 Thailand	45.9	48.6	54.9	58.8
17 Venezuela, RB	43.7	45.9	50.2	54.5
18 Pakistan	36.1	40.9	48.5	53.7
19 Colombia	38.0	43.7	46.6	52.2
20 Latvia	..	..	..	..

**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 of Finance, Government of India and Reserve Bank of India.

(vi) In terms of short-term debt to total reserves, India's position was sixth as Russian Federation,

Philippines, Pakistan, China, Colombia and Brazil had higher reserves to debt ratio than India.

The instrument-wise and sector-wise external debt position of select countries are presented in Table 15 and Table 16.

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 in respect of the developing countries. Although the proportion of concessional debt in India's total external debt has declined, it remains the fourth highest after Pakistan, Indonesia and Philippines among the top 20 indebted nations (Table 17).

The debt to national income ratio provides some indication of the potential to service external debt. Among the top 20 debtor countries, India ranked fourth lowest in terms of the ratio of external debt to National Income (Table 18).

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

**Table 14: International Comparison of Top Twenty Debtor Countries, 2009**

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
Argentina	120.2	2	17	40	16	41
Brazil	276.9	2	23	18	14	17
Chile	71.6	0	23	47	24	69
China	428.4	10	3	9	56	10
Colombia	52.2	2	22	24	8	16
<b>India</b>	<b>261.0</b>	<b>17</b>	<b>6</b>	<b>18</b>	<b>20</b>	<b>19</b>
Indonesia	157.5	28	18	30	12	28
Kazakhstan	109.9	1	80	113	8	37
Latvia	..	..	..	..	..	..
Malaysia	66.4	6	5	36	36	25
Mexico	192.0	1	16	22	12	23
Pakistan	53.7	59	15	31	3	11
Philippines	62.9	23	19	39	6	9
Poland	..	..	..	..	..	..
Romania	117.5	3	31	72	18	47
Russian Federation	381.3	0	18	32	8	7
Thailand	58.8	11	7	23	47	20
Turkey	251.4	4	42	41	16	53
Ukraine	93.2	1	36	84	21	75
Venezuela, RB	54.5	2	6	17	29	47

**Source:** Data for India as published by national authorities for 2009-10 and those for other countries as at end-December 2009 as available in World Bank's Global Development Finance Online Database.

Table 15 : Gross External Debt Position By Instrument

(US \$ billion)

End-March 2011							
Countries	Debt Securities	Loans	Currency and Deposits	Trade Credits	Other Liabilities	Direct Investment: Intercompany Lending	Total
	1	2	3	4	5	6	7
Argentina	52.5	29.4	0.3	9.3	16.7	22.6	130.8
Brazil	109.0	130.4	0.4	27.2	8.9	102.1	378.1
<b>India</b>	<b>35.0</b>	<b>151.2</b>	<b>111.2</b>	<b>2.2</b>	<b>6.8</b>	<b>0.0</b>	<b>306.4</b>
Indonesia	64.8	131.6	4.8	2.1	6.8	0.0	210.1
Kazakhstan	23.3	35.4	2.5	7.5	0.8	53.6	123.2
Mexico	153.9	84.5	3.2	17.6	6.5	0.0	265.7
Poland	102.6	98.8	43.2	16.5	11.0	76.6	348.7
Romania	7.7	79.1	19.1	2.7	1.9	25.6	136.1
Russian Federation	43.8	328.7	45.1	2.7	14.4	74.9	509.6
Turkey	49.2	178.7	40.5	23.2	1.5	5.7	298.7
End-December 2010							
Argentina	51.2	29.4	0.3	9.9	15.8	22.1	128.6
Brazil	102.8	118.6	0.4	25.6	9.4	95.1	351.9
<b>India</b>	<b>33.4</b>	<b>146.5</b>	<b>52.0</b>	<b>59.4</b>	<b>4.5</b>	<b>0.0</b>	<b>299.9</b>
Indonesia	58.6	128.4	7.2	1.7	4.2	0.0	200.1
Kazakhstan	20.0	35.9	1.8	7.3	0.8	53.2	119.2
Mexico	140.2	81.2	4.8	18.9	5.8	0.0	251.0
Poland	96.1	92.0	36.3	15.1	5.0	70.1	314.6
Romania	5.9	73.2	18.2	2.3	1.8	21.4	122.9
Russian Federation	41.3	324.3	43.0	2.2	13.2	64.7	488.7
Turkey	45.4	168.4	45.3	23.4	1.5	5.5	289.5

- : Nil /Negligible.

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

Table 16: Gross External Debt Position by Sector

(US \$ billion)

End-March 2011						
Countries	General Government	Monetary Authorities	Banks	Other Sectors	Direct Investment: Inter-company	Total
	1	2	3	4	5	6
Argentina	71	0	3	35	22	131
Brazil	63	5	119	89	102	378
India	78	0	56	172	..	306
Indonesia	110	15	13	21	..	159
Kazakhstan	4	4	20	42	55	124
Mexico	114	5	20	127	..	266
Poland	118	11	74	70	77	349
Romania	29	15	33	35	23	134
Russian Federation	35	13	148	240	74	510
Turkey	85	12	83	112	6	299
End-December 2010						
Argentina	69	0	3	34	22	129
Brazil	65	4	103	84	95	352
<b>India</b>	<b>74</b>	<b>1</b>	<b>55</b>	<b>166</b>	<b>..</b>	<b>296</b>
Indonesia	107	10	14	69	..	200
Kazakhstan	4	1	20	41	53	119
Mexico	101	5	20	125	..	251
Poland	110	7	68	60	70	315
Romania	24	14	30	33	21	123
Russian Federation	35	12	143	235	65	489
Turkey	82	12	82	109	6	290

.. Not available.

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

**Table 17 : 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	2006	2007	2008	2009
	1	2	3	4	5	6	7	8
Argentina	1	1	2	2	52.4	58.0	57.7	60.7
Brazil	1	1	1	2	43.5	33.5	30.4	31.5
Chile	1	0	0	0	19.5	16.5	13.7	13.0
China	11	10	11	10	27.1	23.5	23.6	21.7
Colombia	3	2	2	2	65.0	62.7	62.2	67.7
<b>India</b>	<b>23</b>	<b>20</b>	<b>19</b>	<b>17</b>	<b>37.9</b>	<b>34.4</b>	<b>33.4</b>	<b>32.2</b>
Indonesia	29	29	30	28	56.3	53.8	54.6	54.6
Kazakhstan	1	1	1	1	2.9	1.8	1.8	2.3
Latvia	..	..	..	..	..	..	..	..
Malaysia	9	5	6	6	41.1	30.0	32.4	32.2
Mexico	1	1	0	1	59.1	54.7	56.0	51.8
Pakistan	71	68	62	59	89.8	88.3	81.6	77.2
Philippines	21	20	23	23	61.0	57.6	60.2	66.3
Poland	..	..	..	..	..	..	..	..
Romania	2	2	2	3	26.3	18.1	14.6	15.2
Russian Federation	1	1	0	0	28.5	29.0	25.7	26.2
Thailand	14	13	12	11	27.3	22.3	21.1	19.0
Turkey	2	3	3	4	35.7	34.0	31.0	33.8
Ukraine	4	2	2	1	19.5	14.7	11.9	11.2
Venezuela, RB	1	1	1	2	62.1	60.1	59.5	64.6

@ 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.

used in servicing its debt. Higher the ratio, more vulnerable is the economy. In India, debt-service ratio after peaking in the early 1990s when BoP crisis occurred, has steadily improved. During 2009, the ratio

was placed at 6.0 per cent, the third lowest among top 20 debtor countries of the world. The Latin American countries and some of nations from erstwhile USSR continue to have high debt-service ratios, reflecting

**Table 18 : Debt to Current Receipts and National Income Ratio**

(Per cent)

Country Name	External debt stocks (% of GNI)				External Debt Stocks (% of Current Receipts) @			
	2006	2007	2008	2009	2006	2007	2008	2009
	1	2	3	4	5	6	7	8
Argentina	55	46	37	40	192	161	136	171
Brazil	18	18	16	18	118	121	109	146
Chile	37	39	41	47	69	68	77	106
China	12	11	8	9	29	26	23	30
Colombia	24	22	20	24	126	121	105	132
<b>India</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>18</b>	<b>79</b>	<b>81</b>	<b>73</b>	<b>87</b>
Indonesia	36	32	30	30	107	100	92	117
Kazakhstan	101	104	94	113	168	173	135	217
Latvia	..	..	..	..	..	..	..	..
Malaysia	36	34	31	36	29	28	27	31
Mexico	17	19	19	22	60	65	64	77
Pakistan	28	28	29	31	169	175	181	235
Philippines	52	46	39	39	105	102	101	118
Poland	..	..	..	..	..	..	..	..
Romania	45	50	51	72	130	158	155	226
Russian Federation	26	29	25	32	69	83	69	100
Thailand	23	20	21	23	29	26	25	32
Turkey	37	37	36	41	158	156	144	170
Ukraine	47	53	52	84	97	109	102	158
Venezuela, RB	24	20	16	17	58	57	48	88

@ 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 Online Database, World Bank, Ministry of Finance, Government of India and Reserve Bank of India.

Table 19: Solvency Indicators – Debt and Interest Service Ratio

(Per cent)

Country	Debt Service Ratio				Interest Service Ratio			
	2006	2007	2008	2009	2006	2007	2008	2009
	1	2	3	4	5	6	7	8
Argentina	36	12	9	17	7	5	4	5
Brazil	38	28	23	23	9	7	7	7
Chile	21	14	19	23	3	3	2	2
China	2	2	2	3	1	1	1	1
Colombia	34	24	18	22	9	8	7	7
<b>India</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>
Indonesia	24	18	13	18	3	4	3	3
Kazakhstan	34	49	42	80	5	6	6	8
Latvia	..	..	..	..	..	..	..	..
Malaysia	4	5	4	5	1	1	1	1
Mexico	21	13	13	16	4	4	3	4
Pakistan	11	11	11	15	4	5	4	4
Philippines	24	16	19	19	7	6	6	7
Poland	..	..	..	..	..	..	..	..
Romania	21	22	27	31	5	6	5	6
Russian Federation	14	9	11	18	4	4	4	5
Thailand	9	12	8	7	1	1	1	1
Turkey	34	33	30	42	8	8	7	8
Ukraine	18	17	20	36	4	4	4	7
Venezuela, RB	13	7	6	6	4	4	3	5

.. 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.

heavy burden of amortisation and interest payments (Table 19).

The ratio of short-term debt to total external debt and the ratio of short-term debt to international reserves are the two most common indicators of liquidity. It may be noted that in case of India, the share of short-term debt to total debt as also short-term debt to reserves, continued to be at moderate level as compared with the top 20 debtor countries of the world (Table 20). In terms of these parameters India's position was eleventh and seventh lowest, respectively, among the top 20 debtor countries of the world in 2009.

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 64 reporting countries for the first and the second quarter of 2011, which has been released by the World Bank ([http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?REPORT\\_ID=13535&REQUEST\\_TYPE=VIEW](http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?REPORT_ID=13535&REQUEST_TYPE=VIEW)) is given at Annex I.

### Section III

#### External Debt Management in India

The external debt policy of India continues to focus on raising sovereign loans on concessional terms with longer maturities, regulating the levels of commercial borrowings and their end-use, rationalising the interest rates on Non-Resident Indian (NRI) deposits, monitoring short-term debt and encouraging non-debt creating capital flows. The improvement in India's overall external debt position since the early 1990s has been brought out essentially by maintaining current account deficit at a sustainable level and keeping the external debt within manageable limits. Among the various components of capital flows, there is a preference for long-term to short-term and non-debt to debt creating flows. The policy on equity flows has been quite liberal but in the case of debt, policymakers have used policy levers to manage volatility.

Contrary to popular perception, both quantity and price-based variables have been used to moderate debt flows. ECB flows under both the automatic and approval routes are moderated by interest rate ceilings

Table 20: Short-term Debt Indicators

(Per cent)

	Short-Term Debt to Total Debt				Short-Term Debt to Reserves				Short-Term Debt to GNI			
	2006	2007	2008	2009	2006	2007	2008	2009	2006	2007	2008	2009
	1	2	3	4	5	6	7	8	9	10	11	12
Argentina	24	16	17	16	88	42	43	41	13.5	7.5	6.3	6.6
Brazil	11	17	14	14	24	22	19	17	1.9	2.9	2.3	2.5
Chile	19	20	23	24	48	66	65	69	7.3	7.6	9.5	11.7
China	53	54	49	56	16	13	10	10	6.4	5.8	4.1	4.8
Colombia	13	12	12	8	31	25	24	16	3.0	2.6	2.4	1.8
<b>India</b>	<b>16</b>	<b>20</b>	<b>19</b>	<b>20</b>	<b>14</b>	<b>15</b>	<b>17</b>	<b>19</b>	<b>2.7</b>	<b>2.9</b>	<b>3.6</b>	<b>3.1</b>
Indonesia	8	12	13	12	23	27	37	28	2.9	3.7	3.9	3.6
Kazakhstan	15	12	10	8	57	63	52	37	15.2	12.2	9.1	8.5
Latvia	..	..	..	..	..	..	..	..	..	..	..	..
Malaysia	21	38	34	36	14	23	25	25	7.8	12.7	10.6	12.5
Mexico	6	12	12	12	13	27	25	23	1.1	2.3	2.2	2.7
Pakistan	4	5	3	3	10	14	15	11	1.0	1.5	0.8	0.9
Philippines	8	11	11	6	22	21	19	9	4.1	4.8	4.0	2.4
Poland	..	..	..	..	..	..	..	..	..	..	..	..
Romania	31	35	28	18	55	73	72	47	13.8	17.3	14.4	12.8
Russian Federation	16	21	14	8	13	17	13	7	4.2	6.2	3.4	2.6
Thailand	39	44	44	47	27	25	22	20	9.0	9.1	9.2	11.0
Turkey	18	16	17	16	54	48	59	53	6.5	5.8	6.0	6.6
Ukraine	31	31	22	21	69	71	65	75	14.5	16.3	11.5	17.3
Venezuela, RB	27	33	34	29	32	45	39	47	6.5	6.7	5.4	4.9

**Note:** The source of 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, 2010, World Bank, Ministry of Finance, Government of India & Reserve Bank of India.

and those under the automatic route are governed by a ceiling on total quantity as well. Non-Resident Indians (NRI) deposits are monitored through an interest rate ceiling. Similarly, there is a ceiling on FII investment in sovereign and corporate debt

## 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 that fall under the approval route are considered by an empowered Committee constituted by the Reserve Bank.

A set of policy measures was announced in September 2011 in consultation with the Government of India keeping in view the growing requirements of the companies for financing of imports. The measures, *inter alia*, include: (i) enhancement of ECB limit for eligible borrowers in industry and infrastructure sectors to US \$ 750 million during a financial year under the automatic route from US \$ 500 earlier; (ii) the limit in specified service sectors *viz.*, hotel, hospital and software, has been raised to US \$ 200 million during a financial year from earlier limit of US \$ 100 million; (iii) Indian companies which are in the infrastructure sector, have been allowed to avail of ECBs in Renminbi (RMB), under the approval route, subject to an overall total annual cap of US \$ one billion; (iv) Indian companies have been allowed to import capital goods by availing short-term credit in the form of bridge finance; and (v) Indian companies which are in the infrastructure sector, have been allowed to utilise 25 per cent of the fresh ECB raised by them towards refinancing of the Rupee loan/s availed by them from the domestic banking system, under the approval route, subject to the condition, *inter alia*, that at least 75 per cent of the fresh ECB raised should be utilised for capital expenditure towards a 'new infrastructure' projects.

### Foreign Institutional Investors

In the light of evolving macroeconomic situation, India's increasing attractiveness as an investment destination and the need for additional financial resources for infrastructure sector, on September 23, 2010 the limit on FII investment in government securities has been increased to US\$ 10 billion from US\$ 5 billion earlier, while limit on FII investment in corporate bonds has been increased to US\$ 20 billion from US\$ 15 billion earlier. The enhancement of FII investment cap would provide avenues for increased FII investments in debt securities, help investment in infrastructure sector and facilitate development of government securities and corporate bond markets in the country.

In order to enhance the flow of funds to the infrastructure sector, the FII limit for investment in the corporate bonds, with a residual maturity of over five years and issued by companies in the infrastructure sector subject to a minimum lock-in period of three years, was further increased by an

additional limit of US \$ 20 billion taking the limit to US \$ 25 billion. With this, the total limit available to the FIIs for investment in corporate bonds is US \$ 40 billion. Further, to encourage FII investment in infrastructure, Qualified Foreign Investors were permitted to subscribe to the mutual fund debt schemes which invest in the infrastructure sector subject to a total overall ceiling of US \$ 3 billion within the existing ceiling of US \$ 25 billion. Another US \$ 5 billion have been carved out of remaining US \$ 22 billion (US \$ 25 billion minus US \$ 3 billion for mutual funds) for FII investment in infrastructure bonds. Investment in this segment is now subject to lock-in period of one year.

## Section IV

### Sustainability of India's of External Debt

An assessment of the sustainability of the external debt undertaken in terms of solvency and liquidity indicators such as the ratio of external debt to gross domestic product (GDP), the ratio of foreign exchange

**Table 21: India's Key External Debt Indicators**

(Per cent)

Year	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 to Total Debt
	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 <sup>^</sup>	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	20.5	4.4	112.2	18.7	17.2	19.3
2009-10	261.0	18.0	5.5	106.9	16.8	18.8	20.0
2010-11PR	306.5	17.4	4.2	99.5	15.5	21.3	21.2
end-June 11P	316.9	-	4.6	99.6	15.1	21.7	21.6

P: Provisional; PR: Partially Revised.

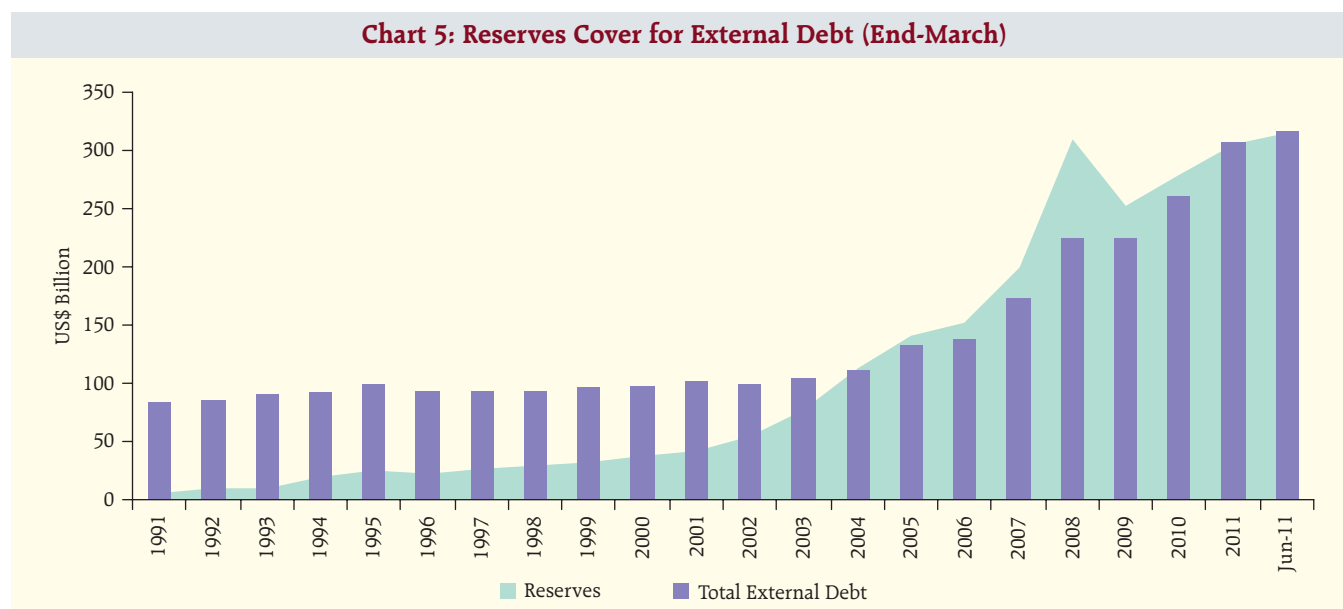
\* Works out to 12.4 per cent, with the exclusion of pre-payment of external debt of US \$ 3,430 million.

\*\* 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.

<sup>^</sup> 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.



reserves to total external debt, debt service ratio, share of concessional debt and short-term debt in the total external debt and ratio of short-term debt to foreign exchange reserves. The ratio of foreign exchange

reserves to total external debt remained stable as at end-June 2011 (Chart 5). Other indicators of external debt showed moderate deterioration as at end-June 2011 as compared with March 2011 (Table 21).

## Statement 1: India's External Debt Outstanding

(₹ crore)

Item	Jun-10	Sep-10	Dec-10	Mar-11PR	Jun-11 P
	1	2	3	4	5
<b>I. Multilateral</b>	<b>208,151</b>	<b>209,750</b>	<b>212,944</b>	<b>216,668</b>	<b>222,520</b>
A. Government borrowing	184,354	184,920	187,525	190,325	193,913
i) Concessional	117,550	118,395	117,648	120,651	122,513
a) IDA	116,027	116,852	116,125	119,066	120,882
b) Others #	1,523	1,543	1,523	1,585	1,631
ii) Non-concessional	66,804	66,525	69,877	69,674	71,400
a) IBRD	39,389	38,834	39,651	39,219	39,803
b) Others ##	27,415	27,691	30,226	30,455	31,597
B. Non-Government borrowing	23,797	24,830	25,419	26,343	28,608
i) Concessional	0	0	0	0	0
ii) Non-concessional	23,797	24,830	25,419	26,343	28,608
a) Public sector	15,603	15,457	15,506	15,802	16,076
IBRD	8,861	9,003	8,939	9,193	9,293
Others ##	6,742	6,454	6,567	6,609	6,783
b) Financial institutions	5,501	6,700	7,024	7,507	8,510
IBRD	1,348	1,813	1,786	1,899	2,067
Others ##	4,153	4,887	5,238	5,609	6,443
c) Private sector	2,693	2,673	2,889	3,033	4,021
IBRD	0	0	0	0	0
Others	2,693	2,673	2,889	3,033	4,021
<b>II. Bilateral</b>	<b>106,985</b>	<b>111,332</b>	<b>113,494</b>	<b>115,424</b>	<b>118,429</b>
A. Government borrowing	74,238	77,428	79,155	80,794	82,003
i) Concessional	74,238	77,428	79,155	80,794	82,003
ii) Non-concessional	0	0	0	0	0
B. Non-Government borrowing	32,747	33,904	34,339	34,630	36,426
i) Concessional	3,561	3,886	3,913	4,101	4,189
a) Public sector	1,295	1,471	1,467	1,621	1,687
b) Financial institutions	2,266	2,415	2,446	2,480	2,501
c) Private sector	0	0	0	0	0
ii) Non-concessional	29,186	30,018	30,426	30,529	32,237
a) Public sector	14,415	14,177	14,221	13,918	14,040
b) Financial institutions	3,428	3,689	3,691	3,777	3,813
c) Private sector	11,343	12,152	12,514	12,834	14,385
<b>III. International Monetary Fund</b>	<b>27,417</b>	<b>27,810</b>	<b>27,453</b>	<b>28,163</b>	<b>28,473</b>
<b>IV. Trade Credit</b>	<b>81,144</b>	<b>82,283</b>	<b>84,856</b>	<b>83,265</b>	<b>83,743</b>
a) Buyers' credit	71,743	72,678	75,096	73,416	73,798
b) Suppliers' credit	2,945	2,872	2,877	2,823	2,815
c) Export credit component of bilateral credit	6,456	6,733	6,883	7,026	7,131
d) Export credit for defence purposes	0	0	0	0	0



## Statement 1: India's External Debt Outstanding

(₹ crore)

Item	Jun-10	Sep-10	Dec-10	Mar-11PR	Jun-11 P
	1	2	3	4	5
<b>V. Commercial Borrowing</b>	<b>341,263</b>	<b>362,423</b>	<b>378,634</b>	<b>396,973</b>	<b>416,926</b>
a) Commercial bank loans	220,015	229,547	245,308	263,116	284,931
b) Securitised borrowings \$ (including FCCBs)	117,585	129,380	129,975	130,592	128,940
c) Loans/secured borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	3,663	3,496	3,351	3,265	3,055
<b>VI. NRI Deposits (above one-year maturity)</b>	<b>223,939</b>	<b>227,314</b>	<b>227,037</b>	<b>230,813</b>	<b>235,845</b>
a) NR(E)RA	121,340	121,062	119,010	117,802	116,769
b) FCNR(B)	66,887	68,374	67,657	69,658	71,970
c) NRO Deposits	35,712	37,878	40,370	43,352	47,106
<b>VII. Rupee Debt *</b>	<b>7,380</b>	<b>7,373</b>	<b>7,374</b>	<b>7,147</b>	<b>7,016</b>
a) Defence	6,635	6,630	6,631	6,416	6,311
b) Civilian +	745	743	743	731	705
<b>VIII. Short-term Debt</b>	<b>262,949</b>	<b>271,907</b>	<b>273,942</b>	<b>290,147</b>	<b>306,247</b>
a) Trade Related credits	241,297	244,435	249,808	261,006	275,200
1) Above 180 days	145,258	146,581	150,844	157,806	165,182
2) Upto 180 days	96,039	97,854	98,964	103,200	110,018
b) FII investment in Government T-Bills and other instruments	15,086	19,725	17,854	24,214	26,391
c) Investment in Treasury Bills by foreign central banks and international Institutions etc.	393	385	200	225	214
d) External Debt Liabilities of :	6,173	7,362	6,080	4,703	4,443
1) Central Banks	2,977	2,808	2,980	693	597
2) Commercial Banks	3,196	4,554	3,100	4,011	3,846
<b>IX. Gross Total</b>	<b>1,259,228</b>	<b>1,300,192</b>	<b>1,325,735</b>	<b>1,368,600</b>	<b>1,419,200</b>
<i>Memo Items</i>					
<b>A. Total Long-term Debt</b>	<b>996,280</b>	<b>1,028,285</b>	<b>1,051,793</b>	<b>1,078,453</b>	<b>1,112,953</b>
As % of Total Debt	79.1	79.1	79.3	78.8	78.4
<b>B. Short-term Debt</b>	<b>262,949</b>	<b>271,907</b>	<b>273,942</b>	<b>290,147</b>	<b>306,247</b>
As % of Total Debt	20.9	20.9	20.7	21.2	21.6
<b>Concessional Debt</b>	<b>202,729</b>	<b>207,082</b>	<b>208,090</b>	<b>212,693</b>	<b>215,721</b>
As % of Total Debt	16.1	15.9	15.7	15.5	15.2
<b>Short Term Debt</b>	<b>262,949</b>	<b>271,907</b>	<b>273,942</b>	<b>290,147</b>	<b>306,247</b>
As % of Total Debt	20.9	20.9	20.7	21.2	21.6

P : Provisional; PR : Partially Revised.

# Refers to Debt outstanding to Institutions like IFAD, OPEC &amp; 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.

**Note :** 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-10	Sep-10	Dec-10	Mar-11PR	Jun-11 P
	1	2	3	4	5
<b>I. Multilateral</b>	<b>44,677</b>	<b>46,689</b>	<b>47,527</b>	<b>48,473</b>	<b>49,374</b>
A. Government borrowing	39,569	41,162	41,854	42,578	43,015
i) Concessional	25,231	26,354	26,258	26,991	27,177
a) IDA	24,904	26,010	25,918	26,637	26,815
b) Others #	327	343	340	355	362
ii) Non-concessional	14,339	14,808	15,596	15,587	15,838
a) IBRD	8,454	8,644	8,850	8,774	8,829
b) Others ##	5,884	6,164	6,746	6,813	7,009
B. Non-Government borrowing	5,108	5,527	5,673	5,895	6,358
i) Concessional	0	0	0	0	0
ii) Non-concessional	5,108	5,527	5,673	5,895	6,358
a) Public sector	3,349	3,441	3,461	3,535	3,568
IBRD	1,902	2,004	1,995	2,057	2,061
Others ##	1,447	1,437	1,466	1,479	1,507
b) Financial institutions	1,181	1,491	1,568	1,680	1,891
IBRD	289	404	399	425	459
Others ##	891	1,088	1,169	1,255	1,433
c) Private sector	578	595	645	679	899
IBRD	0	0	0	0	0
Others	578	595	645	679	899
<b>II. Bilateral</b>	<b>22,963</b>	<b>24,782</b>	<b>25,331</b>	<b>25,828</b>	<b>26,312</b>
A. Government borrowing	15,934	17,235	17,667	18,075	18,191
i) Concessional	15,934	17,235	17,667	18,075	18,191
ii) Non-concessional	0	0	0	0	0
B. Non-Government borrowing	7,029	7,547	7,664	7,753	8,121
i) Concessional	764	865	873	917	929
a) Public sector	278	327	327	363	374
b) Financial institutions	486	538	546	555	555
c) Private sector	0	0	0	0	0
ii) Non-concessional	6,265	6,682	6,791	6,836	7,192
a) Public sector	3,094	3,156	3,174	3,116	3,128
b) Financial institutions	736	821	824	845	848
c) Private sector	2,435	2,705	2,793	2,875	3,216
<b>III. International Monetary Fund</b>	<b>5,885</b>	<b>6,190</b>	<b>6,127</b>	<b>6,308</b>	<b>6,367</b>
<b>IV. Trade Credit</b>	<b>17,417</b>	<b>18,316</b>	<b>18,939</b>	<b>18,649</b>	<b>18,711</b>
a) Buyers' credit	15,399	16,178	16,761	16,444	16,500
b) Suppliers' credit	632	639	642	632	629
c) Export credit component of bilateral credit	1,386	1,499	1,536	1,572	1,582
d) Export credit for defence purposes	0	0	0	0	0

## Statement 2 : India's External Debt Outstanding

(US \$ million)

Item	Jun-10	Sep-10	Dec-10	Mar-11 PR	Jun-11P
	1	2	3	4	5
<b>V. Commercial Borrowing</b>	<b>73,248</b>	<b>80,673</b>	<b>84,507</b>	<b>88,918</b>	<b>93,220</b>
a) Commercial bank loans	47,224	51,096	54,750	58,935	63,707
b) Securitized borrowings \$ (including FCCBs)	25,238	28,799	29,009	29,251	28,830
c) Loans/secritized borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	786	778	748	731	683
<b>VI. NRI Deposits (above one-year maturity)</b>	<b>48,108</b>	<b>49,907</b>	<b>50,672</b>	<b>51,682</b>	<b>52,898</b>
a) NR(E)RA	26,067	26,579	26,562	26,378	26,190
b) FCNR(B)	14,369	15,012	15,100	15,597	16,142
c) NRO Deposits	7,672	8,316	9,010	9,707	10,565
<b>VII. Rupee Debt *</b>	<b>1,584</b>	<b>1,641</b>	<b>1,646</b>	<b>1,601</b>	<b>1,567</b>
a) Defence	1,424	1,476	1,480	1,437	1,411
b) Civilian +	160	165	166	164	156
<b>VIII. Short-term Debt</b>	<b>56,439</b>	<b>60,525</b>	<b>61,141</b>	<b>64,990</b>	<b>68,473</b>
a) Trade Related credits	51,791	54,410	55,754	58,462	61,532
1) Above 180 days	31,178	32,628	33,667	35,347	36,933
2) Upto 180 days	20,614	21,782	22,088	23,116	24,599
b) FII investment in Government T-Bills and other instruments	3,238	4,391	3,985	5,424	5,901
c) Investment in Treasury Bills by foreign central banks and international Institutions etc.	84	86	45	50	48
d) External Debt Liabilities of :	1,325	1,639	1,357	1,053	993
1) Central Banks	639	625	665	155	133
2) Commercial Banks	686	1,014	692	898	860
<b>IX. GROSS TOTAL</b>	<b>270,321</b>	<b>288,722</b>	<b>295,890</b>	<b>306,448</b>	<b>316,922</b>
<i>Memo Items</i>					
<b>A. Total Long-term Debt</b>	<b>213,882</b>	<b>228,198</b>	<b>234,749</b>	<b>241,458</b>	<b>248,449</b>
As % of Total Debt	79.1	79.0	79.3	78.8	78.4
<b>B. Short-term Debt</b>	<b>56,439</b>	<b>60,525</b>	<b>61,141</b>	<b>64,990</b>	<b>68,473</b>
As % of Total Debt	20.9	21.0	20.7	21.2	21.6
<b>Concessional Debt</b>	<b>43,513</b>	<b>46,095</b>	<b>46,443</b>	<b>47,584</b>	<b>47,864</b>
As % of Total Debt	16.1	16.0	15.7	15.5	15.1
<b>Short Term Debt</b>	<b>56,439</b>	<b>60,525</b>	<b>61,141</b>	<b>64,990</b>	<b>68,473</b>
As % of Total Debt	20.9	21.0	20.7	21.2	21.6

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

## Refers to debt outstanding against loans from ADB

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\* 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.

## Annex I

## Gross External Debt of QEDS reporting countries for End-March and End-June 2011- Original Maturity

(US\$ billion)

Countries	2011Q1			2011Q2		
	Short-term	Long-term	Total	Short-term	Long-term	Total
1 Argentina	30.7	100.0	130.8	31.2	101.3	132.5
2 Armenia	0.7	5.9	6.6	0.7	6.2	7.0
3 Australia	337.4	888.3	1,225.7	373.5	928.5	1,302.0
4 Austria	243.9	623.7	867.6	238.7	644.8	883.5
5 Belarus	13.3	18.3	31.6	13.4	19.7	33.1
6 Belgium	733.4	638.5	1,371.9	745.2	653.6	1,398.8
7 Brazil	57.5	320.6	378.1	54.7	341.5	396.2
8 Bulgaria	15.5	37.1	52.5	15.7	37.8	53.5
9 Canada	360.2	789.0	1,149.1	372.1	808.6	1,180.8
10 Chile	20.1	71.3	91.4	21.9	74.7	96.6
11 Colombia	9.6	58.2	67.8	10.2	58.8	68.9
12 Costa Rica	2.7	6.6	9.3	2.6	6.6	9.2
13 Croatia	7.7	60.3	68.0	8.1	60.6	68.7
14 Czech Republic	27.6	73.7	101.3	28.7	77.0	105.8
15 Denmark	284.4	341.6	626.0	266.3	360.6	626.9
16 Ecuador	0.8	13.8	14.6	0.8	13.6	14.3
17 Egypt	3.1	31.8	34.8	2.8	32.1	34.9
18 El Salvador	0.9	10.5	11.4	1.5	10.4	11.9
19 Estonia	8.9	14.2	23.0	9.8	14.4	24.2
20 Finland	224.0	283.7	507.7	217.1	300.9	518.0
21 France	2,129.4	3,236.4	5,365.7	2,189.8	3,442.9	5,632.7
22 Georgia	1.4	8.9	10.3	1.5	9.0	10.5
23 Germany	1,879.5	3,548.2	5,427.7	1,917.0	3,706.6	5,623.7
24 Greece	238.5	343.3	581.8	273.0	310.3	583.3
25 Hong Kong, China	643.2	172.5	815.6	702.3	200.8	903.2
26 Hungary	34.5	189.5	224.0	35.3	197.2	232.5
27 India	65.0	241.5	306.4	68.5	248.4	316.9
28 Indonesia	35.2	174.9	210.1	38.3	184.7	223.0
29 Ireland	200.1	493.7	693.9	698.8	1,658.4	2,357.2
30 Israel	53.1	56.3	109.4	56.7	55.7	112.4
31 Italy	617.5	1,995.9	2,613.5	611.2	2,073.2	2,684.5
32 Japan	1,854.6	785.7	2,640.2	1,880.5	838.6	2,719.0
33 Jordan	9.5	6.8	16.3	10.7	6.8	17.5
34 Kazakhstan	12.4	110.8	123.2	11.1	113.1	124.1
35 Korea	148.5	234.1	382.6	149.7	248.2	398.0
36 Kyrgyz Republic	0.0	0.0	0.0	0.0	0.0	0.0
37 Latvia	12.3	28.7	41.0	12.6	29.4	42.1
38 Lithuania	5.8	28.1	33.8	6.4	29.4	35.8
39 Luxembourg	1,137.0	906.9	2,043.9	1,290.0	856.1	2,146.1
40 Malaysia	29.8	46.6	76.4	30.2	48.9	79.1
41 Malta	30.5	14.0	44.5	35.3	13.5	48.8
42 Mexico	51.1	214.6	265.7	55.7	224.1	279.8
43 Moldova	1.6	3.3	4.9	1.6	3.5	5.1
44 Morocco	3.2	25.7	28.9	3.7	26.4	30.2
45 Netherlands	1,007.1	1,554.6	2,561.7	1,016.7	1,638.8	2,655.4
46 Norway	260.5	382.3	642.8	253.9	390.6	644.5
47 Peru	6.4	35.4	41.7	7.0	35.2	42.3
48 Poland	64.9	283.8	348.7	63.0	302.4	365.4
49 Portugal	228.8	323.6	552.4	223.8	324.4	548.3
50 Romania	19.5	116.6	136.1	22.5	121.0	143.5
51 Russian Federation	61.8	447.8	509.6	73.9	464.7	538.6
52 Slovak Republic	32.2	41.7	73.9	34.2	41.7	75.9
53 Slovenia	10.6	50.2	60.8	11.4	49.8	61.2
54 South Africa	20.7	82.4	103.1	20.1	89.2	109.4
55 Spain	731.9	1,732.7	2,464.5	790.4	1,779.9	2,570.3
56 Sweden	325.5	682.0	1,007.5	329.7	686.5	1,016.2
57 Switzerland	828.8	466.9	1,295.7	857.6	488.7	1,346.4
58 Thailand	52.4	55.8	108.2	55.0	57.0	111.9
59 Tunisia	4.8	17.9	22.7	5.4	17.7	23.1
60 Turkey	77.3	221.4	298.7	85.0	224.7	309.6
61 Ukraine	27.5	93.2	120.7	28.7	94.7	123.4
62 United Kingdom	6,901.1	2,920.5	9,821.6	6,959.4	2,877.0	9,836.4
63 United States	5,379.0	9,446.4	14,825.3	5,251.2	9,463.6	14,714.8
64 Uruguay	0.1	13.1	13.3	0.2	13.8	13.9
65 EURO Area	0.0	2,022.7	2,022.7	0.0	2,063.4	2,063.4

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