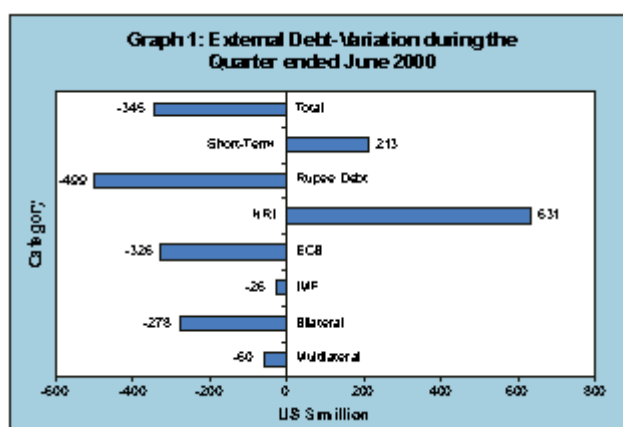


### India's External Debt for End-June 2000 \*

India's external debt statistics are published for three reference periods in a year viz., for end-March (in RBI Annual Report), end-September (in Economic Survey, Ministry of Finance) and end-December (in "India's External Debt - A Status Report", Ministry of Finance). The data are, therefore, published for three quarters in a year excepting June. The Technical Group on External Debt (Chairman: Shri M.R. Nair) had recommended, *inter alia*, that external debt statistics be published on a quarterly basis. In order to implement this recommendation of the Technical Group as also the data requirement for the Special Data Dissemination Standards (SDDS) of the International Monetary Fund (IMF), it has been decided to publish data on external debt for the quarter of June. The first set of data in the series for the period ending June 2000 are presented in this article. The data for end-March 2000 were published in the RBI Annual Report 1999-2000.

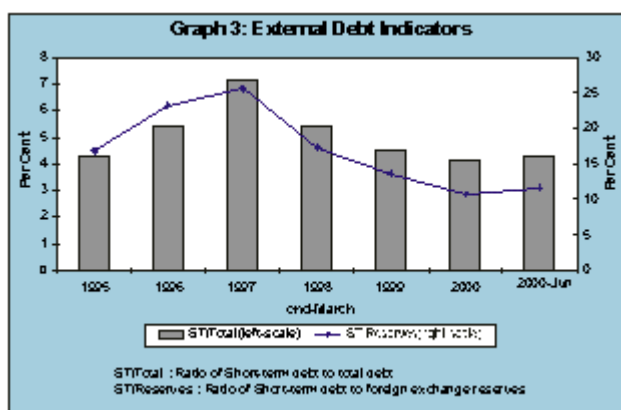
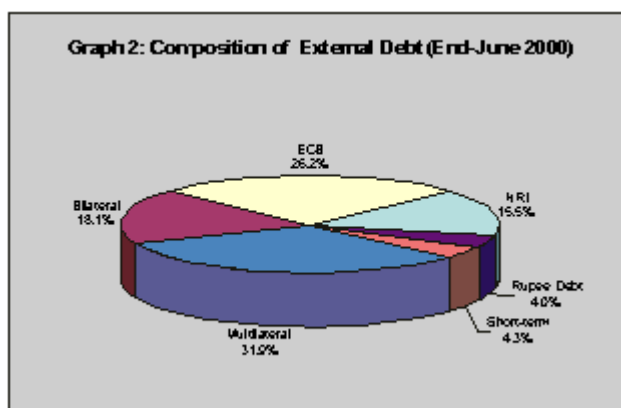
#### External Debt at end-June 2000

India's external debt declined by 0.3 per cent from US \$ 98,435 million at end-March 2000 to US \$ 98,090 million at end-June 2000 ([Table-1](#) and [Statement-1](#)). The decline in the level of the debt reflects the policy stance since the early 1990s to attract non-debt creating flows and to de-emphasize debt creating flows, especially short-term debt. Component-wise, all components of external debt, except long-term non-resident deposits and short-term trade credits, declined during the quarter ([Graph-1](#)).



The proportion of multilateral (excepting IMF) and bilateral debt in the total debt declined marginally from 50.2 per cent at end-March 2000 to 50.0 per cent at end-June 2000. Similarly, the share of commercial borrowings (including long-term trade credits) fell marginally from 26.4 per cent at end-March 2000 to 26.2 per cent at end-June 2000 reflecting the sluggish demand for such borrowings. The share of rupee debt in total debt continued its downward trajectory as it fell from 4.5 per cent to 4.0 per cent over the same period. An important development was that the loan taken from the IMF during the payments difficulties of the early 1990s was fully extinguished during the quarter. The proportion of debt under long-term nonresident deposits, on the other hand, increased from 14.8 per cent at end-March 2000 to 15.5 per cent at end-June 2000 ([Graph-2](#)). The increase in the share of long-term NRI deposits could be attributed to the policy decision of October 1999 to raise the minimum maturity of FCNR(B) deposits to one year. The marginal increase in short-term debt from US \$ 4.0 billion at end-March 2000 to US \$ 4.3 billion at end-June 2000 was entirely on account of outstanding short-term trade credits which increased from US \$ 2.6 billion to US \$ 3.0 billion. The increase in trade credits in turn reflected higher credits needed to finance the enlarged oil imports in view of spurt in

international crude prices.



**Table-1: India's External Debt**

Item	At the end of			
	June-2000		March-2000	
	US \$ million	% to total debt	US \$ million	% to total debt
1. Multilateral	31,257	31.9	31,317	31.8
2. Bilateral	17,778	18.1	18,056	18.3
3. IMF	0	0.0	26	0.0
4. Commercial Borrowings (including trade credits) #	25,699	26.2	26,025	26.4
5. NRI Deposits (long-term)	15,213	15.5	14,582	14.8
6. Rupee debt	3,887	4.0	4,386	4.5
7. Long Term-Debt (1to 6)	93,834	95.7	94,392	95.9
8. Short- Term Debt *	4,256	4.3	4,043	4.1
<b>9. Total Debt (7+8)</b>	<b>98,090</b>	<b>100.0</b>	<b>98,435</b>	<b>100.0</b>

# Includes net investment by 100 % FII debt funds.

\* Excludes suppliers' credit of up to 180 days.

The consolidation of external debt was carried further during the quarter as indicated by key indicators of debt sustainability. The concessional debt as a proportion to total debt continued to be significant at 38.3 per cent at end-June 2000 (38.5 per cent at end-March 2000). The size of short-term debt remained modest both in regard to total debt and reserves. While the proportion of short-term to total debt was 4.3 per cent at end-June 2000 as against 4.1 per cent at end-March 2000 due to increase in the short-term trade credits, the ratio of short-term debt to foreign exchange reserves was 11.6 per cent at end-June 2000 as against 10.6 per cent at end-March 2000 ([Graph-3](#)).

### Statement-1: India's External Debt

Item	Rupees crore				US \$ million			
	2000		1999		2000		1999	
	(end-Jun)	(end-Mar)	(end-Dec)	(end-Sep)	(end-Jun)	(end-Mar)	(end-Dec)	(end-Sep)
1	2	3	4	5	6	7	8	9
<b>I. Multilateral</b>	<b>139656</b>	<b>136584</b>	<b>135501</b>	<b>134582</b>	<b>31257</b>	<b>31317</b>	<b>31107</b>	<b>30841</b>
A. Government borrowing	122468	119722	118739	118555	27410	27447	27259	27167
i) Concessional	86076	82864	82787	82916	19265	18997	19005	19000
a) IDA	84843	81590	81492	81581	18989	18705	18708	18694
b) Others	1233	1274	1295	1335	276	292	297	306
ii) Non-concessional	36392	36858	35952	35639	8145	8450	8254	8167
a) IBRD	25124	25924	25133	25262	5623	5943	5770	5789
b) Others	11268	10934	10819	10377	2522	2507	2484	2378
B. Non-Government borrowing	17188	16862	16762	16027	3847	3870	3848	3674
i) Concessional	0	0	0	0	0	0	0	0
ii) Non-concessional	17188	16862	16762	16027	3847	3870	3848	3674
a) Public sector	12470	12184	12004	11555	2791	2797	2756	2648
IBRD	7068	6933	6854	6771	1582	1592	1573	1552
Others	5402	5251	5150	4784	1209	1205	1183	1096
b) Financial institutions	3128	3101	3175	2799	700	711	729	642
IBRD	1001	999	1025	1034	224	229	235	237
Others	2127	2102	2150	1765	476	482	494	405
c) Private sector	1591	1578	1583	1673	356	362	363	384
IBRD	1202	1172	1220	1300	269	269	280	298
Others	389	406	363	373	87	93	83	86
<b>II. Bilateral</b>	<b>79432</b>	<b>78749</b>	<b>80835</b>	<b>80254</b>	<b>17778</b>	<b>18056</b>	<b>18561</b>	<b>18392</b>
A. Government borrowing	61274	60819	62503	62543	13714	13943	14350	14332
i) Concessional	60032	59280	60970	60984	13436	13590	13997	13974
ii) Non-concessional	1242	1539	1533	1559	278	353	353	358
B. Non-Government borrowing	18158	17930	18332	17711	4064	4113	4211	4060
i) Concessional	4200	4025	3713	3425	940	924	852	785
a) Public sector	1586	1489	1089	883	355	342	250	202
b) Financial institutions	2614	2536	2624	2542	585	582	602	583
c) Private sector	0	0	0	0	0	0	0	0
ii) Non-concessional	13958	13905	14619	14286	3124	3189	3359	3275
a) Public sector	4548	4590	5185	5124	1018	1053	1191	1174
b) Financial institutions	4106	4108	4270	4177	919	942	981	958
c) Private sector	5304	5206	5164	4985	1187	1194	1187	1143
<b>III. International Monetary Fund</b>	<b>0</b>	<b>113</b>	<b>229</b>	<b>581</b>	<b>0</b>	<b>26</b>	<b>53</b>	<b>133</b>
<b>IV. Trade Credit</b>	<b>29685</b>	<b>29006</b>	<b>29578</b>	<b>30058</b>	<b>6644</b>	<b>6652</b>	<b>6797</b>	<b>6894</b>
a) Buyers' credit	18864	18188	18582	18886	4222	4171	4271	4332
b) Suppliers' credit	5540	5581	5610	5691	1240	1280	1289	1305
c) Export credit component of bilateral credit	5219	5154	5301	5303	1168	1182	1217	1216
d) Export credit for defence purposes	63	83	85	178	14	19	20	41
<b>V. Commercial Borrowing</b>	<b>85138</b>	<b>84476</b>	<b>86783</b>	<b>89228</b>	<b>19055</b>	<b>19373</b>	<b>19949</b>	<b>20465</b>
a) Commercial bank loans	43626	43391	44740	45915	9764	9951	10284	10531
b) Securitized borrowings \$ (inclu. IDBs and FCCBs)	38188	37736	38634	39770	8547	8654	8881	9121
c) Loans/securitized borrowings, etc. with multilateral/bilateral Guarantee and IFC(W)	3235	3235	3254	3364	724	742	748	772

d) Self Liquidating Loans	89	113	155	179	20	26	36	41
<b>VI. NRI &amp; FC(B&amp;O) Deposits (above one-year maturity)</b>	<b>67972</b>	<b>63585</b>	<b>58144</b>	<b>56691</b>	<b>15213</b>	<b>14582</b>	<b>13365</b>	<b>13003</b>
<b>VII. Rupee Debt *</b>	<b>17367</b>	<b>19128</b>	<b>19641</b>	<b>19780</b>	<b>3887</b>	<b>4386</b>	<b>4516</b>	<b>4535</b>
a) Defence	15441	17211	17830	17758	3456	3947	4100	4072
b) Civilian +	1926	1917	1811	2022	431	439	416	463
<b>VIII. Total Long-term Debt (I to VII)</b>	<b>419250</b>	<b>411641</b>	<b>410711</b>	<b>411174</b>	<b>93834</b>	<b>94392</b>	<b>94348</b>	<b>94263</b>
<b>IX. Short-term Debt</b>	<b>19016</b>	<b>17630</b>	<b>20260</b>	<b>20090</b>	<b>4256</b>	<b>4043</b>	<b>4657</b>	<b>4608</b>
a) NRI deposits (up to 1 year maturity)	5746	6449	9666	9548	1286	1479	2222	2190
b) Others (trade related) **	13270	11180	10594	10542	2970	2564	2435	2418
<b>X. Gross Total</b>	<b>438266</b>	<b>429271</b>	<b>430971</b>	<b>431264</b>	<b>98090</b>	<b>98435</b>	<b>99005</b>	<b>98871</b>
<i>Concessional Debt</i>	167675	165297	167111	167105	37528	37897	38370	38294
As % of Total Debt	38.3	38.5	38.8	38.7	38.3	38.5	38.8	38.7
<i>Short Term Debt</i>	19016	17630	20260	20090	4256	4043	4657	4608
As % of Total Debt	4.3	4.1	4.7	4.7	4.3	4.1	4.7	4.7

P: Provisional.

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

\* Debt owed to Russia denominated in Rupees and converted at current exchange rates, payable in exports.

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

\*\* This does not include suppliers' credit of up to 180 days for which no estimates are available.

**Note :**

1. Multilateral loans do not include revaluation of IBRD pooled loans and exchange rate adjustment under IDA loans for pre-1971 credits.
2. Debt-service ratio from the year 1992-93 includes the revised private transfer *contra-entry* on account of gold and silver imports.

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**\* Prepared in the Division of International Finance of the Department of Economic Analysis and Policy.**