

## India's External Debt as at End-June 2001

### Introduction

As a sequel to the recommendation of the Technical Group on External Debt (Chairman: Shri M.R. Nair, May 1998), as also the data requirement for the Special Data Dissemination Standards (SDDS), India's external debt statistics, which were earlier published for three quarters (end-March, end-September and end-December) are currently being published for four quarters since quarter beginning end-June 2000. According to the present arrangement, India's external debt statistics are published for four reference periods in a fiscal year *viz.*, for end-June [in Reserve Bank of India (RBI) Monthly Bulletin], end-March [in RBI Annual Report], end-September [in Economic Survey, Ministry of Finance (MoF)], Government of India (GoI) and end-December [in "India's External Debt - A Status Report"], MoF, GoI.

The present article, which is the second in the series, provides India's external debt position as at end-June 2001<sup>1</sup>. It may be recalled that the data for end-March 2001 were published in the Reserve Bank of India Annual Report 2000-01 and "India's External Debt-A Status Report", October 2001.

### External Debt at end-June 2001

According to provisional data, India's external debt at US \$ 98.3 billion as at end-June 2001 declined by 2.1 per cent from US \$ 100.4 billion as at end-March 2001 ([Table-1](#)). Detailed data on external debt as at end-June 2001 as also for the earlier four quarters (June 2000, September 2000, December 2000 and March 2001) are set out in [Statement 1](#) and [2](#).

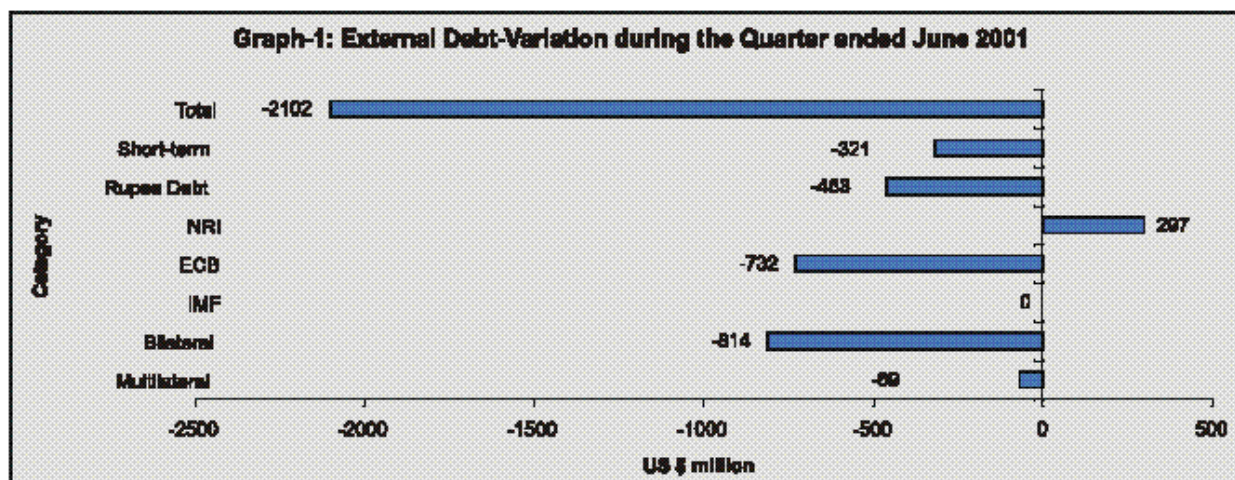
**TABLE-1: INDIA'S EXTERNAL DEBT**

Item	At the end of					
	June-2001		March-2001		Variation during the Quarter Apr.-Jun. 2001	
	Amount (US \$ million)	Share in total debt (per cent)	Amount (US \$ million)	Share in total debt (per cent)	Absolute variation	Percentage variation
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Multilateral	31,035	31.6	31,104	31.0	-69	-0.2
2. Bilateral	15,810	16.1	16,624	16.6	-814	-4.9
3. IMF	0	0.0	0	0.0	0	0.0
4. Commercial Borrowings (including trade credits)#	29,309	29.8	30,041	29.9	-732	-2.4
5. NRI Deposits (long-term)	15,729	16.0	15,432	15.4	297	1.9
6. Rupee debt	3,230	3.3	3,693	3.7	-463	-12.5
7. Long Term-Debt (1to 6)	95,113	96.8	96,894	96.6	-1781	-1.8
8. Short-Term Debt *	3,141	3.2	3,462	3.4	-321	-9.3
9. Total Debt (7+8)	98,254	100.0	1,00,356	100.0	-2102	-2.1

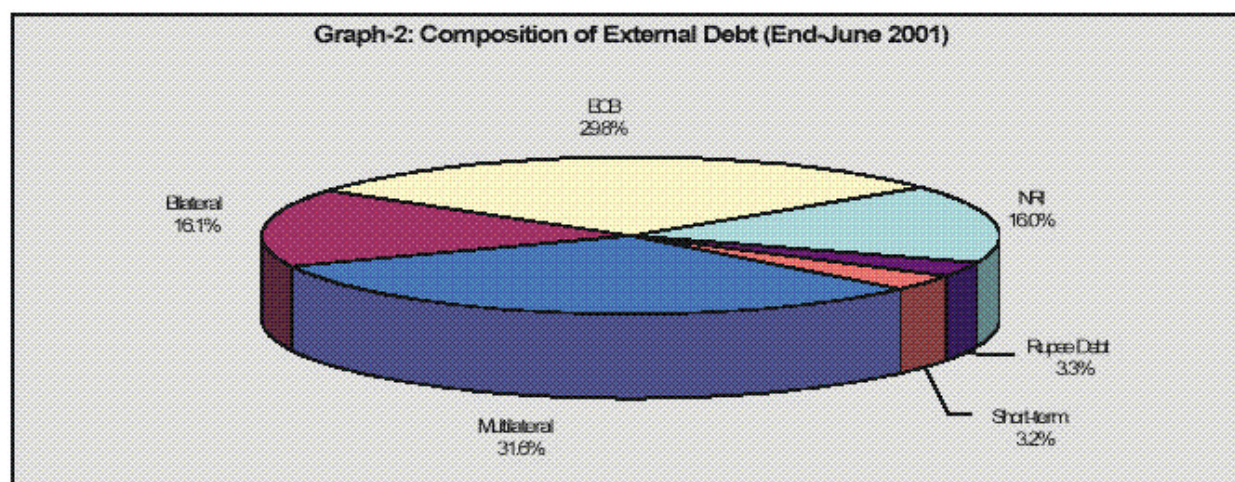
# Includes net investment by 100 % FII debt funds.

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

Component-wise analysis reveals that all components of external debt, except long-term non-resident deposits declined during the quarter under reference (Graph-1).



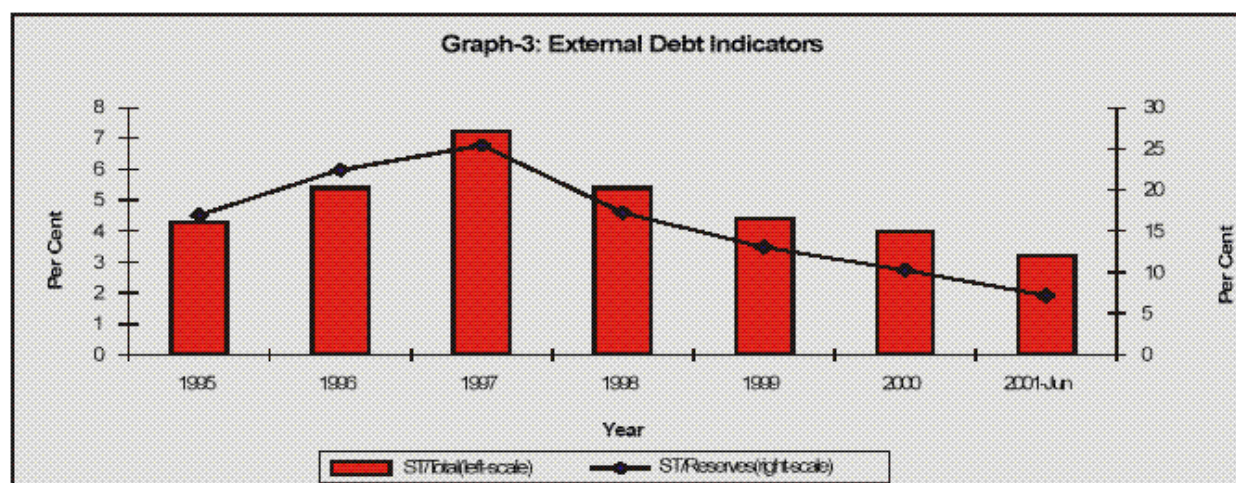
The share of multilateral excepting IMF debt in the total debt increased marginally from 31.0 per cent at end-March 2001 to 31.6 per cent at end-June 2001. The share of bilateral debt to total debt declined marginally from 16.6 per cent at end-March-2001 to 16.1 per cent at end-June 2001. The share of commercial borrowings increased marginally from 24.1 per cent at end-March 2001 to 24.4 per cent, at end-June 2001. The share of rupee debt in total external debt continued its downward trajectory as it fell from 3.7 per cent to 3.3 per cent during the quarter. The proportion of debt under long-term non-resident deposits, on the other hand, increased from 15.4 per cent at end-March 2001 to 16.0 per cent at end-June 2001(Graph-2).



Short-term debt declined from US \$ 3.5 billion at end-March 2001 to US \$ 3.1 billion at end-June 2001. Trade credits declined from US \$ 5.8 billion at end-March 2001 to US \$ 5.4 billion at end-June 2001.

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 with a marginal increase to 36.5 per cent at end-June 2001 from 35.9 per cent at end-March 2001. 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 declined to 3.2 per cent at end-June

2001 as against 3.4 per cent at end-March 2001, the ratio of short-term debt to foreign exchange reserves declined significantly from 8.2 per cent at end-March 2001 to 7.2 per cent at end-June 2001. ([Statement-1](#), Graph-3).



**STATEMENT 1: INDIA'S EXTERNAL DEBT OUTSTANDING  
(QUARTERLY POSITION)**

(Rs. crores)

Item	End Period				
	Jun-00 R.E.	Sep-00 R.E.	Dec-00 P	Mar-01 P	June-01 P
1	2	3	4	5	6
<b>I. MULTILATERAL</b>	<b>139701</b>	<b>141514</b>	<b>145360</b>	<b>145099</b>	<b>145989</b>
A. Government borrowing	122521	124618	127866	127765	128485
i) Concessional	86112	87449	89494	88943	89348
a) IDA	84880	86166	88241	87697	88087
b) Others	1232	1283	1253	1246	1261
ii) Non-concessional	36409	37169	38372	38822	39137
a) IBRD	25137	25575	25892	26320	26286
b) Others	11272	11594	12480	12502	12851
B. Non-Government borrowing	17180	16896	17494	17334	17504
i) Concessional	0	0	0	0	2460
ii) Non-concessional	17180	16896	17494	17334	15044
a) Public sector	12474	12090	12433	12474	10279
IBRD	7073	7154	7192	7165	4822
Others	5401	4936	5241	5309	5457
b) Financial institutions	3128	3240	3505	3374	3302
IBRD	1002	1026	1015	1017	767
Others	2126	2214	2490	2357	2535
c) Private sector	1578	1566	1556	1486	1463
IBRD	1201	1190	1202	1148	1157
Others	377	376	354	338	306
<b>II. BILATERAL</b>	<b>79877</b>	<b>79768</b>	<b>78966</b>	<b>77549</b>	<b>74370</b>
A. Government borrowing	61303	61434	60745	59387	56490
i) Concessional	60060	60152	59444	58089	55634

ii)	Non-concessional	1243	1282	1301	1298	856
<b>B.</b>	<b>Non-Government borrowing</b>	<b>18574</b>	<b>18334</b>	<b>18221</b>	<b>18162</b>	<b>17880</b>
i)	Concessional	4201	4289	4064	3830	5965
	a) Public sector	1588	1641	1524	1502	3298
	b) Financial institutions	2613	2648	2540	2328	2667
	c) Private sector	0	0	0	0	0
ii)	Non-concessional	14373	14045	14157	14332	11915
	a) Public sector	4721	4517	4814	5037	3382
	b) Financial institutions	4145	4089	4088	4276	3570
	c) Private sector	5507	5439	5255	5019	4963
<b>III.</b>	<b>INTERNATIONAL MONETARY FUND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV.</b>	<b>EXPORT CREDIT</b>	<b>30697</b>	<b>30006</b>	<b>28831</b>	<b>27228</b>	<b>25294</b>
	a) Buyers' credit	19884	19167	18314	17267	15881
	b) Suppliers' credit	5529	5547	5286	4850	4516
	c) Export credit component of bilateral credit	5223	5231	5169	5052	4836
	d) Export credit for defence purchases	61	61	62	59	61
<b>V.</b>	<b>COMMERCIAL BORROWING</b>	<b>86760</b>	<b>89445</b>	<b>113734</b>	<b>112885</b>	<b>112576</b>
	a) Commercial bank loans#	44412	46255	46477	46340	46043
	b) Securitized borrowings## (inclu. IDBs and FCCBs) \$	38998	39972	64169	63676	63833
	c) Loans/securitized borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	3261	3154	3055	2869	2700
	d) Self Liquidating Loans	89	64	33	0	0
<b>VI.</b>	<b>NRI &amp; FC(B&amp;O) Deposits@</b> (above one-year maturity)	<b>62971</b>	<b>67042</b>	<b>69865</b>	<b>71975</b>	<b>73989</b>
	a) NRI deposits@@	62971	67042	69865	71975	73989
	b) FC(B&O) deposits	0	0	0	0	0
<b>VII.</b>	<b>Rupee Debt *</b>	<b>17367</b>	<b>17330</b>	<b>17553</b>	<b>17225</b>	<b>15194</b>
	a) Defence	15441	15434	15647	15438	13449
	b) Civilian	1926	1896	1906	1787	1745
<b>VIII.</b>	<b>TOTAL LONG-TERM DEBT</b> (I to VII)	<b>417373</b>	<b>425105</b>	<b>454309</b>	<b>451961</b>	<b>447412</b>
<b>IX.</b>	<b>SHORT-TERM DEBT</b>	<b>18691</b>	<b>20440</b>	<b>17908</b>	<b>16147</b>	<b>14776</b>
	a) NRI deposits@ (up to 1 year maturity)	5421	4207	3655	3689	3806
	b) FC(B&O)D (up to 1 year maturity)	0	0	0	0	0
	c) Others (trade related) ** of which short-term debt of 6 months	13270	16233	14253	12458	10970
<b>X.</b>	<b>GROSS TOTAL(VIII+IX)</b> Memo Items	<b>436064</b>	<b>445545</b>	<b>472217</b>	<b>468108</b>	<b>462188</b>

Concessional Debt***	167740	169220	170555	168087	168601
As % of Total Debt	38.5	38.0	36.1	35.9	36.5
Short Term Debt	18691	20440	17908	16147	14776
As % of Total Debt	4.3	4.6	3.8	3.4	3.2

IFC(W) : International Finance Corporation(Washington)

FC(B&O) Deposits:Foreign Currency(Banks & Others)Deposits

P : Provisional

RE : Revised Estimates

# : Includes financial lease since 1996.

## : Includes India Development Bonds(IDBs), Resurgent India Bonds (RIBs), India Millenium Deposits (IMDs).

Also includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds.

FCCB debt has been adjusted since End-March,1998 after netting out conversion into equity and redemptions.

@ Figures include accrued interest.

@@ The estimated NRI deposits do not include Non-Resident Non-Repatriable Deposits(NRNRD) which is not repatriable. However, interest service for NRNRD, which is repatriable, is included as part of debt service payment.

\* Rupee denominated debt owed to Russia and payable through exports.

\*\* This does not include suppliers' credit of up to 180 days since end-March 1984

\*\*\* The definition of concessional debt here includes concessional categories under multilateral and bilateral debt and rupee debt under item VII.

## STATEMENT 2: INDIA'S EXTERNAL DEBT OUTSTANDING (QUARTERLY POSITION)

(US \$ Million)

Item	End Period				
	Jun-00 R.E.	Sep-00 R.E.	Dec-00 P	Mar-01 P	June-01 P
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>I. MULTILATERAL</b>	<b>31254</b>	<b>30645</b>	<b>31119</b>	<b>31104</b>	<b>31035</b>
A. Government borrowing	27410	26986	27374	27388	27314
i) Concessional	19265	18937	19159	19066	18994
a) IDA	18989	18659	18891	18799	18726
b) Others	276	278	268	267	268
ii) Non-concessional	8145	8049	8215	8322	8320
a) IBRD	5623	5538	5543	5642	5588
b) Others	2522	2511	2672	2680	2732
B. Non-Government borrowing	3844	3659	3745	3716	3721
i) Concessional	0	0	0	0	523
ii) Non-concessional	3844	3659	3745	3716	3198
a) Public sector	2791	2618	2662	2674	2185
IBRD	1582	1549	1540	1536	1025
Others	1209	1069	1122	1138	1160
b) Financial institutions	700	701	750	723	702
IBRD	224	222	217	218	163
Others	476	479	533	505	539
c) Private sector	353	340	333	319	311
IBRD	269	258	257	246	246
Others	84	82	76	73	65
<b>II. BILATERAL</b>	<b>17870</b>	<b>17280</b>	<b>16903</b>	<b>16624</b>	<b>15810</b>
A. Government borrowing	13714	13304	13004	12730	12009
i) Concessional	13436	13026	12726	12452	11827
ii) Non-concessional	278	278	278	278	182

B.	Non-Government borrowing	4156	3976	3899	3894	3801
i)	Concessional	940	929	870	821	1268
	a) Public sector	355	355	326	322	701
	b) Financial institutions	585	574	544	499	567
	c) Private sector	0	0	0	0	0
ii)	Non-concessional	3216	3047	3029	3073	2533
	a) Public sector	1056	980	1030	1080	719
	b) Financial institutions	927	886	875	917	759
	c) Private sector	1233	1181	1124	1076	1055
<b>III.</b>	<b>INTERNATIONAL MONETARY FUND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV.</b>	<b>EXPORT CREDIT</b>	<b>6870</b>	<b>6511</b>	<b>6169</b>	<b>5838</b>	<b>5377</b>
	a) Buyers' credit	4450	4161	3918	3702	3376
	b) Suppliers' credit	1238	1204	1131	1040	960
	c) Export credit component of bilateral credit	1168	1133	1107	1083	1028
	d) Export credit for defence purchases	14	13	13	13	13
<b>V.</b>	<b>COMMERCIAL BORROWING</b>	<b>19418</b>	<b>19417</b>	<b>24331</b>	<b>24203</b>	<b>23932</b>
	a) Commercial bank loans#	9940	10041	9943	9936	9788
	b) Securitized borrowings## (inclu. IDBs and FCCBs) \$	8728	8677	13727	13652	13570
	c) Loans/secured borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	730	685	654	615	574
	d) Self Liquidating Loans	20	14	7	0	0
<b>VI.</b>	<b>NRI &amp; FC(B&amp;O) Deposits@</b> (above one-year maturity)	<b>14094</b>	<b>14553</b>	<b>14946</b>	<b>15432</b>	<b>15729</b>
	a) NRI deposits@@	14094	14553	14946	15432	15729
	b) FC(B&O) deposits	0	0	0	0	0
<b>VII.</b>	<b>Rupee Debt *</b>	<b>3887</b>	<b>3761</b>	<b>3755</b>	<b>3693</b>	<b>3230</b>
	a) Defence	3456	3350	3347	3310	2859
	b) Civilian	431	411	408	383	371
<b>VIII.</b>	<b>TOTAL LONG-TERM DEBT</b> (I to VII)	<b>93393</b>	<b>92167</b>	<b>97223</b>	<b>96894</b>	<b>95113</b>
<b>IX.</b>	<b>SHORT-TERM DEBT</b>	<b>4183</b>	<b>4438</b>	<b>3831</b>	<b>3462</b>	<b>3141</b>
	a) NRI deposits@ (up to 1 year maturity)	1213	914	782	791	809
	b) FC(B&O)D (up to 1 year maturity)	0	0	0	0	0
	c) Others (trade related) ** of which short-term debt of 6 months	2970	3524	3049	2671	2332
<b>X.</b>	<b>GROSS TOTAL(VIII+IX)</b>	<b>97576</b>	<b>96605</b>	<b>101054</b>	<b>100356</b>	<b>98254</b>
	Memo Items					
	Concessional Debt***	37528	36653	36510	36032	35842

As % of Total Debt	38.5	37.9	36.1	35.9	36.5
Short Term Debt	4183	4438	3831	3462	3141
As % of Total Debt	4.3	4.6	3.8	3.4	3.2

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

1 The earlier article covering the period ending June 2000 was published in the Reserve Bank of India Bulletin, January 2001.