

## India's External Debt for Quarter End-June 2003\*

### Introduction

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].

### External Debt at end-June 2003

India's external debt at US \$ 109.6 billion as on end-June 2003 increased by US \$ 5.0 billion (*i.e.*, by 4.8 per cent) from US \$ 104.6 billion at end-March 2003 (Table-1). Detailed data on external debt for quarter ending June 2003 as also for the earlier four quarters (June 2002, September 2002, December 2002 and March 2003) are set out in Statement 1 and 2.

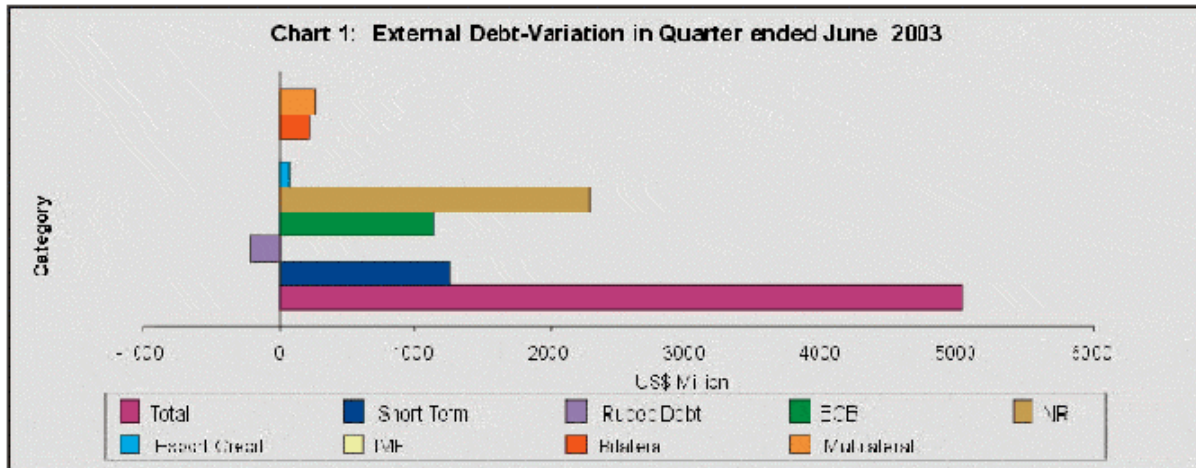
Component-wise analysis reveals that all components of external debt, except rupee debt, increased in absolute terms during the quarter ended June 2003 over the previous quarter. As a proportion of total debt, the share of NRI deposits, external commercial borrowing and short-term debt recorded increases (Chart-1).

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

Item	At the end of				Variation during	
	June-2003		March-2003		the Quarter	
	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	30,197	27.6	29,928	28.6	269	0.9
2. Bilateral	17,034	15.5	16,812	16.1	222	1.3
3. IMF	0	—	0	—	—	—
4. Export Credit	5,019	4.6	4,951	4.7	68	1.4
5. Commercial borrowings #	23,449	21.4	22,316	21.3	1,133	5.1
6. NRI Deposits (long-term)	25,441	23.2	23,160	22.2	2281	9.8
7. Rupee debt	2,604	2.4	2,815	2.7	-211	-7.5
8. Long Term-Debt (1 to 7)	1,03,744	94.7	99,982	95.6	3,762	3.8
9. Short-Term Debt *	5,834	5.3	4,569	4.4	1,265	27.7
10. Total Debt (8+9)	1,09,578	100	1,04,551	100	5,027	4.8

# Includes net investment by 100 % FII debt funds.

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



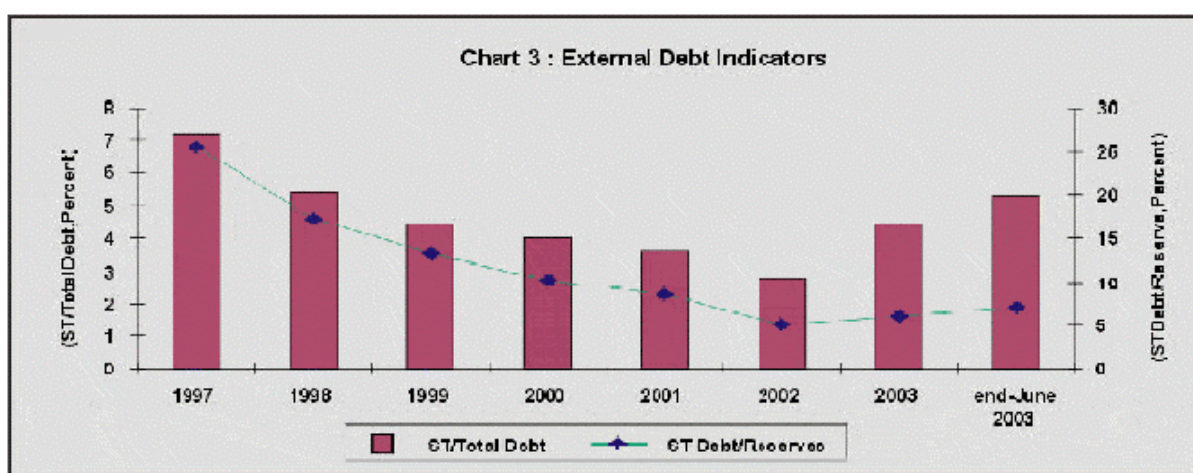
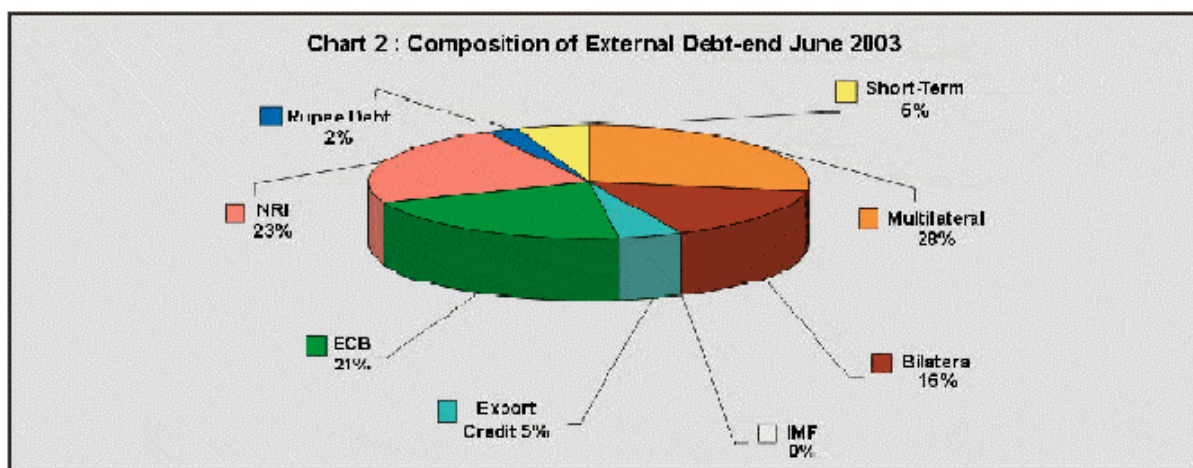
The share of multilateral and bilateral debt in India's total external debt declined from 28.6 per cent to 27.6 per cent and from 16.1 per cent to 15.5 per cent between end-March 2003 and end-June 2003, respectively. The share of commercial borrowings to total debt, however, remained broadly stable at 21.4 per cent at end-June 2003 as against 21.3 per cent at end-March 2003. The share of rupee debt in total debt continued its downward trajectory and declined from 2.7 per cent at end-March 2003 to 2.4 per cent at end-June 2003.

As a sequel to the decision to discontinue the Non-Resident Non-Repatriable Rupee Deposit [NR(NR)RD] scheme with effect from April 1, 2002 and to credit the maturity proceeds of NR(NR)RD to the account holder's NonResident External Rupee Account (NRE), there has been a steady increase in the proportion of debt under long-term non-resident deposits. It has increased from 22.2 per cent at end-March 2003 to 23.2 per cent at end-June 2003. Share of export credits to total debt declined marginally from 4.7 per cent at end-March 2003 to 4.6 per cent at end- June 2003.

Short-term debt increased significantly from US \$ 4.6 billion at end-March 2003 to US \$ 5.8 billion at end-June 2003, due to an increase in both components of short-term debt, viz., non-resident deposits and short-term trade credits (Chart-2). The increase in short-term trade credit reflects the spurt in imports in India during the quarter. The decision taken by the Reserve Bank of India in its Monetary and Credit Policy, April 2003, to discontinue the short-term NRI deposit Scheme is expected to reduce the short-term NRI debt in the following quarters.

### Debt Indicators

Concessional debt as a proportion of total debt shows a decline from 36.9 per cent at end-March 2003 to 35.5 per cent at end-June 2003. The size of short-term debt remained modest, both in regard to total debt and reserves. Short-term debt as proportions of total debt and foreign exchange reserves increased to 5.3 per cent and 7.1 per cent at end- June 2003 against 4.4 per cent and 6.1 per cent, respectively, at end-March 2003 (Statement-1, Chart-3).



**Statement 1 : India's External Debt Outstanding**

(Rs. crores)

Item	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03
1	2	3	4	5	6
<b>I. MULTILATERAL</b>	<b>157964</b>	<b>155552</b>	<b>156499</b>	<b>142167</b>	<b>140368</b>
A. Government borrowing	142871	140881	143182	129373	128191
i) Concessional	101406	100399	102039	102367	101621
a) IDA	100005	98997	100596	100933	100165
b) Others	1401	1402	1443	1434	1456
ii) Non-concessional	41465	40482	41143	27006	26570
a) IBRD	27955	27153	27074	19010	18668
b) Others	13510	13329	14069	7996	7902
B. Non-Government borrowing	15093	14671	13317	12794	12177
i) Concessional	0	0	0	0	0
ii) Non-concessional	15093	14671	13317	12794	12177
a) Public sector	10208	10077	9200	9148	8566
IBRD	5741	5255	4393	4379	4364
Others	4467	4822	4807	4769	4202
b) Financial institutions	3738	3613	3579	3126	3102
IBRD	1045	1001	962	585	517
Others	2693	2612	2617	2541	2585
c) Private sector	1147	981	538	520	509
IBRD	931	771	315	297	291
Others	216	210	223	223	218

<b>II.</b>	<b>BILATERAL</b>	<b>81143</b>	<b>78619</b>	<b>79919</b>	<b>79869</b>	<b>79180</b>
A.	Government borrowing	60631	58944	59768	60096	59808
	i) Concessional	60058	58377	59205	59541	59403
	ii) Non-concessional	573	567	563	555	405
B.	Non-Government borrowing	20512	19675	20151	19773	19372
	i) Concessional	7795	7644	7855	7965	7802
	a) Public sector	4900	4830	4988	5108	4949
	b) Financial institutions	2895	2814	2867	2857	2853
	c) Private sector	0	0	0	0	0
	ii) Non-concessional	12717	12031	12296	11808	11570
	a) Public sector	5485	5318	5587	5270	5304
	b) Financial institutions	4009	3743	3737	3569	3305
	c) Private sector	3223	2970	2972	2969	2961
<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>26174</b>	<b>23996</b>	<b>24030</b>	<b>23519</b>	<b>23332</b>
	a) Buyers' credit	15609	13746	13649	13373	13388
	b) Suppliers' credit	5342	5174	5233	4969	4779
	c) Export credit component of bilateral credit	5223	5076	5148	5177	5165
	d) Export credit for defence purchases	0	0	0	0	0
<b>V.</b>	<b>COMMERCIAL BORROWING</b>	<b>112889</b>	<b>108877</b>	<b>107670</b>	<b>106014</b>	<b>109000</b>
	a) Commercial bank loans #	48289	46934	47018	46954	48093
	b) Securitized borrowings ## (inclu. IDBs and FCCBs)	62079	59491	58237	56613	58034
	c) Loans/secured borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	2521	2452	2415	2447	2873
	d) Self Liquidating Loans	0	0	0	0	0
<b>VI.</b>	<b>NRI &amp; FC(B&amp;O) Deposits</b> (above one-year maturity)	<b>90991</b>	<b>100591</b>	<b>104941</b>	<b>110022</b>	<b>118262</b>
	a) NRI deposits @ ###	90991	100591	104941	110022	118262
	b) FC(B&O) deposits	0	0	0	0	0
<b>VII.</b>	<b>Rupee Debt *</b>	<b>14227</b>	<b>13565</b>	<b>13459</b>	<b>13372</b>	<b>12105</b>
	a) Defence	12648	11988	12000	11915	10679
	b) Civilian	1579	1577	1459	1457	1426
<b>VIII.</b>	<b>TOTAL LONG-TERM DEBT</b> (I to VII)	<b>483388</b>	<b>481200</b>	<b>486518</b>	<b>474963</b>	<b>482247</b>
<b>IX.</b>	<b>SHORT-TERM DEBT</b>	<b>15112</b>	<b>14744</b>	<b>18429</b>	<b>21705</b>	<b>27119</b>
	a) NRI deposits ### (up to 1 year maturity)	6070	4576	8391	9320	10766
	b) FC(B&O) deposits # (up to 1 year maturity)	0	0	0	0	0
	c) Others (trade related) ** of which short-term debt of 6 months	9042	10168	10038	12385	16353
<b>X.</b>	<b>GROSS TOTAL(VIII+IX)</b> Memo Items	<b>498500</b>	<b>495944</b>	<b>504947</b>	<b>496668</b>	<b>509366</b>

Concessional Debt***	183486	179985	182558	183245	180931
As % of Total Debt	36.8	36.3	36.1	36.9	35.5
Short Term Debt	15112	14744	18429	21705	27119
As % of Total Debt	3.0	3.0	3.7	4.4	5.3

IFC(W) : International Finance Corporation (Washington).

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

# : Includes financial lease since 1996.

## : Includes Resurgent India Bonds (RIBs), India Millennium 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.

@ The estimated NRI deposits do not include Non-Resident Non-Repatriable Deposits (NRNRD) which is not repatriable and which has been discontinued w.e.f. April 1, 2002. However, interest service for NRNRD, which is repatriable, is included as part of debt service payment.

### Figures include accrued interest.

\* 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.

**Note :**

**1) Data for quarter ended December 2002 and March 2003 are revised.**

**2) Data for quarter ended June 2003 are quick estimates.**

#### Statement 2 : India's External Debt Outstanding

Item	(US \$ Million)				
	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03
1	2	3	4	5	6
<b>I. MULTILATERAL</b>	<b>32297</b>	<b>32126</b>	<b>32564</b>	<b>29928</b>	<b>30197</b>
A. Government borrowing	29211	29096	29793	27234	27577
i) Concessional	20733	20735	21232	21549	21861
a) IDA	20447	20446	20931	21247	21548
b) Others	286	289	301	302	313
ii) Non-concessional	8478	8361	8561	5685	5716
a) IBRD	5716	5608	5633	4002	4016
b) Others	2762	2753	2928	1683	1700
B. Non-Government borrowing	3086	3030	2771	2694	2620
i) Concessional	0	0	0	0	0
ii) Non-concessional	3086	3030	2771	2694	2620
a) Public sector	2087	2081	1914	1926	1843
IBRD	1174	1085	914	922	939
Others	913	996	1000	1004	904
b) Financial institutions	765	746	745	658	667
IBRD	214	207	200	123	111
Others	551	539	545	535	556
c) Private sector	234	203	112	110	110
IBRD	190	159	66	63	63
Others	44	44	46	47	47
<b>II. BILATERAL</b>	<b>16592</b>	<b>16239</b>	<b>16630</b>	<b>16812</b>	<b>17034</b>
A. Government borrowing	12397	12174	12436	12651	12866
i) Concessional	12280	12057	12319	12534	12779
ii) Non-concessional	117	117	117	117	87
B. Non-Government borrowing	4195	4065	4194	4161	4168
i) Concessional	1594	1579	1634	1676	1679

	a) Public sector	1002	998	1038	1075	1065
	b) Financial institutions	592	581	596	601	614
	c) Private sector	0	0	0	0	0
ii)	Non-concessional	2601	2486	2560	2485	2489
	a) Public sector	1122	1099	1163	1109	1141
	b) Financial institutions	820	773	778	751	711
	c) Private sector	659	614	619	625	637
<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>5354</b>	<b>4959</b>	<b>5003</b>	<b>4951</b>	<b>5019</b>
	a) Buyers' credit	3193	2842	2842	2815	2880
	b) Suppliers' credit	1093	1069	1090	1046	1028
	c) Export credit component of bilateral credit	1068	1048	1071	1090	1111
	d) Export credit for defence purchases	0	0	0	0	0
<b>V.</b>	<b>COMMERCIAL BORROWING</b>	<b>23098</b>	<b>22507</b>	<b>22417</b>	<b>22316</b>	<b>23449</b>
	a) Commercial bank loans #	9880	9702	9789	9884	10346
	b) Securitized borrowings ## (inclu. IDBs and FCCBs)	12702	12298	12125	11917	12485
	c) Loans/securitized borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	516	507	503	515	618
	d) Self Liquidating Loans	0	0	0	0	0
<b>VI.</b>	<b>NRI &amp; FC(B&amp;O) Deposits (above one-year maturity)</b>	<b>18617</b>	<b>20794</b>	<b>21849</b>	<b>23160</b>	<b>25441</b>
	a) NRI deposits @ ###	18617	20794	21849	23160	25441
	b) FC(B&O) deposits	0	0	0	0	0
<b>VII.</b>	<b>Rupee Debt *</b>	<b>2911</b>	<b>2804</b>	<b>2802</b>	<b>2815</b>	<b>2604</b>
	a) Defence	2588	2478	2498	2508	2297
	b) Civilian	323	326	304	307	307
<b>VIII.</b>	<b>TOTAL LONG-TERM DEBT (I to VII)</b>	<b>98869</b>	<b>99429</b>	<b>101265</b>	<b>99982</b>	<b>103744</b>
<b>IX.</b>	<b>SHORT-TERM DEBT</b>	<b>3092</b>	<b>3048</b>	<b>3837</b>	<b>4569</b>	<b>5834</b>
	a) NRI deposits ### (up to 1 year maturity)	1242	946	1747	1962	2316
	b) FC(B&O) deposits # (up to 1 year maturity)	0	0	0	0	0
	c) Others (trade related) ** of which short-term debt of 6 months	1850	2102	2090	2607	3518
<b>X.</b>	<b>GROSS TOTAL(VIII+IX)</b>	<b>101961</b>	<b>102477</b>	<b>105102</b>	<b>104551</b>	<b>109578</b>
	Memo Items					
	Concessional Debt***	37518	37175	37987	38574	38923
	As % of Total Debt	36.8	36.3	36.1	36.9	35.5
	Short Term Debt	3092	3048	3837	4569	5834
	As % of Total Debt	3.0	3.0	3.7	4.4	5.3

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**1) Data for quarter ended December 2002 and March 2003 are revised.**

**2) Data for quarter ended June 2003 are quick estimates.**

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