

India's External Debt at Quarter end-June 2003
September 30, 2003

- India's external debt at US \$ 109.6 billion as at end-June 2003, increased by US \$ 5.0 billion (by 4.8 per cent) from US \$ 104.6 billion as at end-March 2003.
- The increase in external debt during the quarter under review (April-June 2003) was mainly on account of increase in NRI deposits (US \$ 2.6 billion), external commercial borrowings (US \$ 1.1 billion) and short-term trade credit (US \$ 0.9 billion).
- The increase in NRI deposits by US \$ 2.6 billion was mainly on account of an increase in NRE deposits by US \$ 2.7 billion as there was an outflow of US \$ 0.1 billion in FCNR(B) deposits. The increase in NRE deposits includes reinvestment of maturity proceeds of NR(NR)RD scheme (which was discontinued with effect from April 1, 2002), of around US \$ 0.4 billion.
- Increase in ECB reflected rise in borrowing by corporates in the face of low international interest rates. Trade credit increase has been the result of sharp increase in India's imports.
- The largest component of India's overall external debt as at end-June 2003 was multilateral debt (accounting for 27.6 per cent), followed by NRI deposits (25.3 per cent), external commercial borrowings (21.4 per cent), and bilateral debt (15.5 per cent).
- Short-term debt increased significantly from US \$ 4.6 billion as at end-March 2003 to US \$ 5.8 billion as at end-June 2003 due to increase in both components of short-term debt, viz., NRI deposits and short-term trade credit.
- The concessional debt as a proportion of total debt declined from 36.9 per cent as at end-March 2003 to 35.5 per cent at end-June 2003.
- Despite considerable growth in short-term debt (27.7 per cent) during April-June 2003, the proportion of such debt in the overall debt stock remains modest at 5.3 per cent.

Note : Under Special Data Dissemination Standards (SDDS) commitment, India's external debt statistics will be henceforth published with a time lag of three months. According to the arrangement, Reserve Bank of India will publish data for end-June & end-March and Government of India for end-September and end-December.

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