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RESERVE BANK OF INDIA

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India's External Debt as at the end of March 2016

As per the standard practice, India's external debt statistics for the quarters ending March and June are released by the Reserve Bank of India with a lag of one quarter and those for the quarters ending September and December by the Ministry of Finance, Government of India. The external debt data as at end-March 2016 in rupees and US dollars as well as revised data for the earlier quarters are set out in [Statements 1](#) and [2](#), respectively. The major developments relating to India's external debt as at end-March 2016 are presented below.

Highlights

India's external debt at end-March 2016 witnessed an increase of 2.2 per cent over its level at end-March 2015, primarily on account of a rise in outstanding NRI deposits. Furthermore, the increase in the magnitude of external debt was partly offset by valuation gain resulting from the appreciation of the US dollar *vis-a-vis* the Indian rupee and other major currencies. The external debt to GDP ratio stood at 23.7 per cent at end-March 2016, a shade lower than its level of 23.8 per cent at end-March 2015.

Major highlights pertaining to India's external debt as at end-March 2016 are presented below:

- India's external debt at end-March 2016 was placed at US\$ 485.6 billion, recording an increase of US\$ 10.6 billion over its level at end-March 2015 (Table 1).
- Valuation gain, due to appreciation of the US dollar against the Indian rupee and other major currencies, was placed at US\$ 5.9 billion. Excluding the valuation effect, the increase in external debt would have been higher by US\$ 16.4 billion at end-March 2016 over the level at end-March 2015.
- Commercial borrowings continued to be the largest component of external debt with a share of 37.3 per cent, followed by NRI deposits (26.1 per cent) and short-term trade credit (16.5 per cent).
- The share of short-term debt (original maturity) in total debt witnessed a decline over the corresponding quarter of the previous year. Similarly, the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 23.1 per cent as at end-March 2016 (25.0 per cent as at end-March 2015).

- On residual maturity basis, short-term debt constituted about 42.6 per cent of total external debt at end-March 2016 (38.2 per cent at end-March 2015) and stood at 57.4 per cent of total foreign exchange reserves (53.2 per cent at end-March 2015) (Table 2). The rise in short-term debt (residual maturity) mainly reflects payments due on account of maturing of FCNR(B) deposits mobilised under the special swap scheme in 2013.
- US dollar denominated debt continued to be the largest component of India's external debt with a share of 57.1 per cent at end-March 2016, followed by Indian rupee (28.9 per cent), SDR (5.8 per cent), Japanese Yen (4.4 per cent) and Euro (2.5 per cent).
- Across borrower categories, the outstanding debt of Government as well as non-Government debt increased and their shares in total external debt were 19.2 per cent and 80.8 per cent, respectively, at end-March 2016 (Table 3).
- Debt service payments increased to 8.8 per cent of current receipts at end-March 2016 as compared to 7.6 per cent at end-March 2015 (Table 4).

Component	Outstanding as at end-March			Absolute variation		Percentage variation	
	2014	2015 R	2016 P	Mar-15 over Mar-14	Mar-16 over Mar-15	Mar-15 over Mar-14	Mar-16 over Mar-15
1	2	3	4	5	6	7	8
1. Multilateral	53.4	52.4	54.0	-1.0	1.6	-1.9	3.0
2. Bilateral	24.7	21.8	22.5	-3.0	0.8	-12.0	3.5
3. IMF	6.1	5.5	5.6	-0.7	0.1	-10.8	2.1
4. Trade Credit	15.5	12.6	10.7	-2.9	-2.0	-18.7	-15.5
5. Commercial Borrowings	149.4	180.6	181.3	31.3	0.7	20.9	0.4
6. NRI Deposits	103.8	115.2	126.9	11.3	11.8	10.9	10.2
7. Rupee Debt	1.5	1.5	1.3	0.0	-0.2	2.6	-15.1
8. Short term Debt	91.7	85.5	83.4	-6.2	-2.1	-6.7	-2.5
<i>Of which</i>							
Short term trade credit	81.7	81.6	80.0	-0.1	-1.6	-0.1	-2.0
Total Debt	446.2	475.0	485.6	28.9	10.6	6.5	2.2
Memo Items							
A. Long-Term Debt	354.5	389.5	402.2	35.0	12.7	9.9	3.3
B. Short-Term Debt	91.7	85.5	83.4	-6.2	-2.1	-6.7	-2.5
P: Provisional. R: Revised							

Component	Short-term up to one year	Long-term			Total (2 to 5)
		1 to 2 years	2 to 3 years	More than 3 years	
1	2	3	4	5	6
1. Sovereign Debt (long-term) \$	4.3	5.6	5.9	77.5	93.3
2. Commercial Borrowings #	28.8	19.6	22.2	111.4	182.0
3. NRI deposits {(i)+(ii)+(iii)}	90.4	13.3	11.5	11.8	126.9
(i) FCNR(B)	33.9	2.2	5.9	3.4	45.3
(ii) NR(E)RA	48.0	10.2	5.3	7.9	71.5
(iii) NRO	8.5	0.9	0.3	0.5	10.1
4. Short-term Debt* (Original maturity)	83.4				83.4
Total (1 to 4)	206.9	38.5	39.6	200.6	485.6
<i>Memo Items</i>					
Short-term debt (Residual maturity) as per cent of total external debt					42.6
Short-term debt (Residual maturity) as per cent of Reserves					57.4
<p>\$: Inclusive of FII Investments in Government Securities. #: Commercial Borrowings are inclusive of trade credit, FII investments in corporate debt instruments and a portion of non-Government multilateral and bilateral borrowings and therefore may not tally with the figures provided in other Tables under original maturity. *: Also includes FII investments in sovereign debt and commercial paper.</p>					

Component	End-March			
	2013	2014	2015 R	2016 P
1	2	3	4	5
A. Sovereign Debt (I+II)	81.7	83.7	89.7	93.4
<i>(As a percentage of GDP)</i>	<i>4.4</i>	<i>4.4</i>	<i>4.5</i>	<i>4.6</i>
I. External Debt on Government Account under External Assistance	61.3	62.2	58.5	61.1
II. Other Government External Debt @	20.3	21.5	31.3	32.4
B. Non-Government Debt #	327.7	362.5	385.3	392.2
<i>(As a percentage of GDP)</i>	<i>17.9</i>	<i>19.3</i>	<i>19.3</i>	<i>19.2</i>
C. Total External Debt (A+B)	409.4	446.2	475.0	485.6
<i>(As a percentage of GDP)</i>	<i>22.4</i>	<i>23.8</i>	<i>23.8</i>	<i>23.7</i>
<p>P: Provisional. R: Revised @: Other Government external debt includes Defence Debt, Investment in Treasury Bills/ Government Securities by FIIs, Foreign Central Banks and International Institutions and IMF. #: Includes external debt of Monetary Authority.</p>				

End-March	External Debt (US\$ billion)	Ratio of External Debt to GDP (per cent)	Debt Service Ratio* (per cent)	Ratio of Foreign Exchange Reserves to Total Debt (per cent)	Ratio of Concessional Debt to Total Debt (per cent)	Ratio of Short-Term Debt to Foreign Exchange Reserves (per cent)	Ratio of Short-Term Debt to Total Debt (per cent)
1	2	3	4	5	6	7	8
1991	83.8	28.7	35.3	7.0	45.9	146.5	10.2
1996	93.7	27.0	26.2	23.1	44.7	23.2	5.4
2001	101.3	22.5	16.6	41.7	35.4	8.6	3.6
2006	139.1	16.8	10.1#	109.0	28.4	12.9	14.0
2007	172.4	17.5	4.7	115.6	23.0	14.1	16.3
2008	224.4	18.0	4.8	138.0	19.7	14.8	20.4
2009	224.5	20.3	4.4	112.2	18.7	17.2	19.3
2010	260.9	18.2	5.8	106.9	16.8	18.8	20.1
2011	317.9	18.2	4.4	95.9	14.9	21.3	20.4
2012	360.8	21.1	6.0	81.6	13.3	26.6	21.7
2013	409.4	22.4	5.9	71.3	11.1	33.1	23.6
2014	446.2	23.8	5.9	68.2	10.4	30.1	20.5
2015 R	475.0	23.8	7.6	71.9	8.8	25.0	18.0
2016 P	485.6	23.7	8.8	74.2	9.0	23.1	17.2

P: Provisional. R: Revised.
 *: The debt service ratio is defined as the sum of principal and interest payments as a proportion to current receipts.
 #: 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.

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