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RESERVE BANK OF INDIA

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India's External Debt as at the end of March 2017

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 2017 in rupees and US dollars as well as revised data for earlier quarters are set out in [Statements 1 and 2](#), respectively. The major developments relating to India's external debt as at end-March 2017 are presented below.

Highlights

At end-March 2017, India's external debt witnessed a decline of 2.7 per cent over its level at end-March 2016, primarily on account of a decline in Non-resident Indian (NRI) deposits and commercial borrowings. The decline in the magnitude of external debt was partly due to valuation loss resulting from the depreciation of the US dollar *vis-à-vis* the Indian rupee. The external debt to GDP ratio stood at 20.2 per cent as at end-March 2017, lower than its level of 23.5 per cent at end-March 2016.

Major highlights pertaining to India's external debt as at end-March 2017 are presented below:

- At end-March 2017, India's external debt was placed at US\$ 471.9 billion, recording a decline of US\$ 13.1 billion over its level at end-March 2016 (Table 1).
- Valuation loss due to depreciation of the US dollar *vis-à-vis* the Indian rupee was placed at US\$ 1.5 billion. Excluding the valuation effect, the decline in external debt would have been US\$ 14.6 billion instead of US\$ 13.1 billion as at end-March 2017 over the level at end-March 2016.
- Commercial borrowings continued to be the largest component of external debt with a share of 36.7 per cent, followed by NRI deposits (24.8 per cent) and short-term trade credit (18.3 per cent).
- At end-March 2017, long-term debt was placed at US\$ 383.9 billion, recording a decline of US\$ 17.7 billion over its level at end-March 2016.
- The share of long-term debt in total external debt as at end-March 2017 was 81.4 per cent, lower than 82.8 per cent at end-March 2016.
- The share of short-term debt (original maturity) in total external debt increased to 18.6 per cent at end-March 2017 from 17.2 per cent at end-March 2016. The ratio of short-term debt (original maturity) to foreign exchange reserves increased to 23.8 per cent as at end-March 2017 (23.1 per cent at end-March 2016).
- On a residual maturity basis, short-term debt constituted 41.5 per cent of total external debt at end-March 2017 (42.7 per cent at end-March 2016) and stood at

52.9 per cent of total foreign exchange reserves (57.4 per cent at end-March 2016) (Table 2).

- US dollar denominated debt continued to be the largest component of India's external debt with a share of 52.1 per cent as at end-March 2017, followed by the Indian rupee (33.6 per cent), SDR (5.8 per cent), Japanese yen (4.6 per cent) and Euro (2.9 per cent).
- The borrower classification shows that the outstanding debt of the Government increased; however, non-Government debt declined at end-March 2017 (Table 3).
- Debt service payments declined to 8.3 per cent of current receipts as at end-March 2017 as compared with 8.8 per cent at end-March 2016 (Table 4).

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Jose J. Kattoor
Chief General Manager

Table 1: External Debt - Outstanding and Variation

(US\$ billion)							
Component	Outstanding as at end-March			Absolute variation		Percentage variation	
	2015	2016 R	2017 P	Mar-16 over Mar-15	Mar-17 over Mar-16	Mar-16 over Mar-15	Mar-17 over Mar-16
1	2	3	4	5	6	7	8
1. Multilateral	52.4	54.0	54.5	1.6	0.5	3.0	0.9
2. Bilateral	21.7	22.5	23.2	0.7	0.7	3.4	3.1
3. IMF	5.5	5.6	5.4	0.1	-0.2	2.1	-3.5
4. Trade Credit	12.6	10.6	9.7	-2.0	-1.0	-15.6	-9.0
5. Commercial Borrowings	180.3	180.7	173.1	0.4	-7.7	0.2	-4.2
6. NRI Deposits	115.2	126.9	116.9	11.8	-10.1	10.2	-7.9
7. Rupee Debt	1.5	1.3	1.2	-0.2	-0.1	-15.1	-3.9
8. Short-term Debt	85.5	83.4	88.0	-2.1	4.6	-2.5	5.5
<i>Of which</i>							
Short-term trade credit	81.6	80.0	86.5	-1.6	6.5	-2.0	8.1
Total External Debt (1 to 8)	474.7	485.0	471.9	10.3	-13.1	2.2	-2.7
<i>Memo Items</i>							
A. Long-Term Debt	389.2	401.6	383.9	12.4	-17.7	3.2	-4.4
B. Short-Term Debt	85.5	83.4	88.0	-2.1	4.6	-2.5	5.5

P: Provisional. R: Revised

Table 2: Residual Maturity of External Debt Outstanding as at End-March 2017					
(US\$ billion)					
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) \$	4.6	6.4	6.9	77.8	95.7
2. Commercial Borrowings #	24.0	22.6	22.3	102.5	171.3
3. NRI deposits {(i)+(ii)+(iii)}	79.3	16.6	10.2	10.7	116.9
(i) FCNR(B)	11.4	5.7	2.5	1.3	21.0
(ii) NR(E)RA	57.4	10.0	6.8	9.0	83.2
(iii) NRO	10.5	0.9	0.8	0.4	12.7
4. Short-term Debt* (original maturity)	88.0				88.0
Total (1 to 4)	195.9	45.6	39.3	191.1	471.9
Memo Items					
Short-term Debt (residual maturity) as per cent of Total External Debt					41.5
Short-term Debt (residual maturity) as per cent of Reserves					52.9
\$: Inclusive of FPI Investments in Government Securities.					
#: Commercial Borrowings are inclusive of trade credit, FPI 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 FPI investments in security receipts issued by Asset Reconstruction Companies (ARCs) under the extant corporate debt limits.					

Table 3: Government and Non-Government External Debt				
(US\$ billion)				
Component	End-March			
	2014	2015	2016 R	2017 P
1	2	3	4	5
A. Sovereign Debt (I+II)	83.7	89.7	93.4	95.8
<i>(As a percentage of GDP)</i>	<i>4.5</i>	<i>4.5</i>	<i>4.5</i>	<i>4.1</i>
I. External Debt on Government Account under External Assistance	62.2	58.5	61.1	62.8
II. Other Government External Debt @	21.5	31.3	32.4	33.0
B. Non-Government Debt #	362.5	385.0	391.6	376.1
<i>(As a percentage of GDP)</i>	<i>19.4</i>	<i>19.4</i>	<i>19.0</i>	<i>16.1</i>
C. Total External Debt (A+B)	446.2	474.7	485.0	471.9
<i>(As a percentage of GDP)</i>	<i>23.9</i>	<i>23.9</i>	<i>23.5</i>	<i>20.2</i>
P: Provisional. R: Revised				
@: Other Government external debt includes Defence Debt, investment in Government Securities by FPIs, Foreign Central Banks, International Institutions and IMF.				
#: Includes external debt of Monetary Authority.				

Table 4: India's Key External Debt Indicators

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	23.9	5.9	68.2	10.4	30.1	20.5
2015	474.7	23.9	7.6	72.0	8.8	25.0	18.0
2016 R	485.0	23.5	8.8	74.3	9.0	23.1	17.2
2017 P	471.9	20.2	8.3	78.4	9.3	23.8	18.6

P: Provisional. R: Revised.

Works out to 6.3 per cent with the exclusion of India Millennium Deposits (IMDs) repayments of US\$ 7.1 billion and prepayment of external debt of US\$ 23.5 million.