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|  | **प्रेस प्रकाशनी PRESS RELEASE** |
| संचार विभाग**,** केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**DEPARTMENT OF COMMUNICATION**, Central Office, S.B.S. Marg, Mumbai-400001फोन/Phone: 022-22610835 फैक्स/Fax: 91 222266 0358 | **logo**भारतीय रिज़र्व बैंक**RESERVE BANK OF INDIA**वेबसाइट :www.rbi.org.in/hindiWebsite : www.rbi.org.inइ-मेलemail**:**helpdoc@rbi.org.in |

September 28, 2018

**India’s External Debt as at the end of June 2018**

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-June 2018 in rupees and US dollars as well as revised data for earlier quarters are set out in [Statements 1 and 2](https://rbi.org.in/documents/87730/38862282/PR73328092018_ED.xlsx), respectively. The major developments relating to India’s external debt as at end-June 2018 are presented below.

**Highlights**

At end-June 2018, India’s external debt witnessed a decline of 2.8 per cent over its level at end-March 2018, on account of a decrease in commercial borrowings, short-term debt and non-resident Indian (NRI) deposits. The decrease in the magnitude of external debt was primarily due to valuation gains resulting from the appreciation of the US dollar against the Indian rupee and major currencies. The external debt to GDP ratio stood at 20.4 per cent at end-June 2018, a shade lower than its level of 20.5 per cent at end-March 2018.

Major highlights pertaining to India’s external debt at end-June 2018 are presented below:

* At end-June 2018, India’s external debt was placed at US$ 514.4 billion, recording a decrease of US$ 14.9 billion over its level at end-March 2018 (Table 1).
* Valuation gains due to the appreciation of the US dollar *vis-à-vis* the Indian rupee and major currencies (*viz*., Japanese yen, euro, SDR, and pound sterling) were placed at US$ 13.0 billion. Excluding the valuation effect, the decrease in external debt would have been US$ 1.9 billion instead of US$ 14.9 billion at end-June 2018 over end-March 2018.
* Commercial borrowings continued to be the largest component of external debt with a share of 37.8 per cent, followed by NRI deposits (24.2 per cent) and short-term trade credit (18.8 per cent).
* At end-June 2018, long-term debt (with original maturity of above one year) was placed at US$ 415.7 billion, recording a decline of US$ 11.4 billion over its level at end-March 2018.
* The share of long-term debt (original maturity) in total external debt at end-June 2018 was 80.8 per cent, higher than its level of 80.7 per cent at end-March 2018.
* The share of short-term debt (with original maturity of up to one year) in total external debt decreased to 19.2 per cent at end-June 2018 from 19.3 per cent at end-March 2018. The ratio of short-term debt (original maturity) to foreign exchange reserves increased to 24.3 per cent at end-June 2018 (24.1 per cent at end-March 2018).
* Short-term debt on a residual maturity basis (*i.e.,* debt obligations that include long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity) constituted 42.9 per cent of total external debt at end-June 2018 (42.0 per cent at end-March 2018) and stood at 54.3 per cent of foreign exchange reserves (52.3 per cent at end-March 2018) (Table 2).
* US dollar denominated debt continued to be the largest component of India’s external debt with a share of 50.1 per cent at end-June 2018, followed by the Indian rupee (35.4 per cent), SDR (5.4 per cent), Japanese yen (4.7 per cent) and euro (3.3 per cent).
* The borrower-wise classification shows that the outstanding debt of both government and non-government sectors decreased at end-June 2018 (Table 3).
* Debt service payments declined to 6.0 per cent of current receipts at end-June 2018 as compared with 7.5 per cent at end-March 2018 (Table 4) – reflecting lower repayments of external commercial borrowings.

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| **Table 1: External Debt - Outstanding and Variation** |
| (US$ billion) |
| **Component** | **Outstanding at the end of** | **Absolute variation** | **Percentage variation** |
| **June 2017 PR** | **March 2018 PR** | **June 2018** **P** | **Jun-18 over Jun-17** | **Jun-18 over Mar-18** | **Jun-18 over Jun-17** | **Jun-18 over Mar-18** |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** |
| 1. Multilateral | 55.5 | 56.9 | 56.9 | 1.4 | 0.0 | 2.5 | 0.0 |
| 2. Bilateral | 23.1 | 25.3 | 24.3 | 1.2 | -1.1 | 5.2 | -4.2 |
| 3. IMF | 5.5 | 5.8 | 5.6 | 0.1 | -0.2 | 1.1 | -3.3 |
| 4. Trade Credit | 9.7 | 9.5 | 9.0 | -0.7 | -0.5 | -7.2 | -4.9 |
| 5.Commercial Borrowings | 183.2 | 202.3 | 194.6 | 11.4 | -7.7 | 6.2 | -3.8 |
| 6. NRI Deposits | 118.2 | 126.2 | 124.3 | 6.0 | -1.9 | 5.1 | -1.5 |
| 7. Rupee Debt | 1.2 | 1.2 | 1.1 | -0.1 | -0.1 | -6.8 | -6.8 |
| 8. Short-term Debt | 89.0 | 102.2 | 98.7 | 9.7 | -3.5 | 10.9 | -3.4 |
|  *of which:* |  |  |  |  |  |  |  |
|  Short-term trade credit | 87.1 | 100.4 | 96.9 | 9.8 | -3.5 | 11.3 | -3.5 |
| **Total Debt** | **485.5** | **529.3** | **514.4** | **28.9** | **-14.9** | **6.0** | **-2.8** |
| *Memo Items:* |  |  |  |  |  |  |  |
| A. Long-term Debt (original maturity)@ | 396.5 | 427.2 | 415.7 | 19.2 | -11.4 | 4.9 | -2.7 |
| B. Short-term Debt (original maturity)# | 89.0 | 102.2 | 98.7 | 9.7 | -3.5 | 10.9 | -3.4 |
| PR: Partially Revised. P: Provisional.@: Debt with original maturity of above one year.#: Debt with original maturity of up to one year. |

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| **Table 2: Residual Maturity of External Debt Outstanding** **as at End-June 2018** |
| (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)$ | 5.2 | 7.2 | 7.6 | 85.7 | 105.7 |
| 2. Commercial Borrowings# | 27.8 | 23.2 | 24.0 | 110.7 | 185.8 |
| 3. NRI deposits {(i)+(ii)+(iii)} | 88.8 | 15.7 | 9.4 | 10.4 | 124.3 |
|  (i) FCNR(B) | 16.1 | 3.3 | 1.6 | 1.5 | 22.6 |
|  (ii) NR(E)RA | 60.6 | 11.4 | 7.2 | 8.6 | 87.8 |
|  (iii) NRO | 12.0 | 1.0 | 0.6 | 0.3 | 13.9 |
| 4. Short-term Debt\* (original maturity) | 98.7 |   |   |   | 98.7 |
| **Total (1 to 4)** | **220.5** | **46.1** | **41.0** | **206.8** | **514.4** |
| *Memo Items:* |  |  |  |  |  |
| Short-term Debt (residual maturity) as per cent of Total External Debt  | 42.9 |
| Short-term Debt (residual maturity) as per cent of Reserves  | 54.3 |
| **$**: 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.\*\*: Short-term debt by residual maturity comprises long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity.  |

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| **Table 3: Government and Non-Government External Debt** |
| (US$ billion) |
| **Component** | **End-March** | **End-June** |
| **2016** | **2017 PR** | **2018 PR** | **2018 P** |
| **1** | **2** | **3** | **4** | **5** |
| **A. Sovereign Debt (I+II)** | **93.6** | **95.9** | **111.9** | **106.0** |
| *(As a percentage of GDP)* | *4.5* | *4.1* | *4.3* | *4.2* |
| I. External Debt on Government Account under External Assistance | 61.1 | 62.8 | 68.6 | 67.5 |
| II. Other Government External Debt @ | 32.5 | 33.1 | 43.4 | 38.4 |
| **B. Non-Government Debt #** | **391.2** | **375.6** | **417.4** | **408.4** |
| *(As a percentage of GDP)* | *18.9* | *16.0* | *16.2* | *16.2* |
| **C. Total External Debt (A+B)** | **484.8** | **471.5** | **529.3** | **514.4** |
| *(As a percentage of GDP)* | *23.4* | *20.1* | *20.5* | *20.4* |
| PR: Partially Revised. P: Provisional. |  |  |  |  |
| @: Other government external debt includes defence debt, investment in Treasury Bills/ government securities by FPIs, foreign central banks and international institutions and IMF.  |
| #: Includes external debt of Monetary Authority.  |

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| **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 (original maturity) 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 | 484.8 | 23.4 | 8.8 | 74.3 | 9.0 | 23.2 | 17.2 |
| 2017 PR | 471.5 | 20.1 | 8.3 | 78.5 | 9.3 | 23.8 | 18.7 |
| 2018 PR | 529.3 | 20.5 | 7.5 | 80.2 | 9.1 | 24.1 | 19.3 |
| End-June 2018 P | 514.4 | 20.4 | 6.0 | 78.9 | 9.1 | 24.3 | 19.2 |
| PR: Partially Revised. P: Provisional. |
| # 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. |