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संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001
Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001
फोन/Phone: 022- 22660502

वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल/email: helpdoc@rbi.org.in

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India's External Debt as at the end of June 2021

The stock of external debt at end-June 2021 as well as revised data for earlier quarters are set out in Statements I (old format) and II (IMF format[1]). The major developments relating to India's external debt as at end-June 2021 are presented below.

Highlights

- At end-June 2021, India's external debt was placed at US$ 571.3 billion, recording an increase of US$ 1.6 billion over its level at end-March 2021 (Table 1).

- The external debt to GDP ratio declined to 20.2 per cent at end-June 2021 from 21.1 per cent at end-March 2021.

- Valuation gain due to the appreciation of the US dollar *vis-à-vis* Indian rupee was placed at US$ 1.7 billion. Excluding the valuation effect, external debt would have increased by US$ 3.3 billion instead of US$ 1.6 billion at end-June 2021 over end-March 2021.

- Commercial borrowings remained the largest component of external debt, with a share of 37.4 per cent, followed by non-resident deposits (24.8 per cent) and short-term trade credit (17.4 per cent).

- At end-June 2021, long-term debt (with original maturity of above one year) was placed at US$ 468.8 billion, recording an increase of US$ 0.2 billion over its level at end-March 2021.

- The share of short-term debt (with original maturity of up to one year) in total external debt increased marginally to 17.9 per cent at end-June 2021 from 17.7 per cent at end-March 2021; however, the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 16.8 per cent at end-June 2021 (17.5 per cent at end-March 2021).

- Short-term debt on 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 44.7 per cent of total external debt at end-June 2021 (44.6 per cent at end-March 2021) and stood at 41.8 per cent of foreign exchange reserves (44.1 per cent at end-March 2021) (Table 2).

[1] The concepts set out in the IMF's *2013 External Debt Statistics (EDS) Guide* are harmonized with those of the *System of National Accounts (SNA) 2008* and the sixth edition of the IMF's *Balance of Payments and International Investment Position Manual (BPM6)* published in 2009.

- US dollar denominated debt remained the largest component of India's external debt, with a share of 52.4 per cent at end-June 2021, followed by debt denominated in the Indian rupee (33.2 per cent), yen (5.8 per cent), SDR[2] (4.4 per cent) and the euro (3.4 per cent).

- The borrower-wise classification shows that the outstanding government debt decreased, while non-government debt increased at end-June 2021 (Table 3).

- The share of outstanding debt of non-financial corporations in total external debt was the highest at 40.6 per cent, followed by deposit-taking corporations (except the central bank) (28.1 per cent), general government (18.7 per cent) and other financial corporations (8.1 per cent).

- The instrument-wise classification shows that the loans were the largest component of external debt, with a share of 34.7 per cent, followed by currency and deposits (25.0 per cent), trade credit and advances (17.9 per cent) and debt securities (16.9 per cent) (Table 4).

- Debt service (*i.e.*, principal repayments and interest payments) declined to 4.1 per cent of current receipts at end-June 2021 as compared with 8.2 per cent at end-March 2021, reflecting lower repayments and higher current receipts (Table 5).

(Yogesh Dayal)
Chief General Manager

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[2] SDR: Special Drawing Rights.

Table 1: External Debt – Outstanding and Variation							
							(US$ billion)
Component	Outstanding as at end			Absolute variation		Percentage variation	
	June 2020 PR	March 2021 PR	June 2021 P	Jun-21 over Jun-20	Jun-21 over Mar-21	Jun-21 over Jun-20	Jun-21 over Mar-21
1	2	3	4	5	6	7	8
1. Multilateral	64.7	69.8	70.2	5.5	0.4	8.4	0.6
2. Bilateral	28.5	31.0	30.8	2.3	-0.1	8.0	-0.5
3. IMF	5.5	5.6	5.7	0.2	0.0	3.7	0.6
4. Trade Credit	6.8	6.3	6.1	-0.7	-0.2	-10.5	-3.9
5. Commercial Borrowings	211.0	213.0	213.6	2.6	0.5	1.2	0.2
6. Non-Resident Deposits	132.7	141.9	141.5	8.8	-0.4	6.6	-0.3
7. Rupee Debt	1.0	1.0	1.0	0.0	0.0	-0.1	-0.8
8. Short-term Debt	105.0	101.1	102.5	-2.5	1.4	-2.4	1.4
Of which:							
Short-term Trade Credit	101.2	97.3	99.2	-2.0	1.9	-2.0	2.0
Total Debt	**555.2**	**569.7**	**571.3**	**16.1**	**1.6**	**2.9**	**0.3**
Memo Items:							
A. Long-term Debt (original maturity)@	450.2	468.6	468.8	18.6	0.2	4.1	0.0
B. Short-term Debt (original maturity)#	105.0	101.1	102.5	-2.5	1.4	-2.4	1.4
PR: Partially Revised. P: Provisional.							
@: Debt with original maturity of above one year.							
#: Debt with original maturity of up to one year.							

Table 2: Residual Maturity of Outstanding External Debt as at end-June 2021					
					(US$ billion)
Sector	**Short-term up to one year**	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	**Total (2 to 5)**
1	**2**	**3**	**4**	**5**	**6**
I. General Government	**6.1**	**7.4**	**7.9**	**85.5**	**106.9**
I.A. Short-term Debt	0.3				0.3
I.B. Long-term Debt	5.8	7.4	7.9	85.5	106.6
II. Central Bank	**0.3**	**0.0**	**0.0**	**0.0**	**0.3**
II.A. Short-term Debt	0.3				0.3
II.B. Long-term Debt	0.0	0.0	0.0	0.0	0.0
III. Deposit-taking Corporations, except the Central Bank	**106.2**	**19.7**	**10.1**	**24.3**	**160.3**
III.A. Short-term Debt	1.2				1.2
III.B. Long-term Debt	104.9	19.7	10.1	24.3	159.0
IV. Other Sectors	**137.4**	**24.3**	**32.3**	**84.1**	**278.1**
IV.A. Short-term Debt	100.7				100.7
IV.B. Long-term Debt	36.8	24.3	32.3	84.1	177.4
IV.1. Other financial corporations	**7.3**	**8.7**	**10.6**	**19.8**	**46.3**
IV.1.A. Short-term Debt	1.5				1.5
IV.1.B. Long-term Debt	5.9	8.7	10.6	19.8	44.9
IV.2. Non-financial corporations	**130.1**	**15.6**	**21.6**	**64.3**	**231.7**
IV.2.A. Short-term Debt	99.2				99.2
IV.2.B. Long-term Debt	30.9	15.6	21.6	64.3	132.5
IV.3. Households and nonprofit institutions serving households (NPISHs)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
IV.3.A. Short-term Debt	0.0				0.0
IV.3.B. Long-term Debt	0.0	0.0	0.0	0.0	0.0
V. Direct Investment: Intercompany Lending	**5.6**	**2.9**	**3.3**	**13.9**	**25.7**
A. Total Short-term Debt	102.5				102.5
B. Total Long-term Debt	153.1	54.3	53.5	207.8	468.8
C. Total Debt (A+B)	**255.6**	**54.3**	**53.5**	**207.8**	**571.3**
Memo Items:					
Short-term Debt (residual maturity) as per cent of Total External Debt					44.7
Short-term Debt (residual maturity) as per cent of Foreign Exchange Reserves					41.8

Table 3: Government and Non-government External Debt				
				(US$ billion)
Component	**End-March**			**End-June**
	2019	**2020 PR**	**2021 PR**	**2021 P**
1	**2**	**3**	**4**	**5**
A. Government Debt (I+II)	**103.8**	**100.9**	**107.2**	**106.9**
(As percentage of GDP)	*(3.8)*	*(3.7)*	*(4.0)*	*(3.8)*
I. External Debt on Government Account under External Assistance	68.8	72.7	84.5	84.9
II. Other Government External Debt @	35.0	28.1	22.7	22.1
B. Non-government Debt	**439.3**	**457.5**	**462.5**	**464.4**
(As percentage of GDP)	*(16.1)*	*(16.9)*	*(17.1)*	*(16.4)*
B.1. Central Bank	0.2	0.2	0.2	0.3
B.2. Deposit-taking Corporations, except the Central Bank	164.3	158.2	160.7	160.3
B.3. Other Financial Corporations	31.2	40.6	46.2	46.3
B.4. Non-financial Corporations	226.4	235.7	230.2	231.7
B.5. Households and nonprofit institutions serving households (NPISHs)	0.0	0.0	0.0	0.0
B.6. Direct Investment: Intercompany Lending	17.1	22.8	25.2	25.7
C. Total Debt (A+B)	**543.1**	**558.4**	**569.7**	**571.3**
(As percentage of GDP)	*(19.9)*	*(20.6)*	*(21.1)*	*(20.2)*
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.				

Table 4: Outstanding External Debt by Instruments				
				(US$ billion)
Instrument	**End-March**			**End-June**
	2019	**2020 PR**	**2021 PR**	**2021 P**
1	**2**	**3**	**4**	**5**
1. Special Drawing Rights (allocations)	5.5	5.4	5.6	5.7
2. Currency and Deposits	134.4	134.1	143.8	143.1
3. Debt Securities	91.9	97.6	96.8	96.6
4. Loans	189.0	194.2	197.9	198.0
5. Trade Credit and Advances	105.2	104.3	100.3	102.2
6. Other Debt Liabilities	0.0	0.0	0.0	0.0
7. Direct Investment: Intercompany Lending	17.1	22.8	25.2	25.7
Total Debt	**543.1**	**558.4**	**569.7**	**571.3**
PR: Partially Revised. P: Provisional.				

Table 5: India's Key External Debt Indicators

(Per cent, unless indicated otherwise)

End-March	External Debt (US$ billion)	Ratio of External Debt to GDP	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total Debt	Ratio of Concessional Debt to Total Debt	Ratio of Short-term Debt (original maturity) to Foreign Exchange Reserves	Ratio of Short-term Debt (original maturity) to Total Debt
1	2	3	4	5	6	7	8
1991	83.8	28.3	35.3	7.0	45.9	146.5	10.2
1996	93.7	26.6	26.2	23.1	44.7	23.2	5.4
2001	101.3	22.1	16.6	41.7	35.4	8.6	3.6
2006	139.1	17.1	10.1#	109.0	28.4	12.9	14.0
2007	172.4	17.7	4.7	115.6	23.0	14.1	16.3
2008	224.4	18.3	4.8	138.0	19.7	14.8	20.4
2009	224.5	20.7	4.4	112.2	18.7	17.2	19.3
2010	260.9	18.5	5.8	106.9	16.8	18.8	20.1
2011	317.9	18.6	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	23.8	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	471.0	19.8	8.3	78.5	9.4	23.8	18.7
2018	529.3	20.1	7.5	80.2	9.1	24.1	19.3
2019	543.1	19.9	6.4	76.0	8.7	26.3	20.0
2020 PR	558.4	20.6	6.5	85.6	8.8	22.4	19.1
2021 PR	569.7	21.1	8.2	101.3	9.1	17.5	17.7
End-June 2021 P	571.3	20.2	4.1	107.0	9.0	16.8	17.9

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.