

## India's external debt stands at USD 543 billion at end March 2019

At end-March 2019, India's external debt stands at USD 543 billion, witnessed an increase of 2.6% over its level at end-March 2018, primarily on account of an increase in short-term debt, commercial borrowings and non-resident Indian (NRI) deposits. The increase in external debt was partially offset by valuation gain resulting from the appreciation of the US dollar against Indian rupee and other major currencies. The external debt to GDP ratio stood at 19.7 per cent at end-March 2019, lower than its level of 20.1 per cent at end-March 2018.

### Major highlights pertaining to India's external debt at end-March 2019 are presented below:

- At end-March 2019, India's external debt was placed at US\$ 543.0 billion, recording an increase of US\$ 13.7 billion over its level at end-March 2018
- Valuation gain due to the appreciation of the US dollar vis-à-vis Indian rupee and other major currencies was placed at US\$ 16.7 billion. Therefore, excluding the valuation effect, the increase in external debt would have been US\$ 30.4 billion instead of US\$ 13.7 billion at end-March 2019 over end-March 2018.
- Commercial borrowings remained the largest component of external debt, with a share of 38.0 per cent, followed by NRI deposits (24.0 per cent) and short-term trade credit (18.9 per cent).
- At end-March 2019, long-term debt (with original maturity of above one year) was placed at US\$ 434.6 billion, recording an increase of US\$ 7.5 billion over its level at end-March 2018.
- The share of long-term debt (original maturity) in total external debt at end-March 2019 was 80.0 per cent, lower 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 increased to 20.0 per cent at end-March 2019 from 19.3 per cent at end-March 2018; the ratio of short-term debt (original maturity) to foreign exchange reserves increased to 26.3 per cent at end-March 2019 (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 43.4 per cent of total external debt at end-March 2019 (42.0 per cent at end-March 2018) and stood at 57.0 per cent of foreign exchange reserves (52.3 per cent at end-March 2018)
- US dollar denominated debt continued to be the largest component of India's external debt with a share of 50.5 per cent at end-March 2019, followed by the Indian rupee (35.7 per cent), Japanese yen (5.0 per cent), SDR (4.9 per cent) and euro (3.0 per cent).
- The borrower-wise classification shows that the outstanding debt of government decreased, while that of non-government sector increased at end-March 2019
- Debt service declined to 6.4 per cent of current receipts at end-March 2019 as compared with 7.5 per cent at end-March 2018, reflecting lower repayments of commercial borrowings

### India's Key External Debt Indicators

(Per cent, unless indicated otherwise)

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 R	471.0	19.9	8.3	78.5	9.4	23.8	18.7
2018 PR	529.3	20.1	7.5	80.2	9.1	24.1	19.3
2019 P	543.0	19.7	6.4	76.0	8.7	26.3	20.0

Source: RBI, 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.

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