



India's external debt stands at USD 571.3 billion at end June 2021

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

Major highlights pertaining to India's external debt at end-June 2021 are presented below:

- Commercial borrowings remained the largest component of external debt, with a share of 37.4%, followed by non-resident deposits (24.8%) and short-term trade credit (17.4%).
- 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% at end-June 2021 from 17.7% at end-March 2021; however, the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 16.8% at end-June 2021 (17.5% 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% of total external debt at end-June 2021 (44.6% at end-March 2021) and stood at 41.8% of foreign exchange reserves (44.1% at end-March 2021).
- US dollar denominated debt remained the largest component of India's external debt, with a share of 52.4% at end-June 2021, followed by debt denominated in the Indian rupee (33.2%), yen (5.8 per cent), SDR2 (4.4%) and the euro (3.4%).
- The borrower-wise classification shows that the outstanding government debt decreased, while non-government debt increased at end-June 2021.
- The share of outstanding debt of non-financial corporations in total external debt was the highest at 40.6%, followed by deposit-taking corporations (except the central bank) (28.1%), general government (18.7%) and other financial corporations (8.1%).

- The instrument-wise classification shows that the loans were the largest component of external debt, with a share of 34.7%, followed by currency and deposits (25.0%), trade credit and advances (17.9 per cent) and debt securities (16.9%).
- Debt service (i.e., principal repayments and interest payments) declined to 4.1% of current receipts at end-June 2021 as compared with 8.2% at end-March 2021, reflecting lower repayments and higher current receipts.

India's Key External Debt Indicators							
(in %, 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.

Source: PHD Research Bureau, PHD Chamber, compiled from RBI

Please find enclosed the detailed document on the same for your reference.

Please contact for any query related to this mail to Mr Rishabh, Research Associate at rishabh@phdcci.in with a cc to Dr S P Sharma, Chief Economist | DSG at spsharma@phdcci.in and Ms Kritika Bhasin, Sr. Research Officer at kritika.bhasin@phdcci.in, PHD Chamber of Commerce and Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

Follow us on



"Towards Building Aatmanirbhar Bharat"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:

