



PHD Research Bureau
PHD Chamber of Commerce and Industry



India's external debt stands at USD 614.9 billion at end December 2021

At end-December 2021, India's external debt was placed at US\$ 614.9 billion, recording an increase of US\$ 11.5 billion over its level at end-September 2021. The external debt to GDP ratio fell marginally to 20.0 per cent as at end- December 2021 from 20.3 per cent at end-September 2021. Valuation gain due to the appreciation of the US dollar vis-à-vis major currencies such as Euro, Yen and Special Drawing Rights (SDRs) was placed at US\$ 1.7 billion. Excluding the valuation effect, the increase in external debt would have been US\$ 13.2 billion instead of an increase of US\$ 11.5 billion at end- December 2021 over end September 2021.

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

- Commercial borrowings remained the largest component of external debt, with a share of 36.8 per cent, followed by non-resident deposits (23.1 per cent) and short-term trade credit (18.0 per cent).
- At end-September 2021, long-term debt (with original maturity of above one year) was placed at US\$ 500.3 billion, recording an increase of US\$ 1.7 billion over its level at end-September 2021.
- The share of short-term debt (with original maturity of up to one year) in total external debt increased to 18.6 per cent at end- December 2021 from 17.4 per cent at end-September 2021; the ratio of short-term debt (original maturity) to foreign exchange reserves increased to 18.1 per cent at end-December 2021 (16.5 per cent at end-September 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 44.4 per cent of total external debt as at end-December 2021 (43.2 per cent at end-September 2021) and stood at 43.1 per cent of foreign exchange reserves (40.3 per cent at end-September 2021).
- US dollar denominated debt remained the largest component of India's external debt, with a share of 52.0 per cent at end-December 2021, followed by the Indian rupee (32.0 per cent), SDR (6.7 per cent), Yen (5.3 per cent), and the Euro (3.1 per cent).

- The borrower-wise classification shows that the outstanding external debt of government marginally declined, while that of non-government sector increased as at end-December 2021 over the previous quarter.
- The share of outstanding debt of non-financial corporations in total external debt was highest at 39.4 per cent, followed by deposit-taking corporations (except the central bank) (26.4 per cent), general government (21.4 per cent) and other financial corporations (8.5 per cent).
- The instrument-wise classification shows that the loans were the largest component of external debt, with a share of 33.2 per cent, followed by currency and deposits (23.3 per cent), trade credit and advances (18.5 per cent) and debt securities (17.0 per cent).
- Debt service (principal repayments plus interest payments) increased to 4.9 per cent of current receipts at end-December 2021 from 4.7 per cent at end-September 2021.

India's Key External Debt Indicators

End-March	(Per cent, unless indicated otherwise)						
	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 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	558.4	20.6	6.5	85.6	8.8	22.4	19.1
2021	573.7	21.2	8.2	100.6	9.0	17.5	17.6
End-June 2021	575.4	20.3	4.1	106.2	8.9	16.8	17.8
End-Sept. 2021	603.4	20.3	4.7	105.3	8.5	16.5	17.4
End-Dec.2021	614.9	20.0	4.9	103.0	8.2	18.1	18.6

Source: PHD Research Bureau, PHD Chamber, compiled from Ministry of Finance.

Note: 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 prepayment of external debt of US\$ 23.5 million

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



"Voice of Industry & Trade"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3601-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:

