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PHD Chamber of Commerce and Industry



India's external debt stands at USD US\$ 629.1 billion billion at end June 2023

At end-June 2023, India's external debt was placed at US\$ 629.1 billion, recording an increase of US\$ 4.7 billion over its level at end-March 2023.

Highlights

- The external debt to GDP ratio declined to 18.6 per cent at end-June 2023 from 18.8 per cent at end-March 2023.
- Valuation effect due to the appreciation of the US dollar vis-à-vis the major currencies such as yen and SDR2 amounted to US\$ 3.1 billion.
- Excluding the valuation effect, external debt would have increased by US\$ 7.8 billion instead of US\$ 4.7 billion at end-June 2023 over end-March 2023.
- At end-June 2023, long-term debt (with original maturity of above one year) was placed at US\$ 505.5 billion, recording an increase of US\$ 9.6 billion over its level at end-March 2023.
- The share of short-term debt (with original maturity of up to one year) in total external debt declined to 19.6 per cent at end-June 2023 from 20.6 per cent at end-March 2023. Similarly, the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 20.8 per cent at end-June 2023 (22.2 per cent at end-March 2023).
- Short-term debt on residual maturity basis (i.e., debt obligations that include longterm debt by original maturity falling due over the next twelve months and shortterm debt by original maturity) constituted 42.8 per cent of total external debt at end-June 2023 (44.0 per cent at end-March 2023) and stood at 45.3 per cent of foreign exchange reserves (47.4 per cent at end-March 2023) .
- US dollar-denominated debt remained the largest component of India's external debt, with a share of 54.4 per cent at end-June 2023, followed by debt denominated in the Indian rupee (30.4 per cent), SDR (5.9 per cent), yen (5.7 percent), and the euro (3.0 per cent).

- Outstanding debt of the general government decreased, while non-government debt increased at end-June 2023.
- The share of outstanding debt of non-financial corporations in total external debt was the highest at 39.8 per cent, followed by deposit-taking corporations (except the central bank) (26.6 per cent), general government (21.1 per cent) and other financial corporations (7.6 per cent).
- Loans remained the largest component of external debt, with a share of 32.9 percent, followed by currency and deposits (22.9 per cent), trade credit and advances (19.0 per cent) and debt securities (16.8 per cent).
- Debt service (i.e., principal repayments and interest payments) increased to 6.8 per cent of current receipts at end-June 2023 as compared with 5.3 per cent at end-March 2023, reflecting higher debt service

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Warm Regards,

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