

**Government of India
Ministry of Finance
Department of Economic Affairs
(External Debt Management Unit)**

Press Release

Subject: India's External Debt at end-December 2010

Department of Economic Affairs, Ministry of Finance has been compiling and releasing quarterly statistics on India's External Debt for the quarters ending September and December every year. This press release relates to India's external debt at end-December 2010.

2. At end-December 2010, India's external debt stock was US\$ 297.5 billion reflecting an increase of US\$ 36.3 billion (13.9 per cent) over the level of US\$ 261.2 billion at end-March 2010. The long-term debt increased by US\$ 26.0 billion (12.5 per cent) to US\$ 234.9 billion, while short-term debt showed an increase of US\$ 10.3 billion (19.7 per cent) to US\$ 62.6 billion.

3. Of the total increase of US\$ 36.3 billion in India's external debt at end-December, the valuation effect arising from depreciation of the US dollar against major international currencies accounted for US\$ 5.3 billion (14.6 per cent). Excluding the valuation effect, the increase in external debt would have been US\$ 31.0 billion.

4. Short-term debt (original maturity) accounted for 21.0 per cent of India's total external debt while the remaining (79.0 per cent) was long-term debt. Component-wise, the share of commercial borrowings stood highest at 28.5 per cent, followed by NRI deposits (17.0 per cent) and multilateral debt (16.0 per cent).

5. Government (Sovereign) external debt stood at US\$ 74.5 billion, (25.0 per cent of total external debt) at end-December 2010 as against US\$ 67.1 billion (25.7 per cent) at end-March 2010.

6. The share of US dollar denominated debt was the highest in external debt stock at 53.7 per cent at end-December 2010, followed by the Indian rupee (19.0 per cent), Japanese Yen (12.0 per cent), SDR (9.7 per cent) and Euro (3.5 per cent).

7. India's external debt to GDP ratio and debt service ratios stood at 16.9 per cent and 3.9 per cent respectively, at end-December 2010.

8. The ratio of short-term external debt to foreign exchange reserves was 21.1 per cent at end-December 2010 as compared to 18.8 per cent at end-March 2010.

9. The complete quarterly report of India's external debt at end-December 2010 is available on the website of Ministry of Finance – www.finmin.nic.in.