

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

Press Release

Subject: India's External Debt: A Status Report 2015-16

The twenty second issue of the annual publication 'India's External Debt: A Status Report 2015-16' prepared by the Department of Economic Affairs, Ministry of Finance presents a detailed analysis of India's external debt position at end-March 2016, based on the data released by the Reserve Bank of India on June 30, 2016 and data and information available from other sources. Apart from analysing the trend, composition and debt service of India's external debt, the Report provides a comparative picture of India's external debt vis-a-vis other countries, particularly developing countries.

The salient features of the Report are:

India's external debt stock stood at US\$ 485.6 billion at end-March 2016, increasing by US\$ 10.6 billion (2.2 per cent) over the level at end-March 2015. The rise in external debt was due to the rise in long-term debt particularly NRI deposits.

At end-March 2016, long-term external debt was US\$ 402.2 billion, showing an increase of 3.3 per cent over the level of 2015 (end-March). Long-term external debt accounted for 82.8 per cent of total external debt at end-March 2016 as compared to 82.0 per cent at end-March 2015.

Short-term external debt declined by 2.5 per cent from US\$ 84.7 billion at end-March 2015 to US\$ 83.4 billion at end-March 2016. This was mainly due to the decline in trade related credits. The share of short-term external debt in total external debt declined from 18.0 per cent at end-March 2015 to 17.2 per cent at end-March 2016.

Government (sovereign) external debt stood at US\$ 93.4 billion at end-March 2016 vis-a-vis US\$ 89.7 billion at end-March 2015. The share of Government external debt in total external debt was 18.9 per cent at end-March 2016 vis-à-vis 18.8 per cent at end-March 2015.

India's external debt has remained within manageable limits in 2015-16 as indicated by the increase in foreign exchange reserves to debt ratio to 74.2 per cent, the external debt-GDP ratio of 23.7 per cent, and fall in short term debt to 17.2 per cent. External debt of the country continues to be dominated by the long-term borrowings. India's external debt position in recent years is given below:

Table: India's Key External Debt Indicators								(Per cent)
At end March	External Debt (US\$ billion)	External Debt to GDP	Debt Service Ratio	Foreign Exchange Reserves to Total Debt	Concessional Debt to Total Debt	Short-Term Debt to Foreign Exchange Reserves	Short-Term Debt to Total Debt	Long-Term Debt to Total Debt
1	2	3	4	5	6	7	8	9
2013-14	446.2	23.8	5.9	68.2	10.4	30.1	20.5	79.5
2014-15 PR	475.0	23.8	7.6	71.9	8.8	25.0	18.0	82.0
2015-16 QE	485.6	23.7	8.8	74.2	9.0	23.1	17.2	82.8
PR: Partially Revised; QE: Quick Estimates.								

A cross country comparison based on "International Debt Statistics 2016" of the World Bank which presents the debt data for 2014, shows that India continues to be among the less vulnerable countries with its external debt indicators comparing well with other indebted developing countries. India's key debt indicators, especially debt to GNI and debt service ratios continue to be comfortable.

'India's External Debt: A Status Report 2015-16' is available at the website of the Ministry of Finance –www.finmin.nic.in.
