

**INDIA'S EXTERNAL DEBT
AS AT
END-SEPTEMBER 2010**

MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
EXTERNAL DEBT MANAGEMENT UNIT
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INDIA'S EXTERNAL DEBT (at end-September 2010)

External debt data are disseminated on a quarterly basis as per the extant practice. Statistics for the first two quarters of the calendar year (ending March and June) are compiled and released by the Reserve Bank of India, while the data for the last two quarters (ending September and December) are compiled and released by the Ministry of Finance, Government of India, with a lag of one quarter. The major developments relating to India's external debt at end-September 2010 are presented below.

Major Highlights

- (i) At end-September 2010, India's external debt stock was US\$ 295.8 billion reflecting an increase of 12.8 per cent over the level of US\$ 262.3 billion at end-March 2010.
- (ii) The rise in external debt could largely be attributed to increase in commercial borrowings, short-term trade credits and multilateral government borrowings.
- (iii) The valuation effect contributed to an increase of US\$ 6.3 billion or 18.8 per cent to the total increase of US\$ 33.5 billion in external debt stock at end-September 2010 over the end-March level. Excluding the valuation effect, the increase in external debt would have been US\$ 27.2 billion.
- (iv) Short-term debt accounted for 22.3 per cent of India's external debt while the rest (77.7 per cent) was long-term debt. Component-wise, the share of commercial borrowings stood highest at 27.8 per cent in total external debt followed by NRI deposits (16.9 per cent) and multilateral debt (15.8 per cent).
- (v) The shares of Government (Sovereign) and non-Government in the total external debt were 24.4 per cent and 75.6 per cent, respectively, at end-September 2010.
- (vi) The ratio of short-term external debt to foreign exchange reserves was 22.5 per cent at end-September 2010 as compared to 18.8 per cent at end-March 2010.
- (vii) The share of US dollar denominated debt was the highest in external debt stock at 53.9 per cent at end-September 2010 followed by the Indian Rupee (18.8 per cent).
- (viii) The ratio of concessional debt to total external debt declined to 15.6 per cent at end-September 2010 from 16.7 per cent at end-March 2010.

1. External Debt Stock

1.1 India's total external debt stock was US\$ 295.8 billion at end-September 2010 recording an increase of US\$ 33.5 billion (12.8 per cent) over end-March 2010 estimates of US\$ 262.3 billion (Table 1). The long-term debt increased by US\$ 20.0 billion (9.5 per cent) to US\$ 229.8 billion, while short-term debt showed an increase of US\$ 13.5 billion (25.8 per cent) to US\$ 66.0 billion. Annex I and II present the quarter-wise disaggregated data on external debt outstanding for the period from December 2008 to September 2010 in Indian rupee and US dollar, respectively.

Table 1: Composition of India's External Debt

Sl. No.	Components	External Debt Outstanding at end of (US\$ million)			Absolute Variation (US\$ million)		Percentage Variation	
		March 2010 PR	June 2010 PR	Sept. 2010 QE	Sept. 2010 over March 2010 (5-3)	Sept. 2010 over June 2010 (5-4)	Sept. 2010 over March 2010	Sept. 2010 over June 2010
1	2	3	4	5	6	7	8	9
1	Multilateral	42,859 (16.3)	44,679 (16.4)	46,767 (15.8)	3,908	2,088	9.1	4.7
2	Bilateral	22,595 (8.6)	22,932 (8.4)	24,669 (8.3)	2,074	1,737	9.2	7.6
3	IMF	6,041 (2.3)	5,885 (2.2)	6,191 (2.1)	150	306	2.5	5.2
4	Export credit	16,883 (6.4)	17,414 (6.4)	18,450 (6.2)	1,567	1,036	9.3	5.9
5	Commercial Borrowings	71,948 (27.4)	74,467 (27.3)	82,212 (27.8)	10,264	7,745	14.3	10.4
6	NRI Deposits	47,890 (18.3)	48,108 (17.6)	49,907 (16.9)	2,017	1,799	4.2	3.7
7	Rupee Debt	1,657 (0.6)	1,584 (0.6)	1,641 (0.6)	-16	57	-1.0	3.6
8	Long-term debt (1 to 7)	209,873 (80.0)	215,069 (78.8)	229,837 (77.7)	19,964	14768	9.5	6.9
9	Short-term debt	52,471 (20.0)	57,841 (21.2)	66,010 (22.3)	13,539	8,169	25.8	14.1
10	Total External Debt (8+9)	262,344	272,910	295,847	33,503	22,937	12.8	8.4

PR: Partially Revised QE: Quick Estimates

Figures in parenthesis indicate their respective percentages to total external debt.

1.2 The increase in India's external debt at end-September 2010 over end-March 2010 level was mainly on account of higher commercial borrowings and short-term debt. Taken together, these two components contributed over 70 per cent of total increase in India's external debt. Strong domestic demand along with the rising interest rate differentials led to higher net inflows of commercial borrowings. The rising short-term trade credit to India is in line with the increase in imports associated with strong domestic economic activity.

1.3 India's external debt, which had increased marginally (0.1 per cent) at end-March 2009 over end-March 2008, stood at US\$ 262.3 billion at the end of March 2010, before rising by 12.8 per cent to US\$ 295.8 billion by the end of September 2010 (Table 2).

Table 2: External Debt Outstanding*(US\$ million)*

At the end of	Total external debt	Variation			
		Over corresponding Quarter of previous year		Over Previous Quarter	
		Amount	Per cent	Amount	Per cent
1	2	3	4	5	6
March-2008	224,407	52,047	30.2	18,074	8.8
June-2008	225,345	42,017	22.9	938	0.4
September-2008	225,069	28,154	14.3	-276	-0.1
December-2008	229,735	23,402	11.3	4,666	2.1
March-2009	224,547	140	0.1	-5,188	-2.3
June-2009	229,725	4,380	1.9	5,178	2.3
September-2009	242,651	17,582	7.8	12,926	5.6
December-2009	252,398	22,663	9.9	9,747	4.0
March-2010	262,344	37,797	16.8	9,946	3.9
June-2010	272,910	43,185	18.8	10,566	4.0
September-2010	295,847	53,196	21.9	22,937	8.4

2. Valuation Effect

2.1 The 'Valuation Effect'* arises because external debt is denominated in different currencies, and US dollar value, which is the international numeraire for indicating debt numbers, fluctuates over time vis-à-vis other currencies. The Valuation Effect due to depreciation of US dollar against major international currencies contributed to an increase of around US\$ 6.3 billion to the total increase of US\$ 33.5 billion in external debt at end-September 2010 over end-March 2010 level. Excluding the valuation effect, the increase in external debt would have been US\$ 27.2 billion (Table 3).

Table 3: Valuation Effect on External Debt (US\$ billion)

1	2	3	4
External debt at end-September 2010	Total Variation over end-March 2010	Valuation effect	Variation net of valuation effect
295.8	33.5	6.3	27.2
External debt at end-September 2010	Total Variation over end-June 2010	Valuation effect	Variation net of valuation effect
295.8	22.9	4.5	18.4

* The Valuation Effect during a period (e.g. end-March to end-September) is calculated by applying start-of-the-period (e.g. end-March) exchange rates to end-of-the-period (e.g. end-September) currency components of the debt stock and comparing the resultant figure with the nominal end-of-the-period (e.g. end-September) debt-stock.

3. External Debt by Original Maturity

3.1 At end-September 2010, long-term debt accounted for 77.7 per cent of total external debt. The long-term debt increased by US\$ 20.0 billion (9.5 per cent) between end-March and end-September 2010 (Table 4). The rise in long-term debt could largely be attributed to components like commercial borrowings and multilateral debt. Short-term debt, led mainly by trade related credits stood at US\$ 66.0 billion, reflecting an increase of US\$ 13.5 billion over end-March 2010 level.

Table 4: External Debt by Creditor Category

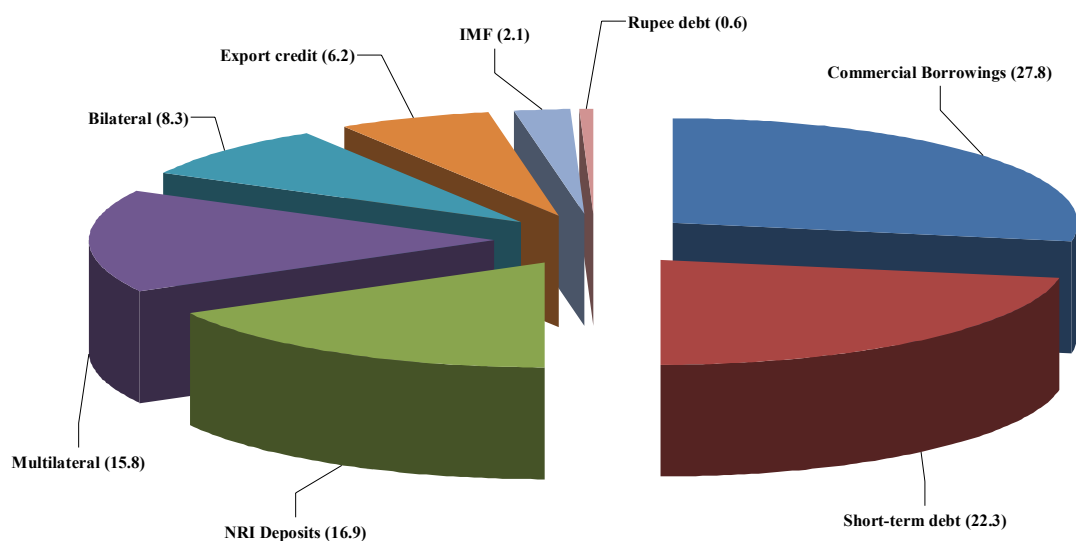
(Per cent)

Sl. No.	Category	at end-March						end-June	end-September	
		2005	2006	2007	2008	2009	2010 PR	2010 PR	2009	2010 QE
1	2	3	4	5	6	7	8	9	10	11
1	Multilateral	23.7	23.4	20.5	17.6	17.6	16.3	16.4	17.5	15.8
2	Bilateral	12.7	11.3	9.3	8.8	9.2	8.6	8.4	9.1	8.3
3	IMF	0.8	0.7	0.6	0.5	0.5	2.3	2.2	2.6	2.1
4	Export Credit	3.8	3.9	4.2	4.5	6.4	6.4	6.4	6.3	6.2
5	Commercial Borrowings	19.7	19.0	24.0	27.8	27.8	27.4	27.3	27.5	27.8
6	NRI Deposits	24.4	26.1	23.9	19.5	18.5	18.3	17.6	18.9	16.9
7	Rupee Debt	1.7	1.5	1.1	0.9	0.7	0.6	0.6	0.7	0.6
8	Total Long Term (1 to 7)	86.8	85.9	83.6	79.6	80.7	80.0	78.8	82.5	77.7
9	Short-term (8+9)	13.2	14.1	16.4	20.4	19.3	20.0	21.2	17.5	22.3
10	Grand Total (8+9)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

PR: Partially Revised; QE: Quick Estimates

3.2 Chart I gives a diagrammatic representation of the break-up of India's external debt at end-September 2010.

Chart I: Component-wise share of India's External Debt at end-September 2010 (per cent)



4. Government and Non-Government External Debt

4.1 At end-September 2010, Government debt stood at US\$ 72.3 billion, while non-Government debt amounted to US\$ 223.6 billion. The share of Government debt in total external debt declined from 25.6 per cent at end-March 2010 to 24.4 per cent at end-September 2010. The ratio of Government debt to GDP also posted a decline and remained around 5.0 per cent in the last four years. Details of Government and non-Government debt are presented in Table 5 and Chart II. Creditor-wise details of sovereign external debt in Indian rupee and US dollar are placed at Annex III and IV, respectively.

Table 5: Government and Non-Government External Debt

(US\$ million)

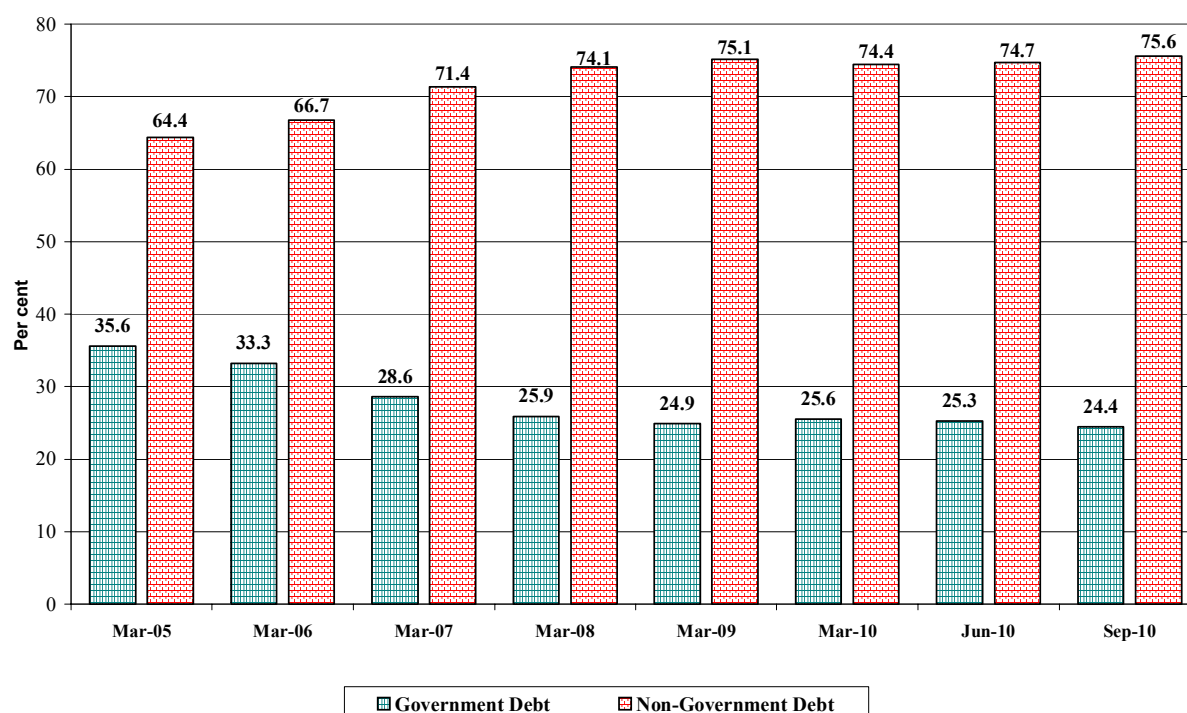
Sl. No.	Components	at end-March						end-June	end-September	
		2005	2006	2007	2008	2009	2010PR	2010 PR	2009	2010 QE
1	2	3	4	5	6	7	8	9	10	11
A	Government Debt									
	(I+II)	47,697	46,259	49,360	58,070	55,874	67,067	68,910	65,690	72,263
	As per cent of GDP	6.3	5.5	5.0	4.7	5.1	4.9	*	*	*
	As per cent of total external debt	35.6	33.3	28.6	25.9	24.9	25.6	25.3	27.1	24.4
I.	External Debt on Govt. Account under External Assistance	43,686	43,510	46,155	52,541	51,816	55,235	57,050	55,083	60,058
II.	Other Govt. External Debt (1+2)	4,011	2,749	3,205	5,529	4,058	11,832	11,860	10,607	12,205
1.	Other Govt. External Debt - Long-term	2,852	2,609	2,879	4,914	3,119	10,314	10,312	9,613	10,488
2.	Other Govt. External Debt - Short-term	1,159	140	326	615	939	1,518	1,548	994	1,717
B.	Non-Government Debt									
	Debt	86,305	92,855	123,000	166,337	168,673	195,277	204,000	176,961	223,584
	As per cent of GDP	11.7	11.2	12.5	13.4	15.4	14.1	*	*	*
	As per cent of total external debt	64.4	66.7	71.4	74.1	75.1	74.4	74.7	72.9	75.6
C.	Total External Debt									
	(A+B)	134,002	139,114	172,360	224,407	224,547	262,344	272,910	242,651	295,847
	As per cent of GDP	18.1	16.7	17.5	18.1	20.5	19.0	*	*	*

*: Not worked out for the broken period

PR: Partially Revised; QE: Quick Estimates

Note: From March 2005 onwards, Other Government Short-term external debt includes FII investment in Treasury Bills and from March 2007 onwards, it also includes investment in Treasury Bills by foreign central banks and international institutions.

Chart II: Share of Government and Non-Government External Debt in Total External Debt



5. Currency Composition of External Debt

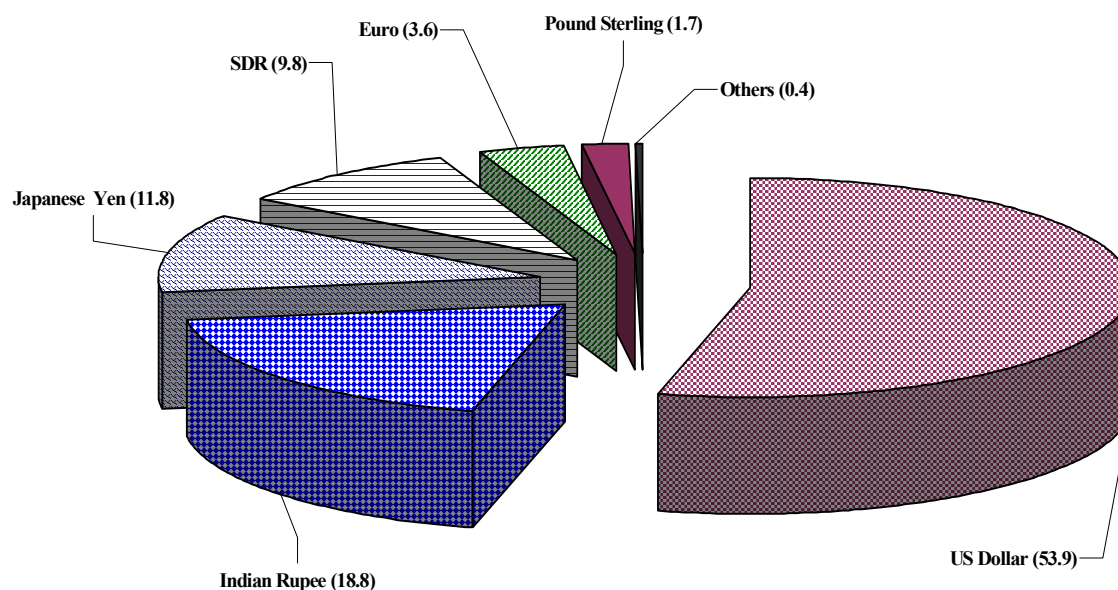
5.1 The currency composition of India's total external debt is presented in Table 6A and Chart IIIA. US dollar denominated debt accounted for 53.9 per cent of total external debt at end-September 2010, followed by the Indian Rupee (18.8 per cent), Japanese Yen (11.8 per cent), SDR (9.8 per cent) and Euro (3.6 per cent) (Table 6A).

Table 6A: Currency Composition of India's External Debt
(As per cent to total external debt)

Sl. No.	Currency	at end March						at the end of		
		2005	2006	2007	2008	2009	2010 PR	June 2010 PR	Sept. 2009	Sept. 2010 QE
1	2	3	4	5	6	7	8	9	10	11
1	US Dollar	47.7	48.8	51.1	55.3	54.1	53.4	54.9	51.4	53.9
2	Indian Rupees	19.4	18.8	18.5	16.2	15.4	18.6	18.1	16.6	18.8
3	Japanese Yen	10.4	10.9	11.4	12.0	14.3	11.4	11.5	13.6	11.8
4	SDR	14.9	14.3	12.4	10.6	9.8	10.7	10.1	12.0	9.8
5	Euro	4.6	4.4	3.9	3.5	4.1	3.6	3.3	3.9	3.6
6	Pound Sterling	2.6	2.6	2.4	2.2	2.0	1.8	1.7	2.1	1.7
7	Others	0.4	0.2	0.3	0.2	0.3	0.5	0.4	0.4	0.4
Total (1 to 7)		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

PR: Partially Revised; QE: Quick Estimates.

Chart IIIA: Currency Composition of India's External Debt at end-September 2010 (per cent)



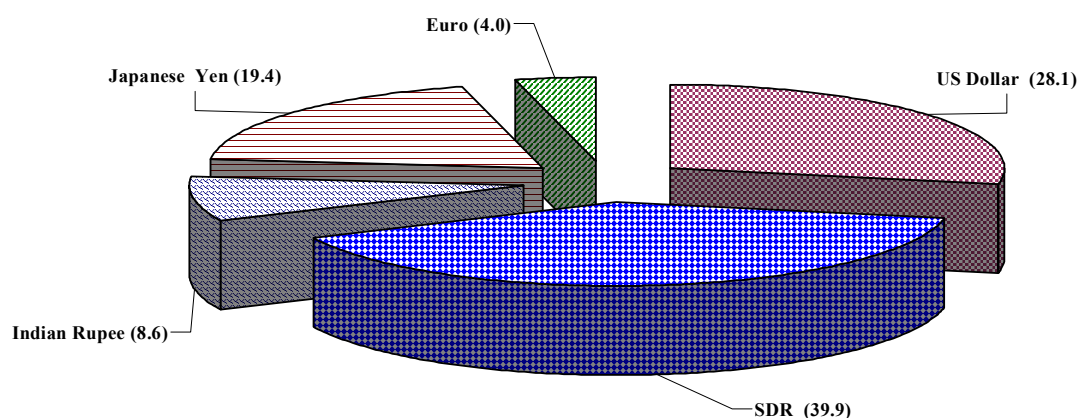
5.2 The currency composition of Government debt indicates pre-dominance of SDR denominated debt (39.9 per cent), which is attributable to borrowing from International Development Association (IDA) i.e., the soft loan window of the World Bank under the multilateral agencies and SDR allocations by the International Monetary Fund (IMF). Share of US dollar denominated debt was 28.1 per cent at end-September 2010 followed by the Japanese Yen (19.4 per cent) on account of borrowing from Japan (Table 6B and Chart IIIB).

Table 6B: Currency Composition of Government External Debt (As per cent to total Government external debt)

Sl. No	Currency	at end-March			at end-June	at end-September	
		2008	2009	2010 PR	2010 PR	2009	2010 QE
1	2	3	4	5	6	7	8
1	SDR	40.7	39.5	41.7	39.8	44.2	39.9
2	US Dollar	26.6	29.6	26.5	28.8	25.8	28.1
3	Japanese Yen	18.6	19.9	18.6	18.7	18.4	19.4
4	Indian Rupee	8.0	5.7	8.9	8.9	6.8	8.6
5	Euro	6.0	5.2	4.3	3.8	4.8	4.0
6	Pound Sterling	0.1	0.1	0.0	0.0	0.0	0.0
Total (1 to 6)		100.0	100.0	100.0	100.0	100.0	100.0

PR: Partially revised; QE: Quick Estimates.

Chart IIIB: Currency Composition of Government's External Debt at end-September 2010 (per cent)



6. External Debt Indicators

6.1 India's foreign exchange reserves provided a cover of 99 per cent to the external debt stock at end-September 2010 (106.4 per cent at end-March 2010). The ratio of short-term to total external debt stood at 22.3 per cent at end-September 2010 (20.0 per cent at end-March 2010). The ratio of short-term external debt to foreign exchange reserves was 22.5 per cent at end-September 2010 as compared to 18.8 per cent at end-March 2010. The ratio of concessional debt to total external debt declined to 15.6 per cent, reflecting the increasing share of non-Government debt. The key external debt indicators are presented in Table 7 and Annex V.

Table 7: India's Key External Debt Indicators

<i>(Per cent)</i>							
Year	External Debt (US\$ billion)	Ratio of Total External Debt to GDP	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total External Debt	Ratio of Concessional Debt to Total External Debt	Ratio of Short-term External Debt* to Foreign Exchange Reserves	Ratio of Short-term External Debt* to Total Debt
1	2	3	4	5	6	7	8
2005-06	139.1	16.7	10.1#	109.0	28.4	12.9	14.0
2006-07	172.4	17.5	4.7	115.6	23.0	14.1	16.3
2007-08	224.4	18.1	4.8	138.0	19.7	14.8	20.4
2008-09	224.5	20.5	4.4	112.1	18.7	17.2	19.3
2009-10 PR	262.3	19.0	5.5	106.4	16.7	18.8	20.0
End-June 2010 PR	272.9	-	-	101.0	15.9	21.0	21.2
End-Sept. 2010 QE	295.8	-	-	99.0	15.6	22.5	22.3

PR: Partially Revised; QE: Quick Estimates.

- Not worked out for the broken period. *: Short-term debt is based on original maturity

#: Works out to 6.3 %, with the exclusion of India Millennium Deposits (IMDs) repayments of US\$ 7.1 billion and pre-payment of US\$ 23.5 million.

Note: Debt-service ratio is the proportion of gross debt service payments to External Current Receipts (net of official transfers).

7. International Comparison

7.1 A cross country comparison of external debt of twenty most indebted developing countries, based on the data given in World Bank's publication titled Global Development Finance, 2010, showed that India was the *fifth* most indebted country in 2008 in terms of stock of external debt. The ratio of India's external debt stock to Gross National Income (GNI) as of 2008 at 19.0 per cent was the *fourth* lowest with China having the lowest ratio of external debt to GNI at 8.7 per cent. The element of concessionality in India's external debt portfolio was the *fourth* highest after that of Pakistan, Indonesia and Philippines.

Table 8: International Comparison of Top Twenty Developing Debtor Countries, 2008

Sl. No.	Country	Total External Debt Stock (US\$ million)	Ratio of Total Debt to Gross National Income (Per cent)	Ratio of Short-term to Total External Debt (Per cent)	Ratio of Foreign Exchange Reserves to Total Debt (Per cent)	Ratio of Concessional to Total External Debt (Per cent)
1	2	3	4	5	6	7
1	Russian Federation	402,453	25.8	13.6	106.1	0.5
2	China	378,245	8.7	49.5	514.5*	10.8
3	Turkey	277,277	35.3	18.3	26.6	2.7
4	Brazil	255,614	16.2	14.3	75.8	1.4
5	India	230,611	19.0	19.6	111.6	20.5
6	Poland	218,022	42.1	29.8	28.5	0.2
7	Mexico	203,984	19.1	12.0	46.7	0.5
8	Indonesia	150,851	30.4	17.6	34.2	27.9
9	Argentina	128,285	39.9	29.2	36.2	1.6
10	Kazakhstan	107,595	95.0	9.9	18.5	1.1
11	Romania	104,943	54.7	29.7	37.9	1.5
12	Ukraine	92,479	51.7	22.1	34.1	1.6
13	Malaysia	66,182	35.1	34.5	139.3	6.5
14	Philippines	64,856	35.0	10.8	57.8	23.1
15	Thailand	64,798	32.0	37.4	171.3	11.1
16	Chile	64,277	41.3	23.2	35.9	0.3
17	Venezuela	50,229	16.0	33.8	85.7	1.0
18	Pakistan	49,337	28.7	2.8	18.3	60.6
19	Colombia	46,887	20.2	12.1	50.5	2.1
20	Latvia	42,108	127.3	33.5	12.5	0.3

*: Foreign exchange reserves data are sourced from State Administration of Foreign Exchange, Government of China.

Note: Countries are arranged based on the magnitude of debt presented in column no.3 in the Table.

Source: World Bank's Global Development Finance, 2010.

7.2 In terms of the cover of external debt provided by foreign exchange reserves, India's position was the *fourth* highest at 111.6 per cent after China, Thailand and Malaysia. A comparison of the share of short-term debt in total external debt across countries reveals that India's position was the *tenth* lowest with Pakistan having the lowest ratio of short-term to total external debt.

7.3 The Quarterly External Debt (QEDS) database, jointly developed by the World Bank and the International Monetary Fund, brings together detailed external debt data of countries that are subscribing to IMF's Special Data Dissemination Standard/General Data Dissemination System. The position in respect of the highly indebted developing countries and subscribers to this arrangement for the first two quarters of the calendar year 2010, which has been published by the World Bank (<http://go.worldbank.org/6V603CE490>), is placed at Annex VI.

8. External Debt Management

8.1 India's external debt has remained within manageable limits, as indicated by the external debt to GDP ratio of 19.0 per cent and debt service ratio of 5.5 per cent during 2009-10. This has been possible due to an external debt management policy of the Government that emphasizes raising sovereign loans on concessional terms with longer maturities, regulating external commercial borrowings through end-use and all-in-cost restrictions, rationalizing interest rates on Non Resident Indian (NRI) deposits and monitoring long as well as short-term debt.

India's External Debt Outstanding (Quarterly)

(₹ crore)

At the end of									
S.No.	Components of External Debt	Dec. 2008 R	Mar.2009 R	June2009 PR	Sept.2009PR	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept 2010 QE
1	2	3	4	5	6	7	8	9	10
I.	MULTILATERAL	193,297	201,425	197,439	203,460	199,630	193,442	208,160	210,102
	A. Government Borrowing	175,057	181,997	177,451	181,886	177,983	170,722	184,356	184,907
	(i) Concessional	123,852	127,771	124,045	127,956	122,845	116,046	117,552	118,382
	a) IDA	122,245	126,127	122,428	126,296	121,249	114,552	116,029	116,839
	b) Others	1,607	1,644	1,617	1,660	1,596	1,494	1,523	1,543
	ii) Non-concessional	51,205	54,226	53,406	53,930	55,138	54,676	66,804	66,525
	a) IBRD	28,583	29,948	29,304	28,970	29,266	28,874	39,389	38,834
	b) Others	22,622	24,278	24,102	24,960	25,872	25,802	27,415	27,691
	B. Non-Government Borrowing	18,240	19,428	19,988	21,574	21,647	22,720	23,804	25,195
	(i) Concessional	0	0	0	0	0	0	0	0
	ii) Non-concessional	18,240	19,428	19,988	21,574	21,647	22,720	23,804	25,195
	a) Public Sector	13,855	14,298	14,325	15,094	14,807	14,919	15,604	15,457
	i) IBRD	6,773	7,105	7,302	7,971	8,205	8,544	8,861	9,003
	ii) Others	7,082	7,193	7,023	7,123	6,602	6,375	6,743	6,454
	b) Financial Institutions	3,335	3,721	3,797	4,439	4,766	5,385	5,501	6,700
	i) IBRD	728	744	714	1,084	1,062	1,343	1,348	1,813
	ii) Others	2,607	2,977	3,083	3,355	3,704	4,042	4,153	4,887
	c) Private Sector	1,050	1,409	1,866	2,041	2,074	2,416	2,699	3,038
	i) IBRD	0	0	0	0	0	0	0	0
	ii) Others	1,050	1,409	1,866	2,041	2,074	2,416	2,699	3,038
II.	BILATERAL	103,330	105,011	102,353	106,102	104,505	101,982	106,838	110,826
	A. Government borrowing	75,687	74,662	72,630	75,382	73,539	71,584	74,238	77,427
	(i) Concessional	75,687	74,662	72,630	75,382	73,539	71,584	74,238	77,427
	ii) Non-concessional	0	0	0	0	0	0	0	0
	B. Non-Government borrowing	27,643	30,349	29,723	30,720	30,966	30,398	32,600	33,399
	(i) Concessional	1,951	3,262	3,300	3,434	3,301	3,169	3,408	3,714
	a) Public Sector	1,288	1,156	1,138	1,188	1,156	1,121	1,142	1,299
	b) Financial Institutions	663	2,106	2,162	2,246	2,145	2,048	2,266	2,415
	c) Private Sector	0	0	0	0	0	0	0	0
	ii) Non-concessional	25,692	27,087	26,423	27,286	27,665	27,229	29,192	29,685

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At the end of

S.No.	Components of External Debt	Dec. 2008 R	Mar.2009 R	June2009 PR	Sept.2009 PR	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept 2010 QE
1	2	3	4	5	6	7	8	9	10
	a) Public Sector	14,580	15,076	14,393	14,604	14,444	13,845	14,391	14,127
	b) Financial Institutions	4,240	4,311	4,142	4,055	3,865	3,436	3,428	3,734
	c) Private Sector	6,872	7,700	7,888	8,627	9,356	9,948	11,373	11,824
III.	IMF^a	5,084	5,188	5,061	30,278	29,113	27,264	27,417	27,810
IV.	EXPORT CREDIT	66,719	73,772	71,112	73,520	73,302	76,202	81,132	82,884
	a) Buyers' credit	57,037	64,046	61,816	63,856	63,773	67,041	71,738	73,276
	b) Suppliers' credit	3,101	3,234	2,980	3,109	3,135	2,936	2,939	2,875
	c) Export credit component of bilateral credit	6,581	6,492	6,316	6,555	6,394	6,225	6,455	6,733
	d) Export credit for defence purchases	0	0	0	0	0	0	0	0
V.	COMMERCIAL BORROWINGS	317,299	318,173	301,587	320,218	326,153	324,735	346,943	369,337
	a) Commercial bank loans ^b	212,478	219,910	208,797	222,877	220,279	206,601	224,439	234,035
	b) Securitised borrowings ^c	98,040	91,265	86,261	91,503	100,432	114,465	118,873	131,838
	c) Loans/securitised borrowings etc., with multilateral/bilateral guarantee + IFC(W)	6,781	6,998	6,529	5,838	5,442	3,669	3,631	3,464
VI.	NRI DEPOSITS(Above one year maturity)^d	195,254	211,695	213,444	220,849	221,707	217,062	223,939	227,314
	a) NR(E) RA	112,542	120,077	119,470	122,185	120,937	118,984	121,340	121,062
	b) FCNR (B)	62,681	67,303	67,099	68,159	68,464	64,625	66,887	68,374
	c) NRO Deposits	20,031	24,315	26,875	30,505	32,306	33,453	35,712	37,878
VII.	RUPEE DEBT^e	8,007	7,780	7,695	7,690	7,690	7,481	7,380	7,374
	a) Defence	7,142	6,955	6,896	6,892	6,892	6,710	6,635	6,631
	b) Civilian	865	825	799	798	798	771	745	743
VIII.	TOTAL LONG TERM DEBT (I TO VII)	888,990	923,044	898,691	962,117	962,100	948,168	1,001,809	1,035,647
IX.	SHORT-TERM DEBT	223,675	220,907	201,234	203,577	215,747	236,830	269,483	296,548
	a) Trade - Related Credits	205,697	203,596	184,342	189,018	199,009	214,909	247,831	269,075
	1) 6 Months and above/up to 1 year	118,497	118,937	114,346	116,035	118,837	126,386	149,437	165,977
	2) Up to 6 months	87,200	84,659	69,996	72,983	80,172	88,523	98,394	103,098
	b) FII Investment in Govt. Treasury Bills and other instruments	10,812	10,522	10,288	8,457	10,010	15,153	15,086	19,725

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At the end of

S.No.	Components of External Debt	Dec. 2008 R	Mar.2009 R	June2009 PR	Sept.2009 PR	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept 2010 QE
1	2	3	4	5	6	7	8	9	10
c)	Investment in Treasury Bills by foreign central banks and international institutions etc.	528	534	498	370	397	467	393	385
d)	External Debt Liabilities of:	6,638	6,255	6,106	5,732	6,331	6,301	6,173	7,363
1)	Central Bank	3,750	3,892	3,681	3,371	3,091	3,139	2,977	2,809
2)	Commercial banks	2,888	2,363	2,425	2,361	3,240	3,162	3,196	4,554
X.	GRAND TOTAL (VIII+IX)	1,112,665	1,143,951	1,099,925	1,165,694	1,177,847	1,184,998	1,271,292	1,332,195

Source: Ministry of Finance (Department of Economic Affairs), Ministry of Defence, Reserve Bank of India, Securities & Exchange Board of India.

R: Revised; PR: Partially Revised; QE: Quick Estimates.

IFC(W): International Finance Corporation, Washington D.C.

FII: Foreign Institutional Investors

a Relates to SDR allocations from March 2004 onwards.

b Includes Financial Lease since 1996.

c Also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs), also includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds. FCCB debt has been adjusted since end-March, 1998 after netting out conversion into equity and redemptions.

d Figures include accrued interest.

e Rupee denominated debt owed to Russia and payable through exports.

Note: NRO Deposits are included under NRI Deposits from the quarter ended June 2005. Supplier's Credits upto 180 days and FII investment in short-term debt instruments are included under short-term debt from the quarter ended March 2005. Vostro balances / Nostro overdrafts of commercial banks, balances of foreign central banks/international institutions with RBI and investment in T-bills/securities by foreign central banks/ international institutions have been included in external debt from the quarter ended March 2007.

India's External Debt Outstanding (Quarterly)

(US\$ million)

At the end of

S.No.	Components of External Debt	Dec. 2008 R	Mar.2009 R	June2009 PR	Sept.2009 PR	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept 2010 QE
1	2	3	4	5	6	7	8	9	10
I.	MULTILATERAL	39,892	39,538	41,236	42,352	42,762	42,859	44,679	46,767
	A. Government Borrowing	36,128	35,724	37,061	37,861	38,124	37,825	39,570	41,159
	(i) Concessional	25,560	25,080	25,908	26,635	26,313	25,711	25,231	26,351
	a) IDA	25,229	24,757	25,570	26,290	25,971	25,380	24,904	26,008
	b) Others	331	323	338	345	342	331	327	343
	ii) Non-concessional	10,568	10,644	11,153	11,226	11,811	12,114	14,339	14,808
	a) IBRD	5,899	5,878	6,120	6,030	6,269	6,397	8,455	8,644
	b) Others	4,669	4,766	5,033	5,196	5,542	5,717	5,884	6,164
	B. Non-Government Borrowing	3,764	3,814	4,175	4,491	4,638	5,034	5,109	5,608
	(i) Concessional	0	0	0	0	0	0	0	0
	ii) Non-concessional	3,764	3,814	4,175	4,491	4,638	5,034	5,109	5,608
	a) Public Sector	2,859	2,807	2,992	3,142	3,172	3,305	3,349	3,440
	i) IBRD	1,398	1,395	1,525	1,659	1,758	1,893	1,902	2,004
	ii) Others	1,461	1,412	1,467	1,483	1,414	1,412	1,447	1,436
	b) Financial Institutions	688	730	793	924	1,021	1,194	1,181	1,492
	i) IBRD	150	146	149	226	228	298	289	404
	ii) Others	538	584	644	698	793	896	892	1,088
	c) Private Sector	217	277	390	425	445	535	579	676
	i) IBRD	0	0	0	0	0	0	0	0
	ii) Others	217	277	390	425	445	535	579	676
II.	BILATERAL	21,325	20,613	21,377	22,086	22,390	22,595	22,932	24,669
	A. Government borrowing	15,620	14,655	15,169	15,691	15,752	15,860	15,935	17,235
	(i) Concessional	15,620	14,655	15,169	15,691	15,752	15,860	15,935	17,235
	ii) Non-concessional	0	0	0	0	0	0	0	0
	B. Non-Government borrowing	5,705	5,958	6,208	6,395	6,638	6,735	6,997	7,434
	(i) Concessional	403	641	689	715	707	702	731	827
	a) Public Sector	266	227	238	247	248	248	245	289
	b) Financial Institutions	137	414	451	468	459	454	486	538
	c) Private Sector	0	0	0	0	0	0	0	0
	ii) Non-concessional	5,302	5,317	5,519	5,680	5,931	6,033	6,266	6,607

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India's External Debt Outstanding (Quarterly)

(US\$ million)

At the end of

S.No.	Components of External Debt	Dec. 2008 R	Mar.2009 R	June2009 PR	Sept.2009P R	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept 2010 QE
1	2	3	4	5	6	7	8	9	10
	a) Public Sector	3,009	2,959	3,006	3,040	3,096	3,068	3,089	3,144
	b) Financial Institutions	875	846	865	844	828	761	736	831
	c) Private Sector	1,418	1,512	1,648	1,796	2,007	2,204	2,441	2,632
III.	IMF^a	1,049	1,018	1,057	6,303	6,236	6,041	5,885	6,191
IV.	EXPORT CREDIT	13,769	14,481	14,852	15,304	15,719	16,883	17,414	18,450
	a) Buyers' credit	11,771	12,572	12,911	13,292	13,677	14,853	15,398	16,311
	b) Suppliers' credit	640	635	622	647	672	651	631	640
	c) Export credit component of bilateral credit	1,358	1,274	1,319	1,365	1,370	1,379	1,385	1,499
	d) Export credit for defence purchases	0	0	0	0	0	0	0	0
V.	COMMERCIAL BORROWINGS	65,483	62,454	62,988	66,657	69,941	71,948	74,467	82,212
	a) Commercial bank loans ^b	43,851	43,166	43,608	46,394	47,241	45,774	48,173	52,095
	b) Securitised borrowings ^c	20,233	17,914	18,016	19,047	21,533	25,361	25,515	29,346
	c) Loans/securitised borrowings etc., with multilateral/bilateral guarantee + IFC(W)	1,399	1,374	1,364	1,216	1,167	813	779	771
VI.	NRI DEPOSITS(Above one year maturity)^d	40,296	41,554	44,579	45,972	47,490	47,890	48,108	49,907
	a) NR(E) RA	23,226	23,570	24,952	25,434	25,905	26,251	26,067	26,579
	b) FCNR (B)	12,936	13,211	14,014	14,188	14,665	14,258	14,369	15,012
	c) NRO Deposits	4,134	4,773	5,613	6,350	6,920	7,381	7,672	8,316
VII.	RUPEE DEBT^e	1,653	1,527	1,607	1,601	1,647	1,657	1,584	1,641
	a) Defence	1,474	1,365	1,440	1,435	1,476	1,486	1,424	1,476
	b) Civilian	179	162	167	166	171	171	160	165
VIII.	TOTAL LONG TERM DEBT (I TO VII)	183,467	181,185	187,696	200,275	206,185	209,873	215,069	229,837
IX.	SHORT-TERM DEBT	46,268	43,362	42,029	42,376	46,213	52,471	57,841	66,010
	a) Trade - Related Credits	42,558	39,964	38,501	39,346	42,628	47,615	53,194	59,894
	1) 6 Months and above/upto 1 year	24,562	23,346	23,882	24,154	25,455	28,002	32,075	36,945

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India's External Debt Outstanding (Quarterly)

(US\$ million)

At the end of									
S.No.	Components of External Debt	Dec. 2008 R	Mar.2009 R	June2009 PR	Sept.2009P R	Dec. 2009 PR	March 2010 PR	June 2010 PR	Sept 2010 QE
1	2	3	4	5	6	7	8	9	10
	2) Up to 6 months	17,996	16,618	14,619	15,192	17,173	19,613	21,119	22,949
	b) FII Investment in Govt. Treasury Bills and other instruments	2,231	2,065	2,149	1,760	2,144	3,357	3,238	4,391
	c) Investment in Treasury Bills by foreign central banks and international institutions etc.	109	105	104	77	85	103	84	86
	d) External Debt Liabilities of:	1,370	1,228	1,275	1,193	1,356	1,396	1,325	1,639
	1) Central Bank	774	764	769	702	662	695	639	625
	2) Commercial banks	596	464	506	491	694	701	686	1,014
X.	GRAND TOTAL (VIII+IX)	229,735	224,547	229,725	242,651	252,398	262,344	272,910	295,847
	<u>Memo Items :</u>								
	Concessional Debt ^f	43,236	41,903	43,373	44,642	44,419	43,930	43,481	46,054
	Concessional Debt to total external debt (per cent)	18.8	18.7	18.9	18.4	17.6	16.7	15.9	15.6
	Short-term debt	46,268	43,362	42,029	42,376	46,213	52,471	57,841	66,010
	Short-term debt to total external debt (per cent)	20.1	19.3	18.3	17.5	18.3	20.0	21.2	22.3

Source: Ministry of Finance (Department of Economic Affairs), Ministry of Defence, Reserve Bank of India, Securities & Exchange Board of India.

R: Revised; PR: Partially Revised; QE: Quick Estimates.

IFC(W): International Finance Corporation, Washington D.C.

FII: Foreign Institutional Investors

a Relates to SDR allocations from March 2004 onwards.

b Includes Financial Lease since 1996.

c Also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs), also includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds. FCCB debt has been adjusted since end-March, 1998 after netting out conversion into equity and redemptions.

d Figures include accrued interest.

e Rupee denominated debt owed to Russia and payable through exports.

f The definition of concessional debt here includes 'concessional' categories under multilateral and bilateral debt and rupee debt under item VII.

Note: *NRO Deposits are included under NRI Deposits from the quarter ended June 2005. Supplier's Credits upto 180 days and FII investment in short-term debt instruments are included under short-term debt from the quarter ended March 2005. Vostro balances / Nostro overdrafts of commercial banks, balances of foreign central banks/international institutions with RBI and investment in T-bills/securities by foreign central banks/ international institutions have been included in external debt from the quarter ended March 2007.*

Creditor-wise Sovereign External Debt

(₹ crore)

Sl. No.	Category	end-March						end-June	end-September		
		2004	2005	2006	2007	2008	2009 R	2010 PR	2010 PR	2009 PR	2010 QE
1	2	3	4	5	6	7	8	9	10	11	12
I	External Debt on Govt. Account under										
	External Assistance (A+B)	184,153	191,147	194,076	201,199	210,086	263,976	249,302	265,794	264,620	269,810
	A. Multilateral (1 to 5)	120,074	127,782	133,799	141,734	144,630	181,997	170,722	184,356	181,886	184,907
	1 IDA	100,065	103,671	104,457	107,015	105,944	126,127	114,552	116,029	126,296	116,839
	2 IBRD	14,075	16,500	19,625	21,852	22,638	29,948	28,874	39,389	28,970	38,834
	3 ADB	4,509	6,169	8,322	11,434	14,594	24,278	25,803	27,415	24,960	27,691
	4 IFAD	1,172	1,211	1,189	1,222	1,247	1,437	1,300	1,329	1,452	1,349
	5 Others	253	231	206	211	207	207	193	194	208	194
	B. Bilateral (6 to 11)	64,079	63,365	60,277	59,465	65,456	81,979	78,580	81,438	82,734	84,903
	6 Japan	43,210	42,275	39,896	38,014	43,207	56,600	56,164	60,091	58,033	62,970
	7 Germany	11,244	11,217	10,190	10,660	11,393	12,485	11,094	10,417	12,668	11,158
	8 United States	4,042	3,458	3,071	2,567	2,049	2,216	1,715	1,728	1,960	1,610
	9 France	2,851	2,807	2,469	2,441	2,446	2,406	1,901	1,697	2,333	1,796
	10 Russian Federation	2,561	3,576	4,627	5,761	6,336	8,246	7,684	7,485	7,716	7,347
	11 Others	171	32	24	22	25	26	22	20	24	22
II	Total Other Govt. External Debt [C+D]	13,776	17,553	12,258	13,967	22,112	20,675	53,405	55,260	50,954	54,828
C	Other Govt. External Debt (Long-term)	13,776	12,479	11,634	12,548	19,652	15,891	46,550	48,046	46,179	47,116
D	Other Govt. External Debt (Short-term)	0	5,074	624	1,419	2,460	4,784	6,855	7,214	4,775	7,712
III.	Total Government External Debt (I+II)	197,929	208,700	206,334	215,166	232,198	284,651	302,707	321,054	315,574	324,638
IV.	Total External Debt	495,459	586,305	620,522	751,402	897,290	1,143,951	1,184,998	1,271,292	1,165,694	1,332,195

R: Revised; PR: Partially Revised; QE: Quick Estimates.

Creditor-wise Sovereign External Debt

(US\$ million)

Sl. No.	Year	at end-March							at end-June	at end-September	
		2004	2005	2006	2007	2008	2009R	2010 R	2010 PR	2009 PR	2010 QE
1	2	3	4	5	6	7	8	9	10	11	12
I.	External Debt on Govt. Account										
	under External Assistance (A+B)	41,142	43,686	43,510	46,155	52,541	51,816	55,235	57,050	55,083	60,058
A	Multilateral (1 to 5)	26,826	29,204	29,997	32,515	36,171	35,724	37,825	39,570	37,861	41,159
	1. IDA	22,356	23,693	23,418	24,548	26,496	24,758	25,380	24,904	26,290	26,008
	2. IBRD	3,144	3,771	4,400	5,015	5,662	5,878	6,397	8,454	6,030	8,644
	3. ADB	1,007	1,410	1,866	2,623	3,650	4,766	5,717	5,884	5,196	6,164
	4. IFAD	262	277	267	280	312	282	288	285	302	300
	5. Others	57	53	46	49	51	40	43	43	43	43
B	Bilateral (6 to 11)	14,316	14,482	13,513	13,640	16,370	16,092	17,410	17,480	17,222	18,899
	6. Japan	9,654	9,662	8,944	8,720	10,806	11,110	12,444	12,898	12,080	14,017
	7. Germany	2,512	2,564	2,285	2,445	2,849	2,451	2,458	2,236	2,637	2,484
	8. United States	903	790	688	589	512	435	380	371	408	358
	9. France	637	642	554	560	612	472	421	364	486	400
	10. Russian Federation	572	817	1,037	1,321	1,585	1,619	1,702	1,607	1,606	1,635
	11. Others	38	7	5	5	6	5	5	4	5	5
II.	Total Other Govt. External Debt [C+D]	4,539	4,011	2,749	3,205	5,529	4,058	11,832	11,860	10,607	12,205
C.	Other Govt. External Debt (Long term)	4,539	2,852	2,609	2,879	4,914	3,119	10,314	10,312	9,613	10,488
D.	Other Govt. External Debt (Short-term)	0	1,159	140	326	615	939	1,518	1,548	994	1,717
III.	Total Sovereign External Debt (I+II)	45,681	47,697	46,259	49,360	58,070	55,874	67,067	68,910	65,690	72,263
IV.	Total External Debt	112,653	134,002	139,114	172,360	224,407	224,547	262,344	272,910	242,651	295,847
	Memo Items :										
	Multilateral debt to External Assistance (Per cent)	65.2	66.8	68.9	70.4	68.8	68.9	68.5	69.4	68.7	68.5
	Bilateral debt to External Assistance (Per cent)	34.8	33.2	31.1	29.6	31.2	31.1	31.5	30.6	31.3	31.5

R: Revised; PR: Partially Revised; QE: Quick Estimates

Key External Debt Indicators (per cent)

Year	External Debt (US\$ billion)	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total Debt	Ratio of Total External Debt to GDP	Ratio of Concessional Debt to Total Debt	Ratio of Short-term Debt to Foreign Exchange Reserves	Ratio of Short- term Debt to Total Debt
1	2	3	4	5	6	7	8
1990-91	83,801	35.3	7.0	28.7	45.9	146.5	10.2
1991-92	85,285	30.2	10.8	38.7	44.8	76.7	8.3
1992-93	90,023	27.5	10.9	37.5	44.5	64.5	7.0
1993-94	92,695	25.4	20.8	33.8	44.4	18.8	3.9
1994-95	99,008	25.9	25.4	30.8	45.3	16.9	4.3
1995-96	93,730	26.2	23.1	27.0	44.7	23.2	5.4
1996-97	93,470	23.0	28.3	24.6	42.2	25.5	7.2
1997-98	93,531	19.5	31.4	24.3	39.5	17.2	5.4
1998-99	96,886	18.7	33.5	23.6	38.5	13.2	4.4
1999-00	98,263	17.1	38.7	22.0	38.9	10.3	4.0
2000-01	101,326	16.6	41.7	22.5	35.4	8.6	3.6
2001-02	98,843	13.7	54.7	21.1	35.9	5.1	2.8
2002-03	104,914	16.0 ^a	72.5	20.3	36.8	6.1	4.5
2003-04	112,653	16.1 ^b	100.3	18.0	35.8	3.9	3.9
2004-05	134,002	5.9 ^c	105.6	18.1	30.7	12.5	13.2
2005-06	139,114	10.1 ^d	109.0	16.7	28.4	12.9	14.0
2006-07	172,360	4.7	115.6	17.5	23.0	14.1	16.3
2007-08	224,407	4.8	138.0	18.1	19.7	14.8	20.4
2008-09 R	224,547	4.4	112.1	20.5	18.7	17.2	19.3
2009-10 PR	262,344	5.5	106.4	19.0	16.7	18.8	20.0
2010-11 PR (End-June)	272,910	* ^e	101.0	* ^e	15.9	21.0	21.2
2010-11 QE (End-Sept.)	295,847	* ^e	99.0	* ^e	15.6	22.5	22.3

R: Revised; PR: Partially Revised; QE: Quick Estimates.

^a Works out to 12.4 %, with the exclusion of pre-payment of US\$ 3.4 billion.

^b Works out to 8.2 %, with the exclusion of pre-payment of US\$ 3.8 billion and redemption of Resurgent India Bonds (RIBs) of US\$ 5.5 billion.

^c Works out to 5.7 % with the exclusion of pre-payment of US\$ 381 million.

^d Works out to 6.3 %, with the exclusion of India Millennium Deposits (IMDs) repayments of US\$ 7.1 billion and pre-payment of US\$ 23.5 million.

* Not calculated for the broken period.

Gross External Debt Position by Original Maturity of Select Developing Countries

(US\$ million)

S.No.	Countries	2010 Q1 (end-March)			2010 Q2 (end-June)		
		Short-term	Long-term	Total	Short-term	Long-term	Total
1	2	3	4	5	6	7	8
1	Russian Federation	52,644	411,110	463,754	53,656	402,405	456,060
2	Brazil	35,624	257,381	293,005	45,869	263,641	309,510
3	India	52,471	209,781	262,252	57,841	215,237	273,078
4	Turkey	54,359	212,435	266,794	61,964	204,375	266,339
5	Poland	39,776	232,939	272,715	38,172	206,894	245,066
6	Mexico	24,724	181,240	205,964	23,216	184,398	207,614
7	Indonesia	26,413	154,420	180,834	26,444	156,885	183,329
8	Kazakhstan	9,288	102,256	111,544	10,707	103,925	114,633
9	Romania	16,943	100,517	117,460	15,342	92,910	108,252
10	Ukraine	21,083	81,752	102,835	24,482	80,067	104,549
11	Argentina	30,408	87,637	118,045	30,528	53,605	84,133
12	Thailand	32,156	46,936	79,091	33,670	47,392	81,062
13	South Africa	19,912	61,817	81,729	18,359	62,157	80,516
14	Chile	16,256	58,062	74,318	17,895	60,317	78,212
15	Malaysia	30,196	44,558	74,754	30,597	45,308	75,905
16	Croatia	5,936	54,613	60,549	5,659	49,871	55,530
17	Colombia	4,579	49,273	53,852	5,361	50,165	55,526

Source: Table 1 of the Quarterly External Debt Database. (<http://go.worldbank.org/GWMYALHYQ0>)