

INDIA'S EXTERNAL DEBT
for the quarter ended
DECEMBER 2008

MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
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INDIA'S EXTERNAL DEBT
FOR THE QUARTER ENDED DECEMBER 2008

1. Introduction

1.1 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 quarters ending September and December are compiled and released by Ministry of Finance, Government of India.

2. External Debt Stock

2.1 India's total external debt stock as at end-December 2008 is placed at US \$ 230.85 billion, *i.e.*, marginally higher than that of US \$ 224.65 billion at end-September 2008 and US \$ 224.77 billion at end-March 2008 (Table 1). The increase in external debt by around US \$ 6.1 billion between March and December 2008 has been primarily on account of higher level of long-term debt. Over the quarter ended December 2008, the long-term debt recorded an increase of US \$ 9.4 billion while the short-term debt declined by US \$ 3.2 billion. Annex I and II present the disaggregated data on external debt outstanding for the period from March 2007 to December 2008 in terms of rupees and US dollars.

Table 1: India's External Debt

		(US\$ million)							
Sl. No.	Components	External Debt as at the end of				Absolute Variation		Percentage Variation	
		March 2008 PR	June 2008 PR	Sept 2008 PR	Dec 2008 QE	Dec 08 over Mar 08 (6-3)	Dec 08 over Sept 08 (6-5)	Dec 08 over Mar 08	Dec 08 over Sept 08
1	2	3	4	5	6	7	8	9	10
1	Multilateral	39,490 (17.6)	39,644 (17.7)	38,911 (17.3)	39,892 (17.3)	402	981	1.0	2.5
2	Bilateral	19,702 (8.8)	18,729 (8.4)	18,837 (8.4)	21,427 (9.3)	1,725	2,590	8.8	13.8
3	Export credit	10,389 (4.6)	11,075 (4.9)	12,324 (5.5)	13,944 (6.0)	3,555	1,620	34.2	14.6
4	Commercial Borrowings	62,504 (27.8)	61,231 (27.4)	61,568 (27.4)	66,158 (28.7)	3,654	4,590	5.8	7.5
5	NRI Deposits	43,672 (19.4)	42,612 (19.0)	40,622 (18.1)	40,296 (17.5)	-3,376	-326	-7.7	-0.8
6	Rupee debt	2,016 (0.9)	1,866 (0.8)	1,707 (0.8)	1,652 (0.7)	-364	-55	-18.1	-2.9
7	Long-term debt (1 to 6)	177,773 (79.1)	175,157 (78.3)	173,969 (77.4)	183,369 (79.4)	5,596	9,400	3.1	5.4
8	Short-term debt	46,999 (20.9)	48,619 (21.7)	50,676 (22.6)	47,477 (20.6)	478	-3,199	1.0	-6.6
9	Total External Debt (7+8)	224,772	223,776	224,645	230,846	6,074	6,201	2.7	2.8

PR : Partially Revised

QE : Quick Estimates

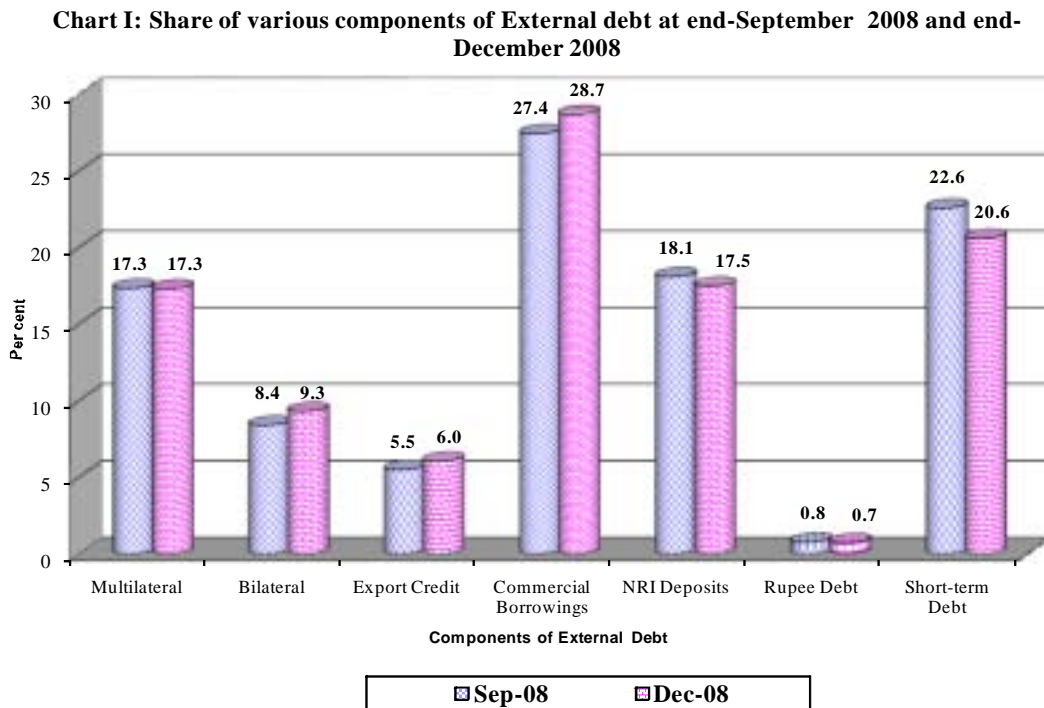
Figures in parenthesis indicate their respective percentages to total external debt.

3. Components of External Debt

3.1 External Debt by Original Maturity

3.1.1 In terms of components, long-term debt at US \$ 183.37 billion constituted 79.4 per cent of total external debt at end-December 2008. Of the total increase of US \$ 9.4 billion in the long-term debt, commercial borrowings accounted for an increase of US \$ 4.6 billion, followed by bilateral debt (US \$ 2.6 billion), export credit (US \$ 1.6 billion) and multilateral debt (around US \$ 1.0 billion). NRI deposits at US \$ 40.3 billion at end-December 2008 showed a decrease of US \$ 0.33 billion over the previous quarter level. Short-term debt, which had increased in the first two quarters of 2008-09, declined by US \$ 3.2 billion during the quarter ended December 2008 and accounted for 20.6 per cent of total external debt as at end-December 2008 (22.6 per cent at end-September 2008). The decline was seen in all the components of short-term debt except FII investment in Government Treasury Bills and other short-term instruments, which stood at a higher level of US \$ 2.23 billion at end-December 2008 (US \$ 1.7 billion at end-September 2008).

3.1.2 Chart I gives component-wise share of external debt at end-September 2008 and end-December 2008, respectively.



Box: Policy Measures relating to External Commercial Borrowing, Short-term Trade Credit and NRI Deposits during 2008-09 (upto March 13, 2009)

External Commercial Borrowings

ECB policy has been liberalised in terms of expanding the list of eligible borrowers, end use of funds raised through ECBs and terms of raising ECBs to counter the effect of global crisis.

Borrowers in infrastructure sector were allowed to avail ECBs up to USD 100 million for Rupee expenditure for permissible end uses under the Approval route (May 29, 2008). The limit was enhanced to USD 500 million per year for the borrowers in the infrastructure sector under the Approval Route (September 22, 2008). The earlier requirement that borrowings in excess of USD 100 million for rupee capital expenditure by the borrowers in the infrastructure sector should have a minimum average maturity of 7 years was dispensed with (October 22, 2008).

The existing limit of USD 20 million for Rupee expenditure for permissible end-uses for borrowers (other than those in the infrastructure sector) under the Approval Route was enhanced to USD 50 million (May 29, 2008).

ECBs up to USD 500 million per borrower per financial year were permitted for rupee and/or foreign currency expenditure for permissible end-uses under the Automatic Route (October 22, 2008).

Payment for obtaining license/permit for 3G Spectrum will be considered as an eligible end-use for the purpose of ECB (October 22, 2008).

Systemically important Non-Deposit taking NBFCs have been temporarily permitted to raise short-term foreign currency borrowings under the Approval Route, subject to their complying with the prudential requirements of capital adequacy and exposure norms (October 31, 2008).

Housing Finance Companies, registered with National Housing Bank, have been permitted to raise short-term foreign currency borrowings under the Approval Route (November 15, 2008).

Non-Banking Financial Companies (NBFCs), which are exclusively involved in financing of the infrastructure sector, have been allowed to avail of ECBs from multilateral/regional financial institutions and Government owned development financial institutions for on-lending to the borrowers in the infrastructure sector under the Approval Route (January 2, 2009).

Corporates in the services sector *viz.*, Hotels, Hospitals and Software companies, which were hitherto allowed to avail of ECB up to USD 100 million per financial year for import of capital goods under the Approval Route have been permitted to avail ECBs up to USD 100 million per year for both foreign currency and/or Rupee capital expenditure for permissible end use, other than for land acquisition, under the Automatic Route (January 2, 2009).

Corporates engaged in the development of integrated township have been permitted to avail of ECB under the Approval Route (January 2, 2009).

Keeping in view the prevailing liquidity conditions in the international financial markets, the all-in-cost ceilings applicable to ECBs have been revised from time to time during 2008-09; the details of which are given as under:

All-in-cost Ceilings for External Commercial Borrowings

Average Maturity Period	All-in-cost ceilings over 6-month LIBOR for the respective currency of borrowing	
	Existing	Revised
1	2	3
With effect from May 29, 2008		
Three years and up to five years	150bps	200bps
More than five years	250bps	350bps
With effect from September 22, 2008		
Three years and up to five years	200bps	200bps
More than five years and up to seven years	350bps	350bps
More than seven years	350bps	450bps

1	2	3
With effect from October 22, 2008		
Three years and up to five years	200bps	300bps
More than five years and up to seven years	350bps	500bps
More than seven years	450bps	500bps
With effect from January 2, 2009	The requirement of all-in-cost ceilings on ECB has been dispensed with until June 30, 2009. Eligible borrowers proposing to avail of ECB beyond the permissible all-in-cost ceilings as specified above to approach the Reserve Bank under the Approval Route.	
Limit on overseas borrowings by banks was enhanced from 25 per cent to 50 per cent of their unimpaired Tier I capital at the close of the previous quarter or USD 10 million, whichever is higher (October 15, 2008).		
The limit for FII investment in Government securities was enhanced from USD 3.2 billion to USD 5 billion and that for corporate debt from USD 1.5 billion to USD 3.0 billion from June 6, 2008; the latter was enhanced further to USD 6 billion and USD 15 billion with effect from October 16, 2008 and January 2, 2009, respectively.		
Short-term Trade Credit		
The all-in-cost ceiling for trade credit upto 3 years was enhanced to 6 months LIBOR plus 200 basis points (October 27, 2008).		
NRI Deposits:		
The interest rate ceiling on FCNR (B) deposits of all maturities was increased by 50 basis points, <i>i.e.</i> , Libor/Swap rates minus 25 basis points w.e.f. September 17, 2008; by another 50 basis points, <i>i.e.</i> , Libor/Swap rates plus 25 basis points w.e.f. October 16, 2008 and by a further 75 basis points, <i>i.e.</i> , Libor/Swap rates plus 100 basis points w.e.f. November 16, 2008.		
The interest rate ceiling on NR(E)RA deposits was increased by 50 basis points, <i>i.e.</i> , Libor/Swap rates plus 50 basis points w.e.f. September 17, 2008; by another 50 basis points, <i>i.e.</i> , Libor/Swap rates plus 100 basis points w.e.f. October 16, 2008 and by a further 75 basis points, <i>i.e.</i> , Libor/Swap rates plus 175 basis points w.e.f. November 16, 2008.		
Buy-back/Pre-payment of Foreign Currency Convertible Bonds: Keeping in view the prevailing market conditions and the potential benefits to the corporates on account of buy back of FCCBs at the prevailing discounted rates, it was announced on November 15, 2008 that the Reserve Bank would consider proposals, under the Approval Route, from Indian companies to prematurely buy back their FCCBs. The buyback should be financed by the company's foreign currency resources held in India or abroad and/or out of fresh ECB raised in conformity with the current norms for ECBs.		
The procedure relating to premature buyback of FCCBs by Indian companies, both under the automatic and approval routes, has been liberalised on December 6, 2008. Under the Automatic Route, Indian companies will be allowed to prematurely buyback FCCBs subject to the buyback being at a minimum discount of 15 per cent on the book value and the funds used for the buyback being out of existing foreign currency funds held either in India or abroad and/or out of fresh ECB raised in conformity		

with the current ECB norms. Reserve Bank will also consider proposals from Indian companies for buyback of FCCBs under the Approval Route subject to the buyback value of the FCCB being at a minimum discount of 25 per cent on the book value and funded through internal accruals of the company. Total amount of buyback under the Approval Route is subject to a limit of USD 50 million of the redemption value per company. It was also decided on March 13, 2009 to extend the date for completing the entire procedure for buyback of FCCBs from March 31, 2009 to December 31, 2009.

4. External Debt by Residual Maturity

4.1 External debt by residual maturity is an important indicator of debt service obligations. It indicates the principal components of both short and long-term debt, maturing during a reference period. Particularly important is short-term debt by residual maturity, which comprises outstanding short-term external debt (original maturity) and payments falling due in one year or less under outstanding long-term external debt. The total short-term residual maturity obligations stood at US\$ 89.9 billion, accounting for 38.9 per cent of total external debt outstanding at end-December 2008 (Table 2).

Table 2: Residual Maturity of External Debt Outstanding as at end-December 2008

(US \$ million)							
Sl. No.	Components	Short-term upto one year	Long-term			Total Long-term Debt (4+5+6)	Total (3+7)
			1 to 2 years	2 to 3 years	More than 3 years		
1	2	3	4	5	6	7	8
1	Sovereign Debt (Long-term)	2,867	3,175	3,285	46,936	53,396	56,263
2	Commercial Borrowings (including Export Credit)	7,789	8,826	14,506	55,689	79,021	86,810
3	NRI Deposits (i+ii+iii)	31,839	5,455	1,858	1,144	8,457	40,296
i)	NR (E) RA	9,570	2,402	780	184	3,366	12,936
ii)	FCNR (B)	18,476	2,869	980	901	4,750	23,226
iii)	NRO	3,793	184	98	59	341	4,134
4	Short-term Debt (Original Maturity)	47,477	0	0	0	0	47,477
	Grand Total (1+2+3+4)	89,972	17,456	19,649	103,769	140,874	230,846
Memo items:							
	Short-term debt (Original Maturity) as per cent of total external debt	20.6					
	Short-term debt (Residual Maturity) as per cent of total external debt	38.9					
	Short-term debt (Residual Maturity) as per cent of foreign exchange reserves	35.1					

- Notes:
1. Residual Maturity of NRI Deposits (as at end-Dec. 2008) is calculated on the basis of the Survey, conducted by the RBI, on residual maturity profile of NRI deposits outstanding as at end-March 2008.
 2. Short-term debt under NRI deposits includes deposits under i) current account, ii) saving account, iii) fixed deposits with one year or less (residual) maturity, and iv) unclaimed matured deposits under all the categories.
 3. Under long-term debt, FII investment in government dated securities is included under sovereign debt, while FII investment in corporate debt paper/other instruments is included under External Commercial Borrowings.

5. Government and Non-Government External Debt

5.1 Government (Sovereign) external debt stood at US \$ 57.4 billion at end-December 2008 while non-Government debt amounted to US \$ 173.5 billion. The share of non-Government debt in total external debt has increased steadily since March 2003. This trend continued during the first half of 2008-09 with the share of non-Government debt in total external debt increasing further to 75.3 per cent. However, it dipped fractionally to 75.2 per cent at the end of December 2008. Details of external debt by borrower category *viz.*, Government and non-Government are presented in Table 3 and Chart II.

Table 3 : Government and Non-Government External Debt

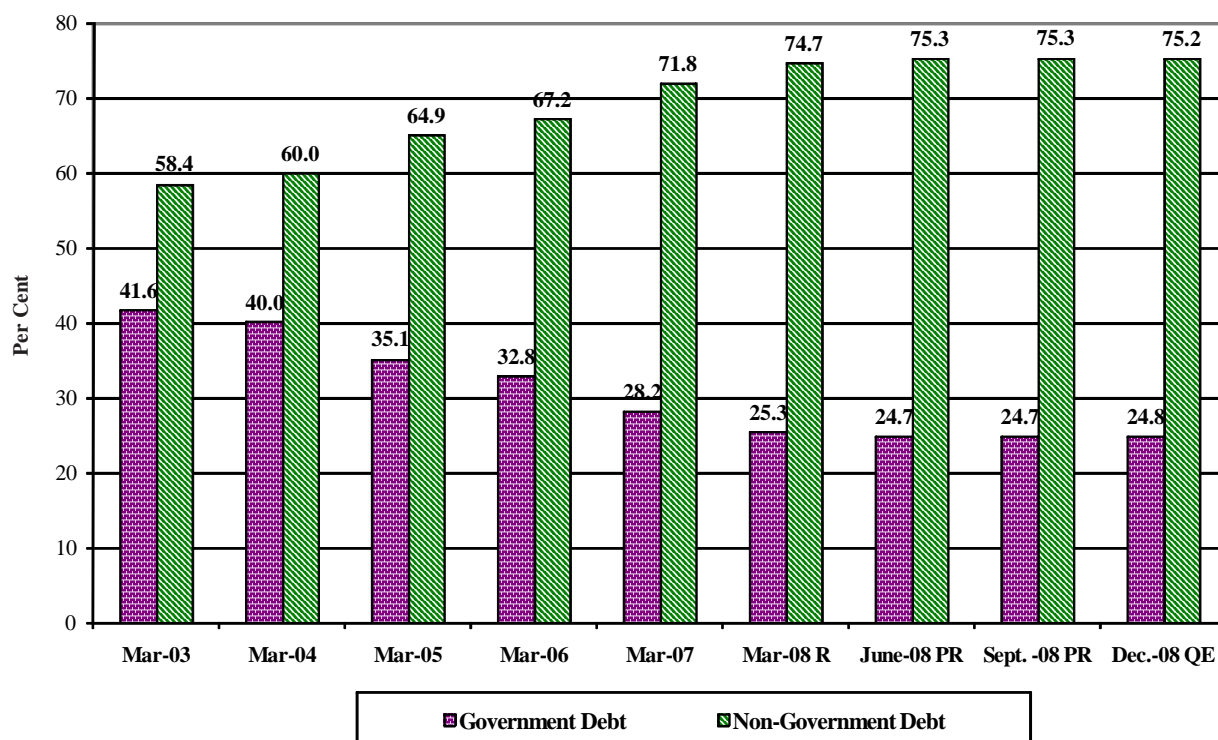
(US \$ million)

Sl. No.	Components	At the end of March						At the end of		
		2003	2004	2005	2006	2007	2008R	June 08 PR	Sept 08 PR	Dec 08 QE
1	2	3	4	5	6	7	8	9	10	11
A.	Sovereign Debt (I+II) (As per cent of GDP)	43,612 8.4	44,674 7.2	46,668 6.5	45,346 5.6	48,330 5.1	56,947 4.8	55,352 *	55,501 *	57,350 *
I.	External Debt on Govt. Account under External Assistance	41,216	41,142	43,686	43,510	46,155	52,538	51,433	50,534	53,284
II.	Other Govt. External Debt	2,396	3,532	2,982	1,768	2,175	4,409	3,919	4,967	4,066
B.	Non-Government Debt (As per cent of GDP)	61,302 11.9	66,971 10.6	86,305 12.0	92,787 11.5	123,022 13.0	167,825 14.2	168,424 *	169,144 *	173,496 *
C.	Total External Debt (A+B) (As per cent of GDP)	104,914 20.3	111,645 17.8	132,973 18.5	138,133 17.2	171,331 18.1	224,772 19.0	223,776 *	224,645 *	230,846 *

* : Not worked out for the broken period R: Revised PR: Partially Revised QE: Quick Estimates

Note : Other Government external debt includes defence debt, investment in Treasury Bills/government securities by FIIs, foreign central banks and international institutions.

Chart II: Government and Non-Government External Debt



6. Currency Composition

6.1 US dollar denominated debt accounted for 53.1 per cent of total external debt at end-December 2008, followed by Japanese Yen (15.9%), Indian rupee (15.8%), SDR (9.3%) and Euro (3.8%). The currency composition of external debt at end-December 2008 is presented in Chart III.

Table 4: Currency Composition of India's External Debt

(As per cent to total external debt)

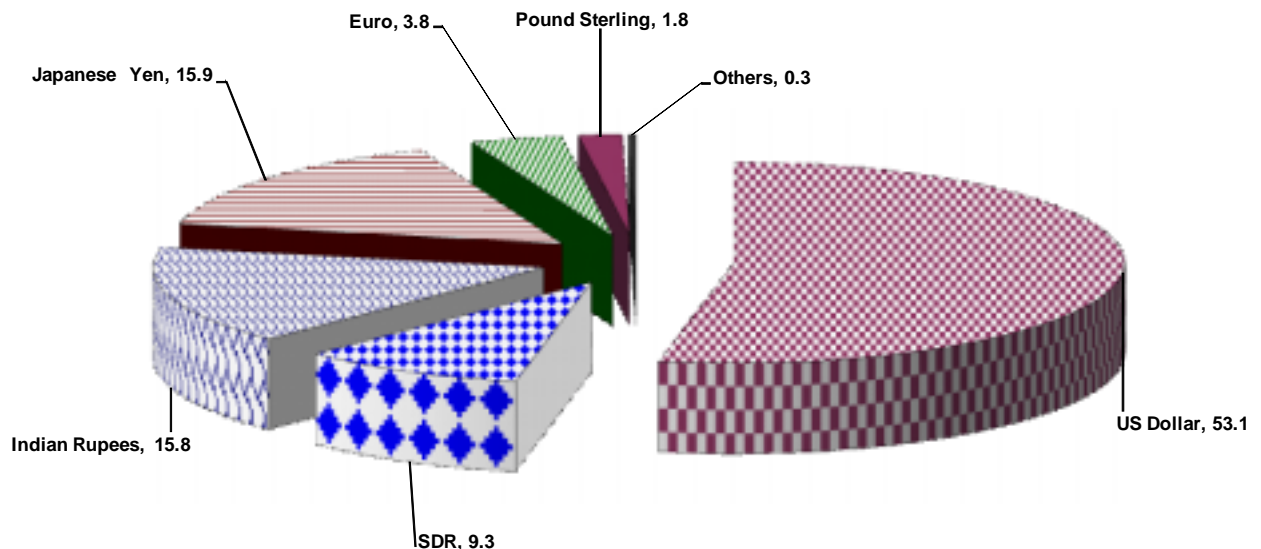
Sl. No.	Currency	At the end of March						At the end of		
		2003	2004	2005	2006	2007	2008R	June 08 PR	Sept 08 PR	Dec 08 QE
1	2	3	4	5	6	7	8	9	10	11
1	US Dollar	46.6	40.5	48.0	49.2	51.4	54.4	56.5	54.0	53.1
2	SDR	15.2	15.5	14.2	13.7	11.9	10.0	10.0	9.6	9.3
3	Indian Rupees	17.3	22.7	19.6	18.9	18.6	17.5	16.4	16.0	15.8
4	Japanese Yen	10.7	11.6	10.5	10.9	11.5	12.0	11.3	14.3	15.9
5	Euro	6.2	5.8	4.6	4.4	3.9	3.6	3.5	4.0	3.8
6	Pound Sterling	3.0	3.4	2.6	2.6	2.4	2.2	2.0	1.9	1.8
7	Others	1.0	0.5	0.5	0.3	0.3	0.3	0.3	0.2	0.3
Total:		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

R : Revised

PR: Partially Revised.

QE : Quick Estimates

Chart III: Currency Composition of India's External Debt at end-December 2008 (per cent)



US Dollar
 SDR
 Indian Rupees
 Japanese Yen
 Euro
 Pound Sterling
 Others

7. External Debt Indicators

7.1 The ratio of foreign exchange reserves to total external debt stood at 110.9 per cent at end-December 2008 as against 127.5 per cent at end-September 2008. The ratio of concessional debt to total external debt at 18.7 per cent showed a marginal improvement during the quarter ended December 2008. The ratio of short-term debt to foreign exchange reserves, which had increased from 15.6 per cent at end-June 2008 to 17.7 per cent at end-September 2008, rose further to 18.5 per cent at end-December 2008. The key external debt indicators are presented in Table 5 and Annex III.

Table 5 : India's Key External Debt Indicators

(per cent)

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 Debt to Foreign Exchange Reserves	Ratio of Short-term Debt to Total Debt
1	2	3	4	5	6	7	8
2003-04	111.6	17.8	16.1**	101.2	36.1	3.9	4.0
2004-05	133.0	18.5	5.9 ^	106.4	30.9	12.5	13.3
2005-06	138.1	17.2	10.1#	109.8	28.6	12.9	14.1
2006-07 R	171.3	18.1	4.8	116.2	23.1	14.1	16.4
2007-08 PR	224.8	19.0	5.4	137.8	19.7	15.2	20.9
2008-09							
End-June 08 PR	223.8	-	-	139.5	19.1	15.6	21.7
End-Sept. 08 PR	224.6	-	-	127.5	18.5	17.7	22.6
End-Dec.08 QE	230.8	-	-	110.9	18.7	18.5	20.6

R: Revised PR: Partially Revised QE: Quick Estimates

- Not worked out for the broken period.

** Works out to 8.2 %, with the exclusion of pre-payment of US\$ 3,797 million and redemption of Resurgent India Bonds (RIBs) of US\$ 5,549 million.

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

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 (only in respect of long-term debt) to External Current Receipts (net of official transfers).

8. International Comparison

8.1 Cross country comparison based on the data given in World Bank's Global Development Finance, 2008 showed that India ranked *fifth* in 2006 in terms of total external debt stock among developing countries. However, in terms of debt to GNI ratio (17.8 per cent) and debt service ratio (4.8 per cent), India's position was the second lowest among top ten debtor countries (Annex IV).

8.2 The Quarterly External Debt (QEDS) database, jointly developed by the World Bank and the International Monetary Fund, brings out 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 reporting countries for the second and third quarters of the calendar year 2008, which has been published by the World Bank (<http://go.worldbank.org/6V603CE490>) is placed at Annex V.

9. External Debt Management

9.1 The focus of external debt management policy continues to be on maintaining debt within manageable limits. This includes emphasis on raising sovereign loans on concessional terms with longer maturities, regulating the levels of commercial borrowing and their end-use, rationalising interest rates on NRI deposits, monitoring short-term debt and encouraging non-debt creating capital flows.

India's External Debt Outstanding (Quarterly)

(Rs. crore)

	At end of							
	Mar. 2007R	June 2007R	Sept. 2007R	Dec. 2007R	March 2008PR	June 2008PR	Sept. 2008PR	Dec. 2008QE
I. MULTILATERAL	154,053	146,954	147,289	149,553	157,901	170,269	182,594	193,297
A. Government Borrowing	141,746	134,813	134,832	136,986	144,627	155,456	165,771	175,057
(i) Concessional	108,448	101,895	101,691	102,163	107,395	114,576	120,061	123,852
a) IDA	107,019	100,569	100,332	100,748	105,947	113,042	118,450	122,245
b) Others	1,429	1,326	1,359	1,415	1,448	1,534	1,611	1,607
(ii) Non-concessional	33,298	32,918	33,141	34,823	37,232	40,880	45,710	51,205
a) IBRD	21,864	21,157	20,898	21,205	22,631	24,548	26,820	28,583
b) Others	11,434	11,761	12,243	13,618	14,601	16,332	18,890	22,622
B. Non-Government Borrowing	12,307	12,141	12,457	12,567	13,274	14,813	16,823	18,240
(i) Concessional	0	0	0	0	0	0	0	0
(ii) Non-concessional	12,307	12,141	12,457	12,567	13,274	14,813	16,823	18,240
a) Public Sector	9,315	9,041	9,458	9,619	10,352	11,449	12,693	13,855
i) IBRD	4,550	4,475	4,456	4,450	4,690	5,390	5,993	6,773
ii) Others	4,765	4,566	5,002	5,169	5,662	6,059	6,700	7,082
b) Financial Institutions	2,414	2,460	2,373	2,328	2,350	2,781	3,130	3,335
i) IBRD	655	617	595	585	593	647	700	728
ii) Others	1,759	1,843	1,778	1,743	1,757	2,134	2,430	2,607
c) Private Sector	578	640	626	620	572	583	1,000	1,050
i) IBRD	0	0	0	0	0	0	0	0
ii) Others	578	640	626	620	572	583	1,000	1,050
II. BILATERAL	70,034	64,573	66,662	68,080	78,777	80,442	88,259	103,823
A. Government borrowing	53,810	49,430	50,741	51,008	59,391	59,413	64,903	75,687
(i) Concessional	53,810	49,430	50,741	51,008	59,391	59,413	64,903	75,687
(ii) Non-concessional	0	0	0	0	0	0	0	0
B. Non-Government borrowing	16,224	15,143	15,921	17,072	19,386	21,029	23,356	28,136
(i) Concessional	1,727	1,576	1,599	1,563	1,736	1,852	1,897	1,951
a) Public Sector	1,241	1,122	1,137	1,103	1,225	1,262	1,293	1,289
b) Financial Institutions	486	454	463	460	511	590	604	662
c) Private Sector	0	0	0	0	0	0	0	0
(ii) Non-concessional	14,497	13,567	14,322	15,509	17,650	19,177	21,459	26,185
a) Public Sector	7,420	7,034	7,602	8,834	10,097	11,135	12,285	14,561
b) Financial Institutions	3,828	3,533	3,578	3,543	3,735	3,820	3,930	4,238
c) Private Sector	3,249	3,000	3,142	3,132	3,818	4,222	5,244	7,386
III. IMF	0	0	0	0	0	0	0	0
IV. EXPORT CREDIT	31,237	30,791	33,053	36,262	41,542	47,566	57,241	67,567
a) Buyers' credit	23,617	23,831	26,032	29,198	33,321	39,241	48,270	57,543
b) Suppliers' credit	2,941	2,662	2,609	2,629	3,057	3,159	3,327	3,442
c) Export credit component of bilateral credit	4,679	4,298	4,412	4,435	5,164	5,166	5,644	6,582
d) Export credit for defence purchases	0	0	0	0	0	0	0	0
V. COMMERCIAL BORROWINGS	180,669	194,461	206,746	223,884	249,920	262,987	285,822	320,567
a) Commercial bank loans #	107,145	115,260	123,392	139,237	160,971	172,140	184,722	215,217
b) Securitised borrowings ##	68,020	73,249	77,553	78,757	82,914	84,555	94,468	98,524

(Rs. crore)

	At end of							
	Mar. 2007R	June 2007R	Sept. 2007R	Dec. 2007R	March 2008PR	June 2008PR	Sept. 2008PR	Dec. 2008QE
c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	5,504	5,952	5,801	5,890	6,035	6,292	6,632	6,826
d) Self-Liquidating Loans	0	0	0	0	0	0	0	0
VI. NRI DEPOSITS ^	179,786	173,629	173,558	169,619	174,623	183,019	190,660	195,254
a) NR (E) RA	106,786	103,673	104,439	102,786	106,824	109,888	112,081	112,542
b) FCNR (B)	65,955	62,433	61,041	58,169	56,651	60,134	63,381	62,681
c) NRO Deposits	7,045	7,523	8,078	8,664	11,148	12,997	15,198	20,031
VII. RUPEE DEBT*	8,508	8,332	8,313	8,318	8,063	8,015	8,011	8,006
a) Defence	7,533	7,383	7,366	7,371	7,170	7,148	7,146	7,141
b) Civilian	975	949	947	947	893	867	865	865
VIII. TOTAL LONG TERM DEBT (I TO VII)	624,287	618,740	635,621	655,716	710,826	752,298	812,587	888,514
IX. SHORT-TERM DEBT	122,631	124,149	141,530	156,164	187,924	208,820	237,846	230,051
a) Trade Related Credits	113,256	113,873	129,409	144,645	172,583	195,676	220,158	212,068
1) Above 6 Months and upto 1 year	52,188	53,348	64,609	73,454	91,502	104,631	122,988	123,139
2) Upto 6 Months	61,068	60,525	64,800	71,191	81,081	91,045	97,170	88,929
b) FII Investment in Govt. Treasury Bills and other instruments	1,732	2,085	2,413	3,424	2,603	2,905	7,922	10,812
c) Investment in Treasury Bills by foreign central banks and international institutions etc.	712	692	683	620	620	641	582	529
d) External Debt Liabilities of:	6,931	7,499	9,025	7,475	12,118	9,598	9,184	6,642
1) Central Bank	4,746	4,607	4,425	4,314	4,458	4,188	4,108	3,752
2) Commercial banks	2,185	2,892	4,600	3,161	7,660	5,410	5,076	2,890
X. GRAND TOTAL (VIII+IX)	746,918	742,889	777,151	811,880	898,750	961,118	1,050,433	1,118,565

R : Revised

PR : Partially Revised

QE : Quick Estimates

IFC(W): International Finance Corporation (Washington DC)

FII : Foreign Institutional Investors

: includes Financial Lease.

: Includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds. FCCB debt has been adjusted after netting out conversion into equity.

^ : Figures include accrued interest.

* : Rupee denominated debt owed to Russia and payable through exports.

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

India's External Debt Outstanding (Quarterly)

(US \$ million)

	At end of							
	Mar. 2007R	June 2007R	Sept. 2007R	Dec. 2007R	March 2008PR	June 2008PR	Sept. 2008PR	Dec. 2008QE
I. MULTILATERAL	35,337	36,058	37,068	37,943	39,490	39,644	38,911	39,892
A. Government Borrowing	32,514	33,079	33,933	34,755	36,170	36,195	35,319	36,128
(i) Concessional	24,876	25,002	25,593	25,920	26,859	26,676	25,580	25,560
a) IDA	24,548	24,677	25,251	25,561	26,497	26,319	25,237	25,228
b) Others	328	325	342	359	362	357	343	332
(ii) Non-concessional	7,638	8,077	8,340	8,835	9,311	9,519	9,739	10,568
a) IBRD	5,015	5,191	5,259	5,380	5,660	5,716	5,714	5,899
b) Others	2,623	2,886	3,081	3,455	3,651	3,803	4,025	4,669
B. Non-Government Borrowing	2,823	2,979	3,135	3,188	3,320	3,449	3,592	3,764
(i) Concessional	0	0	0	0	0	0	0	0
(ii) Non-concessional	2,823	2,979	3,135	3,188	3,320	3,449	3,592	3,764
a) Public Sector	2,136	2,218	2,380	2,440	2,589	2,666	2,708	2,859
i) IBRD	1,043	1,098	1,121	1,129	1,173	1,255	1,277	1,398
ii) Others	1,093	1,120	1,259	1,311	1,416	1,411	1,431	1,461
b) Financial Institutions	554	604	597	591	588	647	668	688
i) IBRD	150	152	150	149	149	150	149	150
ii) Others	404	452	447	442	439	497	519	538
c) Private Sector	133	157	158	157	143	136	216	217
i) IBRD	0	0	0	0	0	0	0	0
ii) Others	133	157	158	157	143	136	216	217
II. BILATERAL	16,065	15,844	16,777	17,273	19,702	18,729	18,837	21,427
A. Government borrowing	12,344	12,128	12,770	12,941	14,854	13,833	13,828	15,620
(i) Concessional	12,344	12,128	12,770	12,941	14,854	13,833	13,828	15,620
(ii) Non-concessional	0	0	0	0	0	0	0	0
B. Non-Government borrowing	3,721	3,716	4,007	4,332	4,848	4,896	5,009	5,807
(i) Concessional	396	387	403	397	434	431	404	403
a) Public Sector	285	275	286	280	306	294	275	266
b) Financial Institutions	111	112	117	117	128	137	129	137
c) Private Sector	0	0	0	0	0	0	0	0
(ii) Non-concessional	3,325	3,329	3,604	3,935	4,414	4,465	4,605	5,404
a) Public Sector	1,702	1,726	1,913	2,241	2,525	2,593	2,634	3,005
b) Financial Institutions	878	867	900	899	934	889	841	875
c) Private Sector	745	736	791	795	955	983	1,130	1,524
III. IMF	0	0	0	0	0	0	0	0
IV. EXPORT CREDIT	7,165	7,555	8,318	9,200	10,389	11,075	12,324	13,944
a) Buyers' credit	5,417	5,847	6,551	7,408	8,333	9,136	10,404	11,876
b) Suppliers' credit	675	653	657	667	764	736	717	710
c) Export credit component of bilateral credit	1,073	1,055	1,110	1,125	1,292	1,203	1,203	1,358
d) Export credit for defence purchases	0	0	0	0	0	0	0	0
V. COMMERCIAL BORROWINGS	41,443	47,715	52,031	56,802	62,504	61,231	61,568	66,158
a) Commercial bank loans #	24,577	28,281	31,054	35,326	40,258	40,079	39,815	44,416
b) Securitised borrowings ##	15,603	17,973	19,517	19,982	20,737	19,687	20,323	20,333

(US \$ million)

	At end of							
	Mar. 2007R	June 2007R	Sept. 2007R	Dec. 2007R	March 2008PR	June 2008PR	Sept. 2008PR	Dec. 2008QE
c) Loans/securitized borrowings etc., with multilateral/bilateral guarantee + IFC(W)	1,263	1,461	1,460	1,494	1,509	1,465	1,430	1,409
d) Self-Liquidating Loans	0	0	0	0	0	0	0	0
VI.NRI DEPOSITS ^	41,240	42,603	43,679	43,034	43,672	42,612	40,622	40,296
a) NR(E) RA	24,495	25,438	26,284	26,078	26,716	25,585	23,880	23,226
b) FCNR (B)	15,129	15,319	15,362	14,758	14,168	14,001	13,504	12,936
c) NRO Deposits	1,616	1,846	2,033	2,198	2,788	3,026	3,238	4,134
VII. RUPEE DEBT*	1,951	2,045	2,092	2,110	2,016	1,866	1,707	1,652
a) Defence	1,728	1,812	1,854	1,870	1,793	1,664	1,523	1,474
b) Civilian	223	233	238	240	223	202	184	178
VIII. TOTAL LONG TERM DEBT (I TO VII)	143,201	151,820	159,965	166,362	177,773	175,157	173,969	183,369
IX.SHORT-TERM DEBT	28,130	30,462	35,619	39,620	46,999	48,619	50,676	47,477
a) Trade Related Credits	25,979	27,941	32,568	36,698	43,162	45,559	46,907	43,766
1) Above 6 Months and upto 1 year	11,971	13,090	16,260	18,636	22,884	24,361	26,204	25,413
2) Upto 6 Months	14,008	14,851	16,308	18,062	20,278	21,198	20,703	18,353
b) FII Investment in Govt. Treasury Bills and other instruments	397	512	607	869	651	676	1,688	2,231
c) Investment in Treasury Bills by foreign central banks and international institutions etc.	164	170	172	157	155	149	124	109
d) External Debt Liabilities of:	1,590	1,839	2,272	1,896	3,031	2,235	1,957	1,371
1) Central Bank	501	1,130	1,114	1,094	1,115	975	875	774
2) Commercial banks	1,089	709	1,158	802	1,916	1,260	1,082	597
X. GRAND TOTAL (VIII+IX)	171,331	182,282	195,584	205,982	224,772	223,776	224,645	230,846
<u>Memo Items :</u>								
Concessional Debt**	39,567	39,562	40,858	41,368	44,163	42,806	41,519	43,235

R : Revised

PR : Partially Revised

QE : Quick Estimates

IFC(W) : International Finance Corporation (Washington DC)

FII : Foreign Institutional Investors

: includes Financial Lease.

: Includes Foreign Currency Convertible Bonds (FCCBs) and net investment by 100% FII debt funds. FCCB debt has been adjusted after netting out conversion into equity.

^ : Figures include accrued interest.

* : Rupee denominated debt owed to Russia and payable through exports.

** : The concessional debt includes components of concessional borrowing under multilateral and bilateral debt and rupee debt under item VII.

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

India's Key External Debt Indicators

(per cent)

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 Debt to Foreign Exchange Reserves	Ratio of Short-term Debt to Total Debt
1	2	3	4	5	6	7	8
1990-91	83.8	28.7	35.3	7.0	45.9	146.5	10.2
1991-92	85.3	38.7	30.2	10.8	44.8	76.7	8.3
1992-93	90.0	37.5	27.5	10.9	44.5	64.5	7.0
1993-94	92.7	33.8	25.4	20.8	44.4	18.8	3.9
1994-95	99.0	30.8	25.9	25.4	45.3	16.9	4.3
1995-96	93.7	27.0	26.2	23.1	44.7	23.2	5.4
1996-97	93.5	24.6	23.0	28.3	42.2	25.5	7.2
1997-98	93.5	24.3	19.5	31.4	39.5	17.2	5.4
1998-99	96.9	23.6	18.7	33.5	38.5	13.2	4.4
1999-00	98.3	22.0	17.1	38.7	38.9	10.3	4.0
2000-01	101.3	22.5	16.6	41.7	35.4	8.6	3.6
2001-02	98.8	21.1	13.7	54.7	35.9	5.1	2.8
2002-03	104.9	20.3	16.0*	72.5	36.8	6.1	4.5
2003-04	111.6	17.8	16.1**	101.2	36.1	3.9	4.0
2004-05	133.0	18.5	5.9 ^	106.4	30.9	12.5	13.3
2005-06	138.1	17.2	10.1#	109.8	28.6	12.9	14.1
2006-07R	171.3	18.1	4.8	116.2	23.1	14.1	16.4
2007-08 PR	224.8	19.0	5.4	137.8	19.7	15.2	20.9
2008-09 (end-June) PR	223.8	-	-	139.5	19.1	15.6	21.7
2008-09 (end-Sept.) PR	224.6	-	-	127.5	18.5	17.7	22.6
2008-09 (end-Dec.) QE	230.8	-	-	110.9	18.7	18.5	20.6

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

- Not worked out for the broken period

* Works out to 12.4 %, with the exclusion of pre-payment of US\$ 3,430 million.

** Works out to 8.2 %, with the exclusion of pre-payment of US\$ 3,797 million and redemption of Resurgent India Bonds (RIBs) of US\$ 5,549 million.

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

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 (only in respect of long-term debt) to External Current Receipts (net of official transfers).

International Comparison of Top Ten Debtor Countries, 2006

S.No.	Countries	Total Debt stocks (US \$ billion)	Ratio of Total debt to Gross National Income (per cent)	Debt Service Ratio (per cent)	Ratio of Short-term debt/Total debt (per cent)	Ratio of Foreign Exchange Reserves/Total debt (per cent)	Ratio of Concessional debt to Total debt (per cent)	PV of Debt (US \$ million)	Total Debt Service payments (US \$ million)	Ratio of PV of Debt/GNI (per cent)	Ratio of PV of Debt/XGS (per cent)	Income Classification
1	2	3	4	5	6	7	8	9	10	11	12	13
1	China	323	12.2	2.5	53.7	334.8	10.9	316,277	27,877	14	35	Middle
2	Russian Federation	251	26.2	13.8	16.1	121.0	0.6	255,042	50,223	34	88	Middle
3	Turkey	208	51.7	33.2	20.4	30.4	2.0	215,957	40,512	61	200	Middle
4	Brazil	194	18.7	37.3	10.5	44.2	1.3	221,411	62,145	26	158	Middle
5	India	171	17.8	4.8	16.4	116.2	23.1	128,916	11,854	15	63	Low
6	Mexico	161	19.5	18.9	4.6	47.5	0.9	161,118	56,068	21	62	Middle
7	Indonesia	131	37.5	16.6	25.2	32.5	27.1	128,905	20,434	45	122	Middle
8	Poland	126	38.7	24.7	17.0	38.5	0.9	117,484	36,044	41	97	Middle
9	Argentina	122	58.6	31.6	28.7	26.2	1.1	119,202	18,994	68	230	Middle
10	Hungary	108	102.7	33.1	13.9	20.1	1.1	101,200	30,828	100	127	Middle

Source: Data for India are as published by national authorities for 2006-07 and those for other countries are at end-December 2006 as available in World Bank's Global Development Finance, 2008.

**Gross External Debt Position of QEDS reporting countries for
end-June and end-Sept.2008**

(US \$ million)

S.No.	Countries	2008Q2			2008 Q3		
		Short-term	Long-term	Total	Short-term	Long-term	Total
1	Russian Federation	101,369	423,392	524,761	113,765	426,721	540,486
2	Turkey	52,015	232,756	284,771	56,309	233,009	289,318
3	Brazil	41,277	221,152	262,429	47,507	225,459	272,966
4	India	48,619	175,157	223,776	50,676	173,969	224,645
5	Mexico	26,915	178,772	205,687	28,521	183,383	211,904
6	Indonesia	21,296	129,480	150,776	20,264	131,475	151,739
7	Poland	68,385	219,546	287,931	61,977	202,987	264,964
8	Argentina	30,439	100,865	131,305	31,009	96,908	127,917
9	Hungary	27,451	164,261	191,711	26,053	182,849	208,902
10	Kazakhstan	10,920	90,120	101,040	10,831	94,624	105,455
11	Thailand	21,665	44,528	66,193	21,071	43,734	64,805
12	Malaysia	38,351	43,387	81,739	38,566	43,741	82,308
13	Ukraine	28,166	69,838	98,004	30,050	75,379	105,429
14	Chile	16,439	46,875	63,314	18,586	49,873	68,459
15	Colombia	5,385	39,993	45,378	5,735	39,790	45,525
16	Croatia	5,653	50,119	55,773	4,849	46,952	51,801
17	United States	5,405,173	8,298,394	13,703,567	5,347,436	8,280,023	13,627,459
18	United Kingdom	8,463,855	2,806,315	11,270,170	8,064,751	2,681,022	10,745,773
19	Germany	2,086,939	3,661,327	5,748,266	1,973,254	3,468,065	5,441,319
20	France	2,406,972	3,084,041	5,491,013	2,250,762	2,883,847	5,134,608
21	Netherlands	1,288,366	1,551,346	2,839,713	1,263,415	1,419,457	2,682,872
22	Italy	1,022,795	1,753,884	2,776,679	944,407	1,607,011	2,551,418
23	Spain	741,116	1,849,960	2,591,076	714,525	1,696,427	2,410,952
24	Ireland	1,121,932	1,432,019	2,553,951	1,081,982	1,308,683	2,390,665
25	Japan	1,205,395	744,991	1,950,385	1,268,437	795,570	2,064,008
26	Belgium	1,238,639	468,293	1,706,932	1,205,204	413,557	1,618,761
27	Switzerland	1,045,570	447,777	1,493,347	1,000,786	424,988	1,425,774
28	Austria	328,937	601,162	930,100	302,587	559,221	861,808
29	Australia	292,575	633,171	925,746	268,616	570,174	838,790
30	Canada	297,563	528,460	826,023	304,819	510,502	815,321
31	Hong Kong, China	508,542	172,947	681,489	510,248	167,531	677,779
32	Denmark	309,793	332,589	642,382	288,116	300,593	588,709
33	Norway	314,417	275,982	590,399	302,399	256,112	558,511
34	Portugal	205,054	337,096	542,150	192,562	307,843	500,405
35	Greece	142,448	389,201	531,649	129,621	370,543	500,164
36	Korea	176,488	244,156	420,644	189,425	235,663	425,088
37	Finland	132,684	241,540	374,224	121,280	224,130	345,410
38	Israel	36,092	54,610	90,701	35,284	54,245	89,529
39	Czech Republic	33,395	63,039	96,434	28,012	59,745	87,757
40	South Africa	26,948	49,157	76,105	27,978	49,547	77,525

(US \$ million)

S.No.	Countries	2008Q2			2008 Q3		
		Short-term	Long-term	Total	Short-term	Long-term	Total
41	Slovenia	20,028	41,636	61,664	17,783	39,254	57,037
42	Slovak Republic	22,138	33,972	56,110	20,255	32,791	53,045
43	Bulgaria	19,245	33,315	52,560	19,215	32,007	51,222
44	Latvia	16,071	28,682	44,752	15,014	27,452	42,466
45	Peru	9,100	26,839	35,939	8,327	26,991	35,318
46	Lithuania	8,992	26,355	35,347	9,143	24,172	33,315
47	Egypt	2,519	31,373	33,893	2,651	29,831	32,481
48	Estonia	10,871	18,182	29,053	9,993	17,013	27,006
49	Tunisia	4,695	17,118	21,813	4,602	16,021	20,623
50	Belarus	8,625	5,491	14,116	8,756	5,801	14,557
51	Uruguay	252	11,215	11,467	351	10,857	11,208
52	El Salvador	1,336	8,836	10,172	1,497	8,873	10,369
53	Costa Rica	3,603	5,264	8,867	3,450	5,364	8,814
54	Georgia	1,114	5,593	6,707	1,014	6,079	7,093
55	Bolivia	254	5,317	5,570	259	5,460	5,718
56	Moldova	1,329	2,473	3,802	1,379	2,580	3,959
57	Kyrgyz Republic	339	3,115	3,454	292	3,060	3,352
58	Armenia	446	2,706	3,152	429	2,748	3,177

Source: Table 1 of the Quarterly External Debt Database, World Bank.

Note: India's External Debt data for end-June and end-Sept.2008 have been revised as per the Quarterly Report for end-Dec.2008