

India's External Debt as at the end of September 2019

The stock of external debt at end-September 2019 in rupees and US dollars as well as revised data for earlier quarters are set out in Statements I (old format) and II (IMF's 2013 External Debt Statistics (EDS) Guide format¹). The major developments relating to India's external debt as at end-September 2019 are presented below.

Highlights

At end-September 2019, India's external debt witnessed an increase of 0.08 per cent over its level at end-June 2019, primarily on account of an increase in commercial borrowings. The increase in external debt was partially offset by valuation gains resulting from the appreciation of the US dollar against Indian rupee and other major currencies. The external debt to GDP ratio stood at 20.1 per cent at end-September 2019, higher than its level at end-March 2019.

Major highlights pertaining to India's external debt at end-September 2019 are presented below:

- At end-September 2019, India's external debt was placed at US\$ 557.52 billion, recording an increase of US\$ 0.5 billion over its level at end-June 2019 (Table 1).
- Valuation gains in external debt as at end September 2019 over June 2019, due to appreciation of the US dollar vis-a-vis the Indian rupee and other major currencies (viz., SDR, yen, euro, and pound sterling), were placed at US\$ 6.39 billion. Excluding the valuation effect, the external debt as at end September 2019 would have been US\$ 563.91 billion.
- Commercial borrowings remained the largest component of external debt, with a share of 38.8 per cent, followed by non-resident deposits (23.8 per cent) and short-term trade credit (18.6 per cent).
- At end-September 2019, long-term debt (with original maturity of above one year) was placed at US\$ 448.4 billion, recording an increase of US\$ 1.03 billion over its level at end-June 2019.
- 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-September 2019 from 19.7 per cent at end-June 2019; the ratio of short-term debt (original maturity) to foreign exchange reserves declined to 25.2 per cent at end-September 2019 (25.5 per cent at end-June 2019).
- Short-term debt on a residual maturity basis (i.e., debt obligations that include long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity) constituted 42.9 per cent of total external debt at end-September 2019 (43.2 per cent at end-June 2019) and stood at 55.2 per cent of foreign exchange reserves (56.0 per cent at end-June 2019) (Table 2).

¹ The concepts set out in the IMF's 2013 EDS Guide are harmonized with those of the System of National Accounts (SNA) 2008 and the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6) published in 2009.

- US dollar denominated debt continued to be the largest component of India's external debt, with a share of 51.9 per cent at end-September 2019, followed by the Indian rupee (34.4 per cent), yen (5.2 per cent), SDR (4.6 per cent) and the euro (3.0 per cent).
- The borrower-wise classification shows that the outstanding debt of both government and non-government sectors increased at end-September 2019 over end-March 2019 (Table 3).
- The ratio of concessional debt to total external debt stands at 8.6 per cent as at end September 2019 as against 8.7 percent as at end March 2019 (Table 4).

Table 1: External Debt - Outstanding and Variation							
US\$ billion							
Component	Outstanding as at end of			Absolute variation		Percentage variation	
	Sep 2018 PR	June 2019 PR	Sep 2019 P	Sep-19 over Sep-18	Sep-19 over Jun-19	Sep-19 over Sep-18	Sep-19 over Jun-19
1	2	3	4	5	6	7	8
1. Multilateral	56.6	59.0	58.8	2.2	-0.2	3.9	-0.3
2. Bilateral	23.5	26.6	26.5	3.0	0.0	12.9	-0.2
3. IMF	5.6	5.5	5.4	-0.1	-0.1	-2.3	-1.9
4. Trade Credit	8.4	7.8	7.6	-0.7	-0.2	-8.7	-1.9
5. Commercial Borrowings	188.5	213.8	216.0	27.5	2.2	14.6	1.0
6. Non-resident Deposits	121.9	133.6	132.9	11.0	-0.7	9.0	-0.5
7. Rupee Debt	1.1	1.1	1.1	0.0	0.0	2.8	-2.3
8. Short-term Debt	104.3	109.7	109.1	4.8	-0.6	4.6	-0.5
Of which:							
Short-term trade credit	101.7	104.4	103.8	2.1	-0.6	2.0	-0.6
Total Debt	509.8	557.1	557.5	47.7	0.5	9.4	0.1
Memo Items:							
A. Long-term Debt (original maturity)@	405.5	447.3	448.4	42.9	1.0	10.6	0.2
B. Short-term Debt (original maturity)#	104.3	109.7	109.1	4.8	-0.6	4.6	-0.5
PR: Partially Revised. P: Provisional.							
@: Debt with original maturity of above one year.							
#: Debt with original maturity of up to one year.							

Table 2: Residual Maturity of External Debt Outstanding as at End-September 2019

(US\$ billion)

Component	Short-term up to one year**	Long-term			Total (2 to 5)
		1 to 2 years	2 to 3 years	More than 3 years	
1	2	3	4	5	6
1. Sovereign Debt (long-term) \$	5.3	7.7	8.4	85.1	106.6
2. Commercial Borrowings #	31.9	26.7	26.7	123.6	208.9
3. NRI deposits {(i)+(ii)+(iii)}	93.0	18.0	13.4	8.4	132.9
(i) FCNR(B)	16.2	3.1	2.8	2.4	24.5
(ii) NR(E)RA	63.2	13.7	9.9	5.8	92.6
(iii) NRO	13.7	1.2	0.7	0.2	15.8
4. Short-term Debt* (original maturity)	109.1				109.1
Total (1 to 4)	239.4	52.5	48.5	217.2	557.5
<i>Memo Items:</i>					
Short-term Debt (residual maturity) as per cent of Total External Debt					42.9
Short-term Debt (residual maturity) as per cent of Reserves					55.2
<p>\$: Inclusive of FPI investments in government securities.</p> <p>#: Commercial Borrowings are inclusive of trade credit, FPI investments in corporate debt instruments and a portion of non-government multilateral and bilateral borrowings and therefore may not tally with the figures provided in other tables under original maturity.</p> <p>*: Also includes FPI investments in security receipts issued by Asset Reconstruction Companies (ARCs) under the extant Corporate Debt Limits.</p> <p>** : Short-term debt by residual maturity comprises long-term debt by original maturity falling due over the next twelve months and short-term debt by original maturity.</p>					

Table 3: Government and Non-Government External Debt				
				(US\$ billion)
Component	End March			End-Sept. 2019 P
	2017	2018 PR	2019 PR	
1	2	3	4	5
A. Sovereign Debt (I+II)	95.9	111.9	103.8	106.9
(As a percentage of GDP)	4.1	4.3	3.8	3.9
I. External Debt on Government Account under External Assistance	62.8	68.6	68.8	70.8
II. Other Government External Debt @	33.1	43.4	35.0	36.1
B. Non-Government Debt #	375.1	417.3	439.4	450.7
(As a percentage of GDP)	15.8	15.9	16.0	16.2
C. Total External Debt (A+B)	471.0	529.3	543.2	557.5
(As a percentage of GDP)	19.9	20.1	19.8	20.1
PR: Partially Revised. P: Provisional.				
@: Other government external debt includes defence debt, investment in Treasury Bills/ government securities by FPIs, foreign central banks and international institutions and IMF.				
#: Includes external debt of Monetary Authority.				

Table 4: India's Key External Debt Indicators

(Per cent, unless indicated otherwise)

End-March	External Debt (US\$ billion)	Ratio of External Debt to GDP	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total Debt	Ratio of Concessional Debt to Total Debt	Ratio of Short-Term Debt to Foreign Exchange Reserves	Ratio of Short-Term Debt (original maturity) to Total Debt
1	2	3	4	5	6	7	8
1991	83.8	28.3	35.3	7.0	45.9	146.5	10.2
1996	93.7	26.6	26.2	23.1	44.7	23.2	5.4
2001	101.3	22.1	16.6	41.7	35.4	8.6	3.6
2006	139.1	17.1	10.1#	109.0	28.4	12.9	14.0
2007	172.4	17.7	4.7	115.6	23.0	14.1	16.3
2008	224.4	18.3	4.8	138.0	19.7	14.8	20.4
2009	224.5	20.7	4.4	112.2	18.7	17.2	19.3
2010	260.9	18.5	5.8	106.9	16.8	18.8	20.1
2011	317.9	18.6	4.4	95.9	14.9	21.3	20.4
2012	360.8	21.1	6.0	81.6	13.3	26.6	21.7
2013	409.4	22.4	5.9	71.3	11.1	33.1	23.6
2014	446.2	23.9	5.9	68.2	10.4	30.1	20.5
2015	474.7	23.8	7.6	72.0	8.8	25.0	18.0
2016	484.8	23.4	8.8	74.3	9.0	23.2	17.2
2017	471.0	19.9	8.3	78.5	9.4	23.8	18.7
2018 PR	529.3	20.1	7.5	80.2	9.1	24.1	19.3
2019 PR	543.2	19.8	6.4	76.0	8.7	26.3	20.0
end Sep 2019 P	557.5	20.1	6.2	77.8	8.6	25.2	19.6

PR: Partially Revised. P: Provisional.

Works out to 6.3 per cent with the exclusion of India Millennium Deposits (IMDs) repayments of US\$ 7.1 billion and pre-payment of external debt of US\$ 23.5 million.

