



# Highlights of Quarterly Report on “India’s External Debt for the Quarter ended September 2017”

Posted On: 29 DEC 2017 5:58PM by PIB Delhi

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-September 2017.

- At end-September 2017, India’s external debt stock stood at US\$ 495.7 billion, recording an increase of US\$ 23.9 billion (5.1 per cent) over the level at end-March 2017. The rise in external debt during the period was primarily due to the increase in foreign portfolio investment (FPI) in the debt segment of domestic capital market included under commercial borrowings. Some increase in short-term debt primarily due to trade related credit also contributed to the overall increase in total external debt. On a sequential basis, total external debt at end-September 2017 increased by US\$ 10.0 billion (2.1 per cent) from the end-June 2017 level.
  - The maturity pattern of India’s external debt indicates dominance of long-term borrowings. At end-September 2017, long-term external debt accounted for 81.3 per cent of India’s total external debt, while the remaining (18.7 per cent) was short-term external debt.
  - Long-term debt at end-September 2017 was at US\$ 403.0 billion, showing an increase of US\$ 19.1 billion (5.0 per cent) over the level at end-March 2017. Short-term external debt registered an increase of 5.4 per cent and stood at US\$ 92.7 billion at end-September 2017, though its share in total debt at 18.7 per cent was only marginally higher than the 18.6 per cent at end-March 2017.
  - Valuation loss (depreciation of US dollar against the SDR, Euro and pound sterling) was at US\$ 1.4 billion in September 2017 compared to March 2017. This implies that excluding the valuation effect, increase in debt would have been lower at US\$ 22.5 billion instead of US\$ 23.9 billion at end-September 2017 over the end-March 2017 level.
  - The shares of Government (Sovereign) and non-Government debt in the total external debt were 21.6 per cent and 78.4 per cent respectively, at end-September 2017 with the former’s share increasing from 19.4 per cent at end-March 2017. This was mainly due to the increasing level of foreign portfolio investment in government securities.
  - US dollar denominated debt accounted for 50.0 per cent of India’s total external debt at end-September 2017, followed by Indian rupee (35.7 per cent), SDR (5.7 per cent), Japanese Yen (4.4 per cent), Euro (3.2 per cent), Pound Sterling (0.6 per cent), and others (0.4 per cent).
  - The foreign exchange cover to total external debt improved to 80.7 per cent at end-September 2017 compared to 78.4 per cent at end-March 2017.
  - The ratio of short-term external debt by original maturity to foreign exchange reserves stood at 23.2 per cent at end-September 2017 as compared to 23.0 per cent at end June 2017 and 23.8 per cent at end-March 2017.
  - On a residual maturity basis, short-term debt constituted 41.7 per cent of total external debt at end-September 2017 (41.1 per cent at end-June 2017 and 41.5 per cent at end-March 2017) and its ratio to total foreign exchange reserves was at 51.7 per cent (51.6 per cent at end-June 2017 and 52.9 per cent at end-March 2017).
  - The ratio of concessional debt to total external debt was 9.1 per cent at end-September 2017, compared to the 9.3 per cent at end-March 2017.
- The complete quarterly report of India’s external debt at end-September 2017 is available on the website of Ministry of Finance – [www.dea.gov.in](http://www.dea.gov.in).

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(Release ID: 1514685) Visitor Counter : 739

