

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:71
ANSWERED ON:04.03.2005
EXTERNAL DEBT QUESTION
Choudhary Smt. Anuradha;Khan Shri Mohammad Tahir

Will the Minister of FINANCE be pleased to state:

- (a) the total foreign debt liability of our country as on date;
- (b) whether there has been an increase in the amount of foreign debt during the current year as compared to the last year;
- (c) if so, the total percentage of increase registered in this regard;
- (d) whether the Government is committed to bring down the foreign debt; and
- (e) if so, the steps being taken by the Government in this regard?

Answer

MINISTER OF FINANCE (SHRI P.CHIDAMBARAM)

(a) to (e) : A statement is placed on the Table of the House.

Lok Sabha Starred Question No.71

Statement referred to in reply to Lok Sabha Starred Question No.71 by Shrimati Anuradha Choudhary and Shri Mohd. Tahir regarding 'external debt' for answer on March 04, 2005.

(a),(b)&(c): According to the latest data available, India's external debt stood at US \$ 113.59 billion at end-September 2004, showing an increase of 0.1 per cent as compared to US \$ 113.46 billion at end-September 2003.

(d)&(e): Government follows a prudent external debt management policy to keep external debt within manageable limits. The policy focus is on concessional loans, longer maturity profiles, close monitoring of short-term debt and laying emphasis on non-debt creating capital flows. Recent initiatives towards moderation of external debt include prepayment of high cost loans, rationalization of interest rates on NRI deposits, end-use stipulations for external commercial borrowings and restriction on short-term trade credits.