

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6325

ANSWERED ON:06.05.2005

EXTERNAL DEBT

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Will the Minister of FINANCE be pleased to state:

- (a) The position of India among the indebted countries of the World;
- (b) The total external debt of the Government as on March 31, 2005;
- (c) The amount India has to pay as interest against the total loan every year and the percentage of its consisting of GDP;
- (d) The total amount of principal and interest paid to foreign creditors during each of the last three years, country-wise and institution-wise; and
- (e) The scheme of the Government to repay the debt to get rid of the debt burden?

Answer

Minister of State in Ministry of Finance (SHRI S.S. PALANIMANICKAM)

- (a) India's position among the indebted countries of the world is eighth as per the Global Development Finance 2004, World Bank.
- (b) According to the latest data available, external debt of the Government as on December 31, 2004 was US\$ 43,896 million.
- (c) Principal and interest paid by India on total external debt and ratio of interest payments to GDP are given in Table 1.

Table 1: India's External Debt Service Payments

(US\$ million)				
	2001-02	2002-03	2003-04P	
Principal Repayment	6,925	10,883	14,389	
Interest payment	4,386	3,524	6,560	
Total Debt Service Payments	11,311	14,407	20,949	
Interest payment as a percentage of GDP	0.94	0.68	1.03	

: Includes redemption of Resurgent India Bonds (RIB) of US\$ 5.2 billion & prepayment of US\$3.8 billion; @ Includes prepayment of US \$ 3.4 billion; P: Provisional.

- (d) Details of payment of principal and interest country/institution-wise are available only in respect of external debt on Government account. The details are given in Table 2.

Table 2: Government Debt service payments

(US\$ million)					
	2001-02	2002-03		2003-04P	
	PR.	Int.	PR.	Int.	PR.
InstitutionADB	119	166	1,458	197	1,257
IBRD	551	269	2,200	261	1,751
IDA	416	137	465	154	542
Others	11	4	11	3	12
Country France	43	21	156	23	49

Germany	100	21	111	22	119	24
Japan	329	201	362	188	502	212
Netherlands	39	10	45	11	520	10
Russian	43	8	53	7	55	8
Federation USA	134	34	137	32	126	29
Others	99	7	107	6	636	4
Total	1,884	878	5,105	904	5,569	674

P: Provisional; PR: Principal, Int.: Interest

Similar details on total debt are not available since it is difficult to identify country of destination for certain other components of debt such as NRI deposits and syndicated loans.

(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.