

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5848

ANSWERED ON:11.05.2012

EXTERNAL DEBT

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Will the Minister of FINANCE be pleased to state:

- (a) whether the external debt had crossed US\$ 350 billion at the end of the last financial year;
- (b) if so, the details of outstanding debt from each of the financial institution like World Bank, Asian Development Bank (ADB), International Monetary Fund (IMF), etc.;
- (c) the loan taken from each of the above institutions during the last ten years alongwith percentage of increase, year-wise and institution-wise and the reasons therefor;
- (d) whether the above financial institutions put conditions before sanction of loan for private sector expansion; and
- (e) if so, the details thereof and the response of the Government on such conditions alongwith the steps taken to monitor utilisation of the fluids and make complete repayment at the earliest?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) As per the latest available data, India`s external debt stood at US\$ 334.9 billion at end-December 2011.

(b) At end-December 2011, India`s external debt outstanding from the International Development Association (IDA), International Bank for Reconstruction and Development (IBRD) and the Asian Development Bank (ADB) stood at US\$ 26.6 billion, US\$ 8.9 billion and US\$ 7.4 billion respectively. India`s external debt outstanding to IMF stood at US\$ 6.1 billion on account of IMF Special Drawing Rights (SDR) allocations to the country.

(c) Loans from multilateral financial institutions are accessed primarily to finance projects in infrastructure and social sector(s). Details of Government loans taken from major multilateral institutions during the last ten years are contained in the Table below.

Table: Government Loans from Major Multilateral Institutions (Thousands of US Dollar)

Year	IDA		IBRD		ADB	
	Loans	% increase in loans	Loans	% increase in loans	Loans	% increase in loans
2002-03	665170.6	â€”	570287.1	-	330273	-
2003-04	627320.4	-5.7	765556	34.2	482146	46.0
2004-05	680176.7	8.4	729140.4	-4.8	414978	-13.9

2005-06	834295	22.7	758210.6	4.0	479510	15.6
2006-07	635225.3	-23.9	869330.3	14.7	833328.7	73.8
2007-08	519819	-18.2	836114.1	-3.8	1050883	26.1
2008-09	712312.3	37.0	613972	-26.6	1270903	20.9
2009-10	753922.7	5.8	848336.8	38.2	1046435	-17.7
2010-11	697156.4	-7.5	2837460	234.5	1270305	21.4
2011-12	978978.8	40.4	620153.3	-78.1	976261.6	-23.1

Note Figures reported for IDA are in thousands of SDR. IDA loans denominated in US Dollars have been converted to SDRs for the years 2005-06 to 2008-09 using the annual average US Dollar-SDR exchange rate. # Includes the single tranche disbursement of USD 1995 million for Banking Sector Support Loan. Source; Office of the Controller of Aid. Audit and Accounts, Government of India.

(d) & (e) The Government of India has instituted a new set of principles and a Finance Plus criterion to govern the selection of projects to be posed to multilateral agencies (World Bank, ADB etc.). The basic goal of framing these principles and the criteria is to maximize access and leverage of Multilateral Financial Institutions` (MFIs`)/Multilateral Development Banks (MDBs`) knowledge base, international experience and familiarity with best practices, making the best use of limited external resources available.

Project implementation and monitoring is done on a regular basis by stakeholders including the Ministry of Finance and the implementing authority.

India`s external debt on Government Account under External Assistance has remained within manageable limits due to a prudent debt management policy that emphasises raising sovereign loans on concessional terms with longer maturities.