

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3125

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EXTERNAL DEBT

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**Will the Minister of FINANCE be pleased to state:**

- (a) the quantum of long term and short term external debt during each month of the current fiscal year (2012-13);
- (b) the reasons for increase in the country's external debt; and
- (c) the steps taken or proposed to be taken by the Government to reduce the external debt?

**Answer**

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

(a) The external debt data is disseminated on a quarterly basis with a lag of one quarter. The details of the long and short term external debt during the current year, quarter-wise, are given below:

Table : India's External Debt (US\$ billion)

Sl. No.	Component	End-June 2012 (PR)	End-September 2012 (QE)
1.	Long-term external debt	268.3	280.8
2.	Short-term external debt	80.5	84.5
3.	Total External Debt (1+2)	348.8	365.3

PR: Partially Revised, QE: Quick Estimates.

(b) & (c) The increase in external debt as at end September 2012 was largely due to higher NRI deposits, short-term debt and commercial borrowings. The external debt management policy followed by the Government of India emphasizes monitoring of long and short term debt, raising sovereign loans on concessional terms with long maturities, regulating external commercial borrowings through end-use and all-in-cost restrictions and rationalizing interest rates on Non-Resident Indian (NRI) Deposits. As a result, external debt has remained at manageable level as indicated by the external Debt-GDP ratio of 19.7 per cent and the debt service ratio of 6.0 per cent in 2011-12.