

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**STARRED QUESTION NO. 141**  
TO BE ANSWERED ON MARCH 2, 2020

**EXTERNAL DEBT**

\*141.KUNWAR DANISH ALI:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the external debt of the country, both long-term as well as short-term, during the last three years along with the rates of interest applicable thereon;
- (b) the rank of India among the debt-ridden countries of the world;
- (c) the details of the total amount repaid in the form of principal and interest to the foreign lenders during each of the last three years and the current year along with the total amount outstanding as on date, country-wise and institution-wise; and
- (d) the details of steps taken by the Government to lessen the loan burden of the country?

**ANSWER**

THE FINANCE MINISTER  
(SMT. NIRMALA SITHARAMAN)

(a) to (d): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA  
STARRED QUESTION NO. 141 BY KUNWAR DANISH ALI  
DUE FOR ANSWER ON MARCH 2, 2020**

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(a) & (c): Owing to strong macroeconomic fundamentals including a manageable current account deficit, India's external debt to GDP ratio has been low at about 20 percent of GDP during the last three years. Data on India's external debt, principal and interest paid to foreign lenders are placed at Annexure.

(b): As per IMF and World Bank data, India's external debt to gross national income (GNI) ratio in 2018 was lowest among the advanced nations of G-20 and 36 OECD (Organization for Economic Cooperation and Development) countries. India's external debt to GNI ratio was also lower than two-thirds of around 150 low and middle income countries. Further, India's external debt per citizen in 2018 was less than all G-20 and OECD countries.

(d): India's external debt burden is very low. For raising the investment rate in the economy, there is a need to increase foreign borrowings to take advantage of lower rate of interest abroad.

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**Annexure**

<b>External debt outstanding - Annexure to Part (a)</b>				
Year	Long Term	Short Term	Total	Interest rate
2016-17	383.2	88.1	471.3	3.5
2017-18	427.1	102.2	529.3	3.4
2018-19	434.8	108.4	543.2	4.0

Source: External Debt Management Unit (EDMU), Aid Accounts & Audit Division (CAAA), D/o Economic Affairs, M/o Finance and RBI.

Note: Interest rate is calculated as (total interest payments on long term debt during a year / (outstanding long term debt at year end)).

<b>Principal and interest payments - Annexure to Part (c)</b>						
Year	Multilateral			Bilateral		
	Principal	Interest	Outstanding debt (year end)	Principal	Interest	Outstanding debt (year end)
<i>All figures in US\$ million</i>						
2016-17	4,062	761	59,912	2,189	537	25,906
2017-18	4,016	960	63,033	2,283	482	28,321
2018-19	4,386	1,383	62,977	2,062	679	28,563
2019-20 (Apr-Sep)	2,358	925	64,207	834	266	29,471

Source: External Debt Management Unit (EDMU), Aid Accounts & Audit Division (CAAA), D/o Economic Affairs, M/o Finance and RBI.

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