

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 196
ANSWERED ON JULY 20, 2021

FOREIGN DEBT

196. DR. KIRODI LAL MEENA

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that foreign debt is increasing continuously in the country;
- (b) if so, the reasons therefor; and
- (c) if not, the details of the increase in foreign debt during the last five years, year-wise?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c) India's external debt, both in absolute terms as well as a ratio to GDP, has been modest over the years. The increase in India's external debt between end-March 2017 and end-March 2021 was primarily due to an increase in commercial borrowings, non-resident deposits, short-term debt, multilateral debt and bilateral debt. The stock of external debt and its growth rate for last five years is given below at Table 1:

Table 1: India's External Debt

At end-March	External debt (US\$ Billion)	Growth Rate (Per cent)	External Debt to GDP (Per cent)
2017	471.0	-2.8	19.8
2018	529.3	12.4	20.1
2019 R	543.1	2.6	19.9
2020 PR	558.4	2.8	20.6
2021 P	570.0	2.1	21.1

Source: Reserve Bank of India and Department of Economic Affairs.

Note: R: Revised; PR: Partially Revised; P: Provisional.

The debt and prudent external debt management policy of the Government of India has helped in containing rise in external debt and maintaining a comfortable external debt position.
