

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 233
ANSWERED ON DECEMBER 5, 2023

ADVERSE IMPACT OF FOREIGN DEBT ON THE COUNTRY'S ECONOMY

233. SHRI RAM NATH THAKUR:

Will the Minister of FINANCE be pleased to state:

- (a) the details of increase in foreign debt of the country in the last five years, year-wise ;
- (b) the details of the adverse impact of this debt on the economy of the country; and
- (c) the details of the interest being borne by the Government against such foreign loan?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): India's external debt position over the last five years is presented in Table 1.

Table 1: India's External Debt Position

Year (End-March)	Gross External Debt Position (US\$ billion)	Change over Previous Year (US\$ billion)
2019	543.1	13.8
2020	558.3	15.2
2021	573.4	15.1
2022	619.0	45.6
2023	624.3	5.3
2023 (End-June)	629.1	4.7*

* Change over end-March 2023

Figures rounded off to one decimal point

Source: RBI.

(b) India has managed its external debt prudently with the overarching objective of keeping the current account deficit within sustainable limits. Accordingly, India's external debt has been sustainable over the years. The external debt to GDP ratio stands at a low 18.6% as of end-June, 2023. Further, the external debt is associated with increasing investment and productivity.

(c) External debt outstanding is categorised as Government and non-Government external debt. The Government external debt position and total interest on this debt is presented in Table 2 below.

Table 2: India's Gross Government External Debt and Annual Interest

Year (End March)	Government External Debt (US\$ billion)	Total interest on government external debt during the year (US\$ billion)
2019	103.8	1.2
2020	100.9	1.7
2021	111.6	3.4
2022	130.8	2.9
2023	133.3	2.3

Source: Ministry of Finance and RBI.

Figures rounded off to one decimal point
