

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

STARRED QUESTION NO:688
ANSWERED ON:09.05.2003
FOREIGN DEBT
AJAY SINGH CHAUTALA;DUKHA BHAGAT

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the amount of foreign debt on India as on April 30, 2003, country-wise;
- (b) the amount of money being repaid as a annual instalment for the above debt and the percentage of it consisting of Gross Domestic Product;
- (c) the amount being paid annually as interest on the above debt and how much of it constitutes annual GDP in percentage;
- (d) the concrete efforts by the Government during the last three years to reduce the burden of foreign debt; and
- (e) the further steps proposed to be taken by the Government to reduce the debt burden of the country during the current financial year?

Answer

MINISTER OF FINANCE (SHRI JASWANT SINGH)

(a) to (e):A statement is placed on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No.688 byShri Ajay Singh Chautala and Prof. Dukha Bhagat regarding Foreign Debt for answer on May 9th, 2003.

(a) As per information available, India`s total external debt as at end-September, 2002, was US \$ 101.97 billion. Information on country-wise debt outstanding is maintained only in respect of Government debt. Donor-wise details of outstanding external debt on Government Account as on 30th April, 2003 are given in the Annexure.

(b)&(c)Details of external debt service payments (Principal and Interest payments) during the last three years are as under:

Year	Debt Service Payments (US \$ million)				as percentage of
	Principal	Interest	Total	Repayment as percentage of Gross Domestic Product (GDP)	
2000-01	8,317	3,822	12,139	1.81	0.83
2001-02	6,995	4,081	11,076	1.45	0.85
2002-03#	4,799	1,559	6,358	0.96	0.31

April - September, 2002.

(d) & (e): The Government follows a prudent external debt management policy focusing on external borrowing only from multilateral and bilateral sources; concentrating on concessional and less expensive debt; keeping the maturity structure of the total external debt under manageable limits; limiting short term debt; encouraging non debt creating financial flows; particularly foreign direct investment; and emphasizing the growth of exports and invisibles` on current account. Besides, taking advantage of foreign exchange reserves and lower domestic interest rates, the Government has effected premature repayment of high cost currency pooled loans of the World Bank (IBRD) and of the Asian Development Bank (ADB) totaling around US \$ 3 billion. The Government intends to continue with this policy of prudently managing external liabilities and of proactively liquidating relatively high cost component of country`s external debt portfolio.

ANNEXURE

Details of Outstanding External Debt on Government Account as on 30.04.2003.

S.No. Country/Donor (Rs. Crores) (US \$ Million)

1	Asian Development Bank	7,971.81	1,682.17
2	EEC(SAC)	188.79	39.84
3	Austria	140.89	29.73
4	Australia	26.47	5.59
5	Belgium	162.98	34.39
6	Canada	1,407.57	297.02
7	Rep. Of Czech & Slovak	8.55	1.81
8	Germany	11,330.58	2,390.92
9	Denmark	395.57	83.47
10	Spain	123.21	26.00
11	France	2,896.78	611.26
12	Italy	463.95	97.90
13	Japan	39,667.98	8,370.54
14	Kuwait Fund	132.32	27.92
15	Netherlands	2,145.42	452.72
16	Russian Federation	1,918.85	404.91
17	Saudi Arabia	33.62	7.09
18	Switzerland	40.37	8.52
19	Sweden	520.86	109.91
20	USA	4,849.68	1,023.35
21	IBRD	18,953.72	3,999.52
22	IDA	100,930.13	21,297.78
23	IFAD	1,163.24	245.46
24	OPEC	71.99	15.19

Total 195,545.33 41,263.01