

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

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**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**

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

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

Source: Ministry of Finance and RBI.

Figures rounded off to one decimal point

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