

## Government's total public debt increased by 1.2% in Q3 FY2018

The total Public Debt (excluding liabilities under the 'Public Account') of the Government, as per provisional data, increased to Rs. 66,61,038 crore at end-Dec 2017 from Rs. 65,80,599 crore at end-September 2017. This represented a quarter-on-quarter (QoQ) increase of 1.2 % (provisional) in Q3 FY 18 as compared with an increase of 2.8 % in Q2 of FY 18. Internal debt constituted 93.1 % of the total Public Debt at the end of Q3, almost same as that at the end of Q2.

Marketable securities (consisting of Rupee- denominated dated securities and Treasury Bills) accounted for 82.6 % of the total Public Debt at end-Dec 2017. The outstanding internal debt of the Government at Rs. 62,03,776 crore at end Dec 2017 constituted 39.0 % of GDP as compared with 38.7 % at end-Sep 2017.

Table: Composition of Public Debt

Item	At end-Dec 2017#	At end-Sep 2017	At end-Dec 2017#	At end-Sep 2017
	(₹ crore)		(% of Total)	
1	2	3	4	5
<b>Public Debt (1 + 2)</b>	<b>66,61,038</b>	<b>65,80,599</b>	<b>100.0</b>	<b>100.0</b>
<b>1. Internal Debt</b>	<b>62,03,776</b>	<b>61,19,493</b>	<b>93.1</b>	<b>93.0</b>
<b>Marketable</b>	<b>55,01,480</b>	<b>54,30,078</b>	<b>82.6</b>	<b>82.5</b>
(a) Treasury Bills	4,16,298	4,81,387	6.2	7.3
(i) Cash Management Bills		5,327	-	0.1
(ii) 91-days Treasury Bills	2,07,464	2,32,526	3.1	3.5
(iii) 182-days Treasury Bills	73,845	98,545	1.1	1.5
(iv) 364-days Treasury Bills	1,34,989	1,44,990	2.0	2.2
(b) Dated Securities	50,85,182	49,48,691	76.3	75.2
<b>Non-marketable</b>	<b>7,02,296</b>	<b>6,89,416</b>	<b>10.5</b>	<b>10.5</b>
(i) 14-days Treasury Bills	1,39,148	1,26,267	2.1	1.9
(ii) Securities Issued to NSSF*	4,00,280	4,00,280	6.0	6.1
(iii) Compensation and other bonds*	60,358	60,358	0.9	0.9
(iv) Securities issued to International Financial Institutions*	1,02,511	1,02,511	1.5	1.6
(v) Ways and Means Advances				
<b>2. External Debt</b>	<b>4,57,262</b>	<b>4,61,106</b>	<b>6.9</b>	<b>7.0</b>
(i) Multilateral	2,94,309	2,99,355	4.4	4.5
(ii) Bilateral	1,25,671	1,24,469	1.9	1.9
(iii) IMF*	36,746	36,746	0.6	0.6
(iv) Rupee debt*	536	536	0.0	0.0

#: Data are provisional.

\*These data are not available for end-Dec 2017. So they are carried over from the previous quarter.

Note: PHD Research Bureau, compiled from Public Debt Management Quarterly report

The weighted average yield of primary issuances during Q3 FY 18 increased to 7.04 % from 6.77 % in Q2, indicating hardening of G-Sec yields in Q3. The weighted average maturity of outstanding stock of dated securities as at end-Dec 2017 decreased marginally to 10.70 years from 10.76 years as at end-Sep 2017. Also over the same period, the weighted average coupon of outstanding government debt stock decreased marginally to 7.87 % from 7.91 %.

G-Sec yields generally showed a hardening trend during the quarter ended December 2017. The weighted average yield (cut-off) of primary issuances of dated securities during Q3 of FY 18 was 7.04 % as against 6.76 % in Q2 of FY 18, reflecting hardening of yields during the quarter. This is despite the fact that surplus liquidity prevailed in the system for most part of the quarter. There was, however, some liquidity tightening towards the close of December 2017.

The Quarterly Report on Public Debt Management for the Third Quarter (October-December 2017) (Q3 FY 18) is also attached here with for ready reference.

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Warm regards,

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