

# India's debt lower than advanced economies' average: IMF official

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INDIA'S DEBT IS lower than the best or emerging market economies in the world, a top International Monetary Fund (IMF) official has said as he cautioned that the global debt has reached a new record high of \$182 trillion in 2017.

Vitor Gaspar, the IMF's director of fiscal affairs department, said India's debt was substantially less than the global debt as percentage of world gross domestic product (GDP).

In India, private debt in 2017 was 54.5% of the GDP and the general government debt was 70.4% of the GDP, a total debt of about 125% of the GDP, according to the latest IMF figures. In comparison, debt of China was 247% of the GDP.

"So, it (India's debt) is substantially less than the global debt as percentage of world GDP," Gaspar said.

India's debt is below the average of advanced economies and below the average of emerging market economies, he said.

"There is a positive relation between the debt to GDP ratio and the level of

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GDP per capita. If you compare around the world with the best economies or emerging market economies, the level of debt in India is lower," the IMF official said.

The IMF is very much stressing that global debt at \$182 trillion in 2017 is at a new record high, he said.

Debt in advanced economies, since the global financial crisis, has increased quite substantially while the private sector has been very gradually leveraging, he added.

"If you look at emerging market economies, that includes India, you see that private debt in the last 10 years

has increased quite substantially, although in the last two years, since the end of 2015, 2016 and 2017, there is a slow-down in the process of leveraging, but debt is very high and public debt is a very high as well," Gaspar said.

In the last few years in India private debt has declined from almost 60% to 54.5.