

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 2426 (H)
TO BE ANSWERED ON 08th AUGUST, 2018

IMPACT OF DEVALUATION OF RUPEE ON TRADERS

2426(H). SHRIMATI CHHAYA VERMA:
SHRI VISHAMBHAR PRASAD NISHAD:
CH. SUKHRAM SINGH YADAV:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

- (a) whether the traders have to pay excess amount on account of continuous devaluation of Indian Rupee in comparison to dollar for imported goods resulting in adverse effect on industry and trade;
- (b) the excess amount which has to be paid for imported goods on account of devaluation of Indian Rupee during the last three years and whether the Indian consumers have had to pay excess amount for goods resulting in inflation; and
- (c) the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) to (c): Imports and exports are affected by a number of factors like growth in world trade, growth in demand for our exports, domestic need for imports, government policies, etc. This has to be viewed in relation to issues like devaluation by competitors, extent of valuation of domestic currency, domestic inflation and steps taken to promote exports etc.

Steps taken by DOC to promote exports:

- Foreign Trade Policy 2015-20 and Mid-term review notified in December 2017.
- Interest Equalization scheme on Pre and Post Shipment Rupee Export Credit which helped in accessing credit at reduced rates was introduced.
- A new logistic division was created in DOC to focus on improving logistics efficiency and enhancing growth.
- A new scheme namely TIES was launched which provided matching assistance for setting up and up-gradation of infrastructure projects with overwhelming export linkages: Border Haats, Land customs stations, quality testing, certification labs and cold chains etc.
- Facilitating Transparency through Ease of Doing Business and IT initiatives
 - DGFT and SEZ online integrated with customs ICEGATE.
 - Import Export Code (IEC) integrated with PAN and MoU signed with GSTN for complete registration.
 - State Governments provided access to DGCI&S export data in real time.

India's overall imports (merchandise and services) are higher than overall exports. The details of India's overall exports, imports and trade deficit for last three years are as follows:

(Value in US\$ billions)			
Years	Export	Import	Trade deficit
2015-16	417.43	466.73	-49.30
2016-17	436.53	479.83	-43.30
2017-18	478.14	570.79	-92.65

Source: DGCI&S, Kolkata and RBI

The annual change in the value of Rupee against US\$ during 2015-16 to 2017-18 is as follows:

Date	USD/INR Closing Rate	(+) Appreciation/ (-) Depreciation of INR on year-on-year basis
March 31, 2015	62.49	--
March 31, 2016	66.25	(-) 6.02%
March 31, 2017	64.85	(+) 2.11%
March 31, 2018	65.18	(-) 0.51%

Source: DGCI&S, Kolkata and RBI
