

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA

UNSTARRED QUESTION NO. 1499

ANSWERED ON TUESDAY, 20th December, 2022/ **Agrahayana 29, 1944 (Saka)**

International Trade in Indian Rupee

1499. Smt. Jebi Mather Hisham:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government will take steps to make use of the Rupee's decline by devising a particular drive to boost export;
- (b) the measures taken to settle global trade (import) in the Indian Rupee (INR), if so, the details of international trade settled in INR for the last five financial years;
- (c) the details of the nations with whom the import has been settled in INR; and
- (d) whether Government will take an initiative to introduce a common currency for Asian countries in terms of trading?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): Government is encouraging and promoting Indian exports in international markets and initiating suitable interventions from time to time. The key schemes/ interventions include:

- 1) Market Access Initiative (MAI) Scheme helps Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/ Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets.
- 2) Assistance to the exporters of agricultural products is also available under the Export Promotion Schemes of Agricultural & Processed Food Products Export Development Authority (APEDA), Marine Products Export Development Authority (MPEDA), Tobacco Board, Tea Board, Coffee Board, Rubber Board and Spices Board.
- 3) Trade Infrastructure for Export Scheme (TIES) helps Central and State Government agencies for creation of appropriate infrastructure for growth of exports.
- 4) Remission of Duties and Taxes on Exported Products (RoDTEP) provides remission of Central, State and Local duties/taxes/levies which are incurred in the process of manufacture and distribution of exported products, but are currently not being refunded under any other duty remission scheme.
- 5) ECGC improves the competitiveness of the Indian exports by providing them with credit insurance covers. NEIA provides additional support to the insurance cover provided by ECGC for project exports making Indian project exporters more competitive and gain a stronger

foothold in various jurisdictions, highlighting India's capabilities to execute large projects abroad.

- 6) Common Digital Platform for Certificate of Origin to facilitate trade and increase FTA utilization by exporters.
- 7) A whole of Government approach with active role of EPCs, Commodity Boards and Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.
- 8) So far, India has signed 13 FTAs and 6 PTAs. The Government of India has recently signed India-UAE Comprehensive Economic Partnership Agreement (CEPA), which entered into force from 1st May, 2022, and a FTA with Australia (viz. India Australia Economic Cooperation Trade Agreement (Ind-Aus ECTA)) which comes into force from 29.12.2022.

(b) to (d): The Reserve Bank of India (RBI) has allowed invoicing and payments for international trade in Indian Rupee vide A.P (DIR Series) Circular No. 10 RBI/2022-2023/90 dated 11.07.2022 on "International Trade Settlement in Indian Rupees (INR)". The Circular lays down that all exports and imports under the arrangement may be denominated and invoiced in Rupee (INR) and the settlement of trade transactions under the arrangement shall take place in INR. RBI has put in place the arrangement to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR. The framework put in place by RBI is applicable for any partner country seeking to undertake trade with India in INR in terms of RBI's Circular dated 11.07.2022.

Further, the Directorate General of Foreign Trade (DGFT) has introduced a provision in the Foreign Trade Policy vide Notification No. 33/2015-20 dated 16.09.2022, to allow for International Trade Settlement in INR i.e., invoicing, payment, and settlement of exports / imports in Indian Rupees in sync with RBI's Circular dated 11.07.2022. Further changes have been introduced in the Foreign Trade Policy vide DGFT's Notification 43/2015-20 dated 09.11.2022 and Public Notice 35/2015-20 dated 09.11.2022 for grant of exports benefits and fulfilment of Export Obligation for export realisations in INR as per the RBI guidelines
