

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 884
TO BE ANSWERED ON 03.12.2024

RECORD FALL IN THE VALUE OF RUPEE

884. Shri Ramji Lal Suman:
Shri Javed Ali Khan:

Will the Minister of FINANCE be pleased to state:

- (a) whether Indian Rupee has fallen to its record low of ₹ 84.4 against Dollar during the month of November, 2024;
- (b) if so, the details thereof and reasons therefor; and
- (c) the reasons for failure of Government to arrest the falling of Indian Rupee against dollar?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) Yes Sir. The exchange rate of the Indian Rupee (INR) against the US Dollar (USD) was at ₹ 84.4975 on November 22, 2024.
- (b) The value of the Indian Rupee is market-determined, with no target or specific level or band. In general, the factors that influence the exchange rate of INR include a host of domestic and global factors such as the movement in Dollar index, trend in capital flows, level of interest rates, movement in crude prices, current account deficit etc.

During November 2024, INR depreciated by 0.3% (till November 26, 2024) against the USD. One of the main reasons for depreciation of INR during November, 2024 has been broad-based strength of the USD mainly driven by uncertainty around US elections which were held on November 5, 2024. The USD extended its gains after the election results with the Dollar Index rising by 3.5% during November 06-26, 2024 and touching 108.07 on November 22, 2024, its highest in level in more than a year. This has exerted pressure on emerging market currencies with the Thai Baht and Malaysian Ringgit declining by around 3.2% and 2.5% respectively during November 06-26, 2024.

Despite facing global headwinds, INR has been the best performing Asian currencies (barring Hong Kong Dollar) having declined by only 0.3% during November 06-26, 2024. Notably, all G10 currencies have declined by 1.0% or more during November 06-26, 2024 period. The relative stability of the INR bears testimony to India's sound and resilient economic fundamentals, macroeconomic and financial stability.

- (c) The RBI monitors key developments across the globe which may have an impact on USD-INR exchange rate. Among others, it includes monetary policy actions of the major Central Banks, major economic data releases across the globe and their impacts thereof, OPEC+ meeting decisions, tracking, and analysing geo-political events, daily movements in G-10 and EME currencies etc. RBI regulates the foreign exchange market with a view to ensure its orderly functioning and development and intervenes only to curb undue volatility in the INR.
