

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 1370
TO BE ANSWERED ON 11.03.2025

ISSUES FACED BY IMPORT-EXPORT COMPANIES DUE TO FALLING RUPEE VALUE

†1370. Shri R. Girirajan:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the steep fall in the value of Indian Rupee against US Dollar has affected India on many fronts and if so, the details thereof;
- (b) whether the problems and issues are being faced by the Indian import-export companies due to the continuous fall of value of Rupee against the US Dollar and the remedial action taken by Government in this regard; and
- (c) whether Union Government has utilised its Forex and gold reserves to the tune of many crores of rupees to stabilize the value of INR against US Dollar and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): The depreciation of currency is likely to enhance the export competitiveness, which in turn impacts the economy positively. On the other hand, depreciation may raise the prices of imported goods. The overall impact of exchange rate depreciation on domestic prices depends on the extent of the pass-through of international commodity prices to the domestic market.

The industries reliant on imported inputs may face cost pressures. However, besides exchange rate movements, exports and imports are determined by several other factors. For instance, global value chain integration necessities imports of intermediate goods for production and exports, and international prices of imported goods etc.

The value of the Indian Rupee (INR) is market-determined, with no target or specific level or band. The Reserve Bank of India (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.

(c): 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. RBI's foreign exchange market interventions in recent months are as below:

Month	Net Purchase (+)/ Sale (-) of USD (in USD million)	Equivalent INR amount (in ₹ crore)
December 2024	-15,150	-1,28,753
November 2024	-20,228	-1,70,630
October 2024	-9,275	-77,969
September 2024	9,639	80,549
