

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 409
TO BE ANSWERED ON 03.02.2026

DEPRECIATION OF CURRENCIES AGAINST US DOLLAR

409 Dr. John Brittas:

Will the Minister of Finance be pleased to state:

- (a) the cumulative depreciation, in percentage terms and value-wise (absolute), of the Indian Rupee against the US Dollar during last five years;
- (b) the details thereof, year-wise;
- (c) the key reasons identified for this depreciation;
- (d) the impact of rupee depreciation on imports, trade deficit, capital flows and crude oil prices;
- (e) whether RBI has undertaken foreign exchange market interventions to stabilise the Rupee, if so, the details thereof; and
- (f) the cumulative depreciation, in percentage terms and value wise (absolute), of Chinese Yuan (Renminbi), Singapore Dollar, Japanese Yen, Euro and Pound Sterling against the US Dollar during the last five years, and the details thereof, year-wise?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b) The cumulative depreciation of the Indian Rupee (INR) against the US Dollar (USD) from 31 December 2020 to 31 December 2025 is 18.7 per cent in percentage terms and ₹16.81 in absolute terms. The annual depreciation in INR vis-à-vis USD over the last five years is presented in the table below:

Year	Exchange Rate	Depreciation (%)	Depreciation (Absolute terms in ₹)
2025	89.88	-4.8%	4.27
2024	85.61	-2.8%	2.40
2023	83.21	-0.6%	0.48
2022	82.74	-10.2%	8.40
2021	74.34	-1.7%	1.27
2020	73.07	-	-

Source: RBI

(c) Various domestic and global factors influence the exchange rate of the INR, such as the movement of the Dollar Index, trend in capital flows, level of interest rates, movement in crude prices, trade deficit, and current account deficit etc. During the current financial year 2025-26, the depreciation of the INR has been influenced by the increase in trade deficit and prospects arising from the ongoing developments in India's trade agreement with the US, amid relatively weak support from the capital account.

(d) The depreciation of the 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 depends on the extent of the pass-through of international commodity prices to the domestic market. Further, besides exchange rate movements, imports and capital flows are determined by several other factors, including global supply-demand conditions, geopolitical developments, domestic demand, and factors such as global value chain integration necessitating imports of intermediate goods for production and exports, and international prices of imported goods etc. Moreover, crude oil prices are primarily determined by global demand and supply conditions.

(e) The value of INR is market-determined, with no target or specific level or band. The Reserve Bank of India (RBI) regularly monitors the foreign exchange market and intervenes in situations of excess volatility. The details of the RBI's foreign exchange market interventions from 2021 to 2025 have been given below:

Year	Net sale (-) / purchase (+) of USD (in Billion)
2021	33.35
2022	-46.24
2023	18.14
2024	-12.35
2025 (upto November 2025)	-41.69

Source: RBI

(f) The cumulative as well as annual depreciation, in percentage terms and absolute terms, of Chinese Yuan (CNY), Singapore Dollar (SGD), Japanese Yen (JPY), Euro (EUR) and Pound Sterling (GBP) against the USD during the last five years, over the period 31 December 2020 to 31 December 2025, are presented in the table below:

Year	CNY		SGD		JPY		EUR		GBP	
	% terms	Absolute terms	% terms	Absolute terms	% terms	Absolute terms	% terms	Absolute terms	% terms	Absolute terms
Cumulative	-6.6	-0.46	+2.9	+0.04	-34.1	-53.46	-3.9	-0.05	-1.4	-0.02
2025	+4.5	+0.31	+6.3	+0.08	+0.3	+0.49	+13.4	+0.14	+7.7	+0.10
2024	-2.7	-0.20	-3.3	-0.05	-10.3	-16.16	-6.2	-0.07	-1.7	-0.02
2023	-2.8	-0.20	+1.5	+0.02	-7.0	-9.92	+3.1	+0.03	+5.4	+0.06
2022	-7.9	-0.54	+0.7	+0.01	-12.2	-16.04	-5.9	-0.07	-10.7	-0.14
2021	+2.7	+0.17	-2.0	-0.03	-10.3	-11.83	-6.9	-0.08	-1.0	-0.01

Source: RBI
