

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 4730
TO BE ANSWERED ON MARCH 23, 2020

VALUE OF INDIAN RUPEE

4730. SHRI ANTO ANTONY
SHRIMATI JYOTSNA CHARANDAS MAHANT
ADV. ADOOR PRAKASH

Will the Minister of FINANCE be pleased to state:

- (a) the value of Indian rupee against US dollar in each year from 2014 to 2020 including month-wise details from 2019-20;
- (b) whether the Government has noticed that the value of Indian rupee against US dollar has considerably fallen during the said period;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether any review/study has been made by the Government in this regard and if so, the details thereof along with impact on various sectors of the country; and
- (e) whether the Government has taken any steps to contain the downfall of Indian rupee and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)

- (a) Annual average nominal exchange rate of Indian Rupee vis-à-vis US dollar during 2013-14 to 2018-19 is given in Table 1.

Table 1: Annual average nominal exchange rate (Indian Rupee vis-à-vis US Dollar)				
2014-15	2015-16	2016-17	2017-18	2018-19
61.1	65.5	67.1	64.5	69.9

Source: Reserve Bank of India

Monthly average nominal exchange rate of Indian Rupee vis-à-vis US dollar in 2019-20 (upto February 2020) is given in Table 2.

Table 2: Monthly average nominal exchange rate (Indian Rupee vis-à-vis US Dollar)										
Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
69.4	69.8	69.4	68.8	71.1	71.3	71.0	71.5	71.2	71.3	71.4

Source: Reserve Bank of India

(b) to (d) As reflected in the Economic Survey 2019-20, the value of Indian currency in the medium to long term decreases with the growing size of current account deficit. The current account deficit of India has increased from USD 26.9 billion in 2014-15 to USD 57.3 billion in 2018-19. Nominal exchange rate is only one of the factors that determines export competitiveness and cost of imports with regard to tradeables. Accordingly, the impact of exchange rate on any sector in the economy cannot be isolated. In the short term, exchange rate is impacted by both supply and demand side shocks such as oil price, outbreak of epidemics, etc.

(e) The Reserve Bank of India closely monitors the exchange rate of the rupee vis-à-vis the US dollar and intervenes in the forex market, when required, in order to contain excessive volatility in the value of the currency.
