

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 3260
TO BE ANSWERED ON 16.12.2024

FALL IN FOREIGN EXCHANGE RESERVES AND RUPEE DEPRECIATION

3260. Prof. Sougata Ray:

Will the Minister of FINANCE be pleased to state:

- (a) whether foreign exchange reserve of the country recently logged its sharpest weekly fall on record;
- (b) if so, the details thereof;
- (c) whether the persistent outflows from Indian equities have also kept the rupee under pressure; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b) For the week ended November 15, 2024, the Foreign Exchange Reserves (FER) decreased by 2.63% vis-à-vis the previous week. However, in percentage terms, the highest decline till date in the last 20 years was observed in the week ended October 24, 2008, with FER declining by 5.65% over the previous week.

The level of FER during November are given below.

As on (Week ending)	FER position (US\$ billion)
November 01, 2024	682.13
November 08, 2024	675.65
November 15, 2024	657.89
November 22, 2024	656.58
November 29, 2024	658.09

Source: RBI

As is evident from the data, the week of 29 November, 2024 has witnessed an upward movement in the level of FER over the previous week.

(c) & (d) The value of the Indian Rupee (INR) is market-determined, with no target or specific level or band. Apart from capital flows (which include equity flows as well), the factors that influence the exchange rate of INR include movement in Dollar index, level of interest rates, movement in crude prices, current account deficit, etc. Further, RBI intervenes in the forex market to curb undue volatility in INR.
