(a) whether Greece Debt Crisis may have an indirect impact on India;

(b) if so, details thereof;

(c) whether stock market is likely to become volatile leading to capital outflow and rupee depreciation;

(d) if so, the details thereof; and

(e) the action plan of the Government to address the adverse impact of Greece Crisis?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) and (b): The Greece debt crisis is not likely to have any direct impact on the Indian economy. There could be some indirect effects on trade flows depending on how European economies perform in the future.

(c) and (d): The Indian financial markets have been stable and movements in equity markets have been orderly and in line with the economic fundamentals. In view of the fresh bailout agreement reached between Greece and its creditors, the prospects of stock market volatility looks unlikely in the near future.

(e) Macroeconomic outcomes in India remains strong and provides the required resilience to cope with external shocks. Adequate foreign exchange reserves are there to manage the volatility that may arise in the exchange rate from such external shocks.

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