

**Balance of Payment**

654. DR. SHAKEEL AHMAD:  
SHRI CHADA SURESH REDDY:  
SHRI NARESH PUGLIA:

Will the Minister of FINANCE be pleased to state:

- (a) the latest position of the Balance of payments;
- (b) whether due to economic recession and gloomy scenario, the crisis of BoP may face serious challenge;
- (c) if so, the details thereof;
- (d) the steps the Government propose to take to face any crisis being created by BoP situation;
- (e) whether the Government propose to issue white paper on the Balance of payments situations; and
- (f) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) The latest available data on India's balance of payments (BoP) relate to the period upto the quarter ended September, 1998. According to these data, the current account deficit during the first half of 1998-99 amounted to US\$ 3085 million. Latest available information for 1998-99 indicates that despite a modest widening of the trade deficit, the net surplus under invisibles continues to remain buoyant while in the capital account net inflows of US\$ 4.2 billion under the Resurgent India Bonds have supplemented normal sources of external finance. As a result, the foreign currency assets of the RBI have increased by US\$ 1682 million in the current financial year upto February 12, 1999 to reach a level of US\$ 27657 million.

(d) to (f) As per the current indications, the BoP situation during the coming year is expected to remain manageable. However, the developments in the BoP are closely and continuously monitored with a view to undertaking suitable policy measures, if warranted. Economic survey, 1998-99 provides a detailed account of recent trends and prospects of our Balance of Payments.

[Translation]

**Foreign Exchange Reserves**

655. SHRI RAMSHAKAL:  
SHRI DATTA MEGHE:

Will the Minister of FINANCE be pleased to state:

(a) whether present foreign exchange reserves in the country is insufficient;

(b) if so, the efforts being made by the Government to increase the foreign exchange reserve of the country;

(c) the total foreign currency set by Non-Resident Indians and the other people during last five years;

(d) whether the devaluation of rupee in the past few years has increased our income through export; and

(e) if so, the total foreign currency earned as a result thereof during each of the last five years, till date?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) The country's foreign exchange reserves, including gold and SDRs, have increased by US\$ 1.3 billion during the current financial year so far and amounted to US\$ 30.7 billion as on February 12, 1999. At this level, the foreign exchange reserves provide a cover of about seven months of imports, which can be considered satisfactory.

(c) Foreign currency sent by non-resident Indians and by other people comprising current receipts (export receipts and invisible receipts) and gross inflows under all capital account items (including loans from the IMF) over the last five years is given below:

F/Year	Foreign currency Receipts (US\$ million)
1993-94	63,278
1994-95	68,323
1995-96	74,152
1996-97	91,729
1997-98	99,261

(d) and (e) Export performance depends up a number of external and internal factors. While India's exports benefited from movements in the external value of the Rupee, export performance in recent years has been constrained by unfavourable international trading environment caused by the economic and financial