

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:808
ANSWERED ON:12.11.2010
CURRENCY APPRECIATION
Das Gupta Shri Gurudas

Will the Minister of FINANCE be pleased to state:

- (a) whether the value of Indian currency has appreciated since the beginning of September, 2010; and
(b) if so, the details thereof and its impact on the Indian economy ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b) The rupee exchange rate (average of buying and selling by Foreign Exchange Dealer Association of India (FEDAI)) was Rs.46.87 per US dollar on September 01, 2010 and Rs.44.27 per US dollar on November 08, 2010 showing an appreciation of 5.9 per cent against the US dollar.

Theoretically, the appreciation in exchange rate could make Indian exports less competitive in the international markets and vice versa. However, exchange rate is one of the several factors that determine the competitiveness of exports. The other factors include productivity growth, price elasticity, import intensity of exports, demand and supply conditions and global developments.