

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2617
ANSWERED ON:09.12.2011
FOREIGN EXCHANGE RESERVES
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Will the Minister of FINANCE be pleased to state:

- (a) the foreign exchange reserves in the country as on date compared with the figures of the corresponding dates of the previous two years;
- (b) whether the foreign exchange reserves in the country are depleting;
- (c) if so, the reasons therefor alongwith the reaction of the Government/ Reserve Bank of India (RBI) thereon; and
- (d) the steps taken/proposed to be taken by the Government/RBI to increase the country's foreign exchange reserves to a desired level?

Answer

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

- (a) The foreign exchange reserves as on 30th November, 2011 stood at US\$ 307.9 billion as against US\$ 292.4 billion on 30th November, 2010 and US\$ 288.1 billion on 30th November, 2009.
- (b)&(c) US dollar is numeraire for denominating foreign exchange reserves. Foreign exchange reserves, which are in different currencies, decline when US dollar appreciates against major currencies and vice versa. Reserves also decline when Reserve Bank of India intervenes in the market to support Rupee through selling foreign exchange.
- (d) The import cover (using DGCIS data for April-October, 2011) of foreign exchange reserves was 8.1 months as on 31 October, 2011, which is regarded comfortable.