

Effect of rupee appreciation on exports

†*290. SHRI RANJITSINH VIJAYSINH MOHITE-PATIL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that the export of country is adversely affected after the rupee has been strengthened in comparison to Dollar;
- (b) if so, the details thereof;
- (c) whether Government has recently made any plan to give incentives to export companies to combat this situation; and
- (d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA): (a) to (d) The Rupee appreciation does adversely affect the exporters' earnings in Rupees. However, exports are affected not only due to exchange rate fluctuation, but also due to a host of other factors, including demand and supply conditions (both domestic and international) and global prices. Monthly average Rupee/US dollar exchange rate and month-wise merchandise exports during the period April, 2008 to October, 2009 are given in Statement (*See below*). It would be seen that after depreciating significantly during, 2008-09, the Rupee has appreciated by around 7.15 per cent from April, 2009 to October, 2009.

The Government and RBI closely monitor the economic developments in the country and internationally on a continuous basis, and need based measures are taken, from time to time, keeping in view the financial and overall economic implications.

Statement

Table 1: The monthly average exchange rate of rupee against US dollar during the period from April, 2008 to October, 2009

(INR/US\$)		
Month	2008-09	2009-10
1	2	3
April	40.0224	50.0619
May	42.1250	48.5330
June	42.8202	47.7714
July	42.8380	48.4783
August	42.9374	49.3350
September	45.5635	48.4389
October	48.6555	46.7211
November	48.9994	
December	48.6345	

†Original notice of the question was received in Hindi.

1	2	3
January	48.8338	
February	49.2611	
March	51.2287	

Source: RBI.

Table 2: Monthly Merchandise Export figures (in dollar terms) for the period April '08 to October '09 and growth over the corresponding period previous year

Month	2008-09** (US\$ Billion)	Increase(+)/ Decrease(-) over 2007-08*	2009-10*** (US \$ Billion)	Increase(+)/ Decrease(-) over 2008-09
April	18.460	63.0	11.750	-36.3
May	18.687	50.0	11.418	-38.9
June	19.181	58.5	12.972	-32.4
July	19.030	52.1	13.623	-28.4
August	17.759	40.5	14.289	-19.5
September	15.789	26.1	13.608	-13.8
October	14.131	-3.7	13.193	-6.6
November	11.163	-13.5		
December	13.368	-8.6		
January	12.869	-13.6		
February	11.941	-21.5		
March	12.916	-25.1		

(Source: DGCI&S)

* 2008-09 data includes exports from SEZ, whereas 2007-08 data does not include exports from majority of SEZs.

** Revised Estimate.

*** Quick Estimates. The figures are provisional and subject to change.

Strengthening Disaster Management Institute, Bhopal

†*291 SHRIMATI MAYA SINGH: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether any proposal with regard to strengthening of Disaster Management

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