

Rupee likely to stabilise at 92-93: EAC-PM Chairman

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The rupee is stabilising and could settle around the 92-93 level against the US dollar, S Mahendra Dev, chairman of the Economic Advisory Council (EAC) to the Prime Minister, said on Wednesday. He expressed confidence that foreign investment flows would return.

The US-Israel-Iran conflict in West Asia weighed on the rupee and foreign institutional investor (FII) as well as foreign direct investment (FDI) flows contributed to the pressure, Dev said. He added that the domestic currency will stabilise around 92-93. He added, "One should not worry."

The chairman, EAC-PM, was speaking on the sidelines of a session on India's Macroeconomy: Challenges and Opportunities organised by the Bharat Chamber of Commerce in Kolkata. His remarks came on a day when the United States and Iran agreed to a two-week ceasefire.

The rupee,

which breached 95 per dollar in March, closed at ₹92.58 on Wednesday.

Dev said the Indian economy is resilient because its macroeconomic fundamentals are strong. "We also have fiscal space, which allows us to withstand shocks that many other countries cannot."

Dev added that many countries cannot spend as much on capital expenditure or on targeted sections. India is in a better position because its fiscal management is quite strong, he said. The debt-to-gross domestic product (GDP) ratio and fiscal deficit are relatively low, while reforms could

help boost private capex, Dev said.

After the Monetary Policy Committee (MPC) meeting, the Reserve Bank of India (RBI) on Wednesday projected India's GDP growth for the current financial year at 6.9 per cent.

Calling it "reasonable", Dev said a 7 per cent growth was also achievable. He added, "I am more positive. A 6.9 per cent growth is good, but if things are better, 7 per cent growth is possible. We have inherent strength."

