

# ₹ not sliding, \$ is strengthening: FM

Govt keeping close watch on increasing trade deficit

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Union Finance Minister Nirmala Sitharaman stressed it was not the rupee that had weakened but the dollar that had strengthened, as she defended the nearly 10 per cent slide in the value of Indian currency against the greenback this year.

Speaking to reporters after attending the annual meetings of the International Monetary Fund (IMF) and the World Bank, she asserted that the fundamentals of the Indian economy were strong and that inflation was low compared to other parts of the world.

“First of all I would look at it as not rupee sliding, I would look at it as dollar strengthening, dollar strengthening incessantly,” she replied to a question on weakening rupee. All other currencies around the world are performing poorly against a strengthening dollar, she said.

“And I’m not talking technicalities, but it is a matter of fact that India’s rupee probably has withstood this dollar rate going up, the exchange rate in favour of dollar strengthening is there and I think the Indian rupee has performed much better than many other emerging market currencies.”

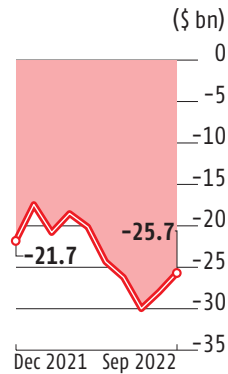
Conceding that the “trade deficit is actually growing,” the minister said the government is keeping a watch on it to check if there is a disproportionate increase in the gap



**FM Nirmala Sitharaman with World Bank President David Malpass, in Washington DC. World Bank has offered to work with India to take its successful digitisation efforts to other countries**

PHOTO: PTI

## TRADE BALANCE: A GROWING CONCERN



## RUPEE VS OTHER CURRENCIES

|                | Oct14 | YTD % chg | Oct14            | YTD % chg |       |
|----------------|-------|-----------|------------------|-----------|-------|
| Turkish lira   | 4.43  | 25.4      | Singapore dollar | 57.81     | -4.7  |
| Japanese yen   | 0.56  | 15.9      | US dollar        | 82.34     | -9.7  |
| British pound  | 92.55 | 8.5       | Mexican peso     | 4.12      | -11.6 |
| Euro           | 80.16 | 5.1       | Brazil real      | 15.62     | -14.6 |
| China renminbi | 11.45 | 2.1       | Russian ruble    | 1.30      | -24.3 |

Source: Bloomberg

against any one country. “It is growing across the board, meaning we are importing a lot more than exporting. And the net is definitely going against us. But, we’re also keeping a watch as to if there’s a disproportionate increase against any one country,” Sitharaman said.

She further said India is aiming at developing standard operating procedures for cryptocurrency during its G20 presidency next year, underlining that all countries want the

technology to survive but not be misutilised. “That (crypto) will also be part of India’s thing (agenda during G-20 presidency),” Sitharaman said. India will assume the Presidency of the G20 for one year from December 1, 2022, to November 30, 2023.

The finance minister said inflation in India is at a manageable level. “The fundamentals of the Indian economy are good, macroeconomic fundamentals are good,” she added.