History Research Journal

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

Causes And Consequences Of Indian Rupee Depreciation Against Us Dollar In Indian Economy

Dr. G. KAVITHA,

Assistant Professor of Economics,
S.T. Hindu College, Nagercoil-629002.
(Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli – 627 012, Tamil Nadu, India.)

ABSTRACT

Currency depreciation is a fall in the value of a currency in a floating exchange rate system. As the country adopted such system, the rate of Indian rupee with another currency is determined by market forces such as supply and demand. Currently Indian rupee depreciation is become the main topic in Indian economy. The value of Indian rupee declined more than 60 percent, during the past ten years. Since 2010, the rupee value declined rapidly, i.e. one US dollar equals Rs. 45.71 in 2010. But now (in 2019) one USD equals 71.80 INR, which is an all time low on 09 October 2018 (Rs.74.39/US dollar). The declining rupee make negative impacts on various sectors which may decide the GDP of India. The dependency on imports, current account deficit (CAD) and fiscal deficit affected the economy adversely. In this paper, I try to explore the various factors of rupee depreciation, the consequences that makes in country's economy and discussed what can we do to beat such bad economic enemy.

Key words: *Currency, Demand, Depreciation, Dollar, Economy, Export, Forex, Import, Market, Rupee.*

INTRODUCTION

Currency depreciation is a fall in the value of a currency in a floating exchange rate system. The factors such as economic fundamentals and political instability may make the currency depreciate (Tim Smith: 2019). In the recent times, Indian rupee has been losing ground rapidly against the dollar and much to dismay of all. For decades Indian rupee has been at the mercy of international forces because Indian economy has made no significant growth. Normally the currency value of a country depends on the productivity and gold reserve of the country. In 1947 one dollar equal to one rupee. At the time of independence, India had no external debt and hence the rupee was at the same value of dollar. After the implementation of five year plans, to drive the country in a developing path, it needs external finance support which make our currency strength from one rupee to 72 rupees per US dollar in the last 70 years (Rupee weaken: 2019). This weakens of rupee against the dollar has been hurting Indian economy due to the predominance of the dollar in our external transactions. As per RBI data, 58 per cent of the country's borrowing is denominated in US dollar, and more than 80 per cent of invoicing for the country's imports and exports is done on US dollar (Lokeshwari S.K: 2018). At present the value of Indian rupee is continuously falling and its value has declined by 3.8 percent between January and September- 2019. Among the BRICS nations, after the Russian Ruble, the Indian rupee depreciated the most in this period. Uncertainty on the growth path of the Indian economy has weakened sentiment that has affected the Indian rupee adversely. In the August'19 meeting, Reserve Bank of India has revised its growth forecast for FY-20, downward from 7 percent to 6.9 percent, which can make the rupee depreciate another 4 percent against the dollar in 2019 end (Madan Subnavis: 2019). In this article I explore the reason behind the depreciation of Indian rupee currently.

RESEARCH METHODOLOGY

This is a theoretical research paper with the scope of creating awareness among the public about declining of Indian rupee value day-to-day and how it is affecting the country's economy. Naturally this paper is descriptive as it describes the current economic scenario of India. The secondary data has been used in this paper. The maximum data has been collected from news paper articles, reports and different popular websites.

JOURNEY OF INR VALUE AGAINST USD SINCE INDEPENDENCE

India followed par value system of IMF at the time of independence, which means the country undertook to maintain the par value of its currency in terms of gold or the US dollar. On 15 August 1947, the exchange value of one rupee equal to one dollar. In terms of currencies, the exchange value was pegged at Rs.4.75/ dollar in September 1949. Till June 1966, this value was remained unchanged. Due to economic crisis, political environment such as multiple changes in India's leadership after Nehru and war with China and Pakistan, the rupee was devalued by 57.5% to Rs.7.50/dollar. To tackle the economic recession in 1991, which was the ***year of economical reform*** *(liberalization, globalization)* in India, the government again devalued the Indian currency to Rs.25.95/dollar. By liberalization policy the government was opened path to relaxed restriction on imported capital goods as part of its industrialization plan. As open market had taken control of exchange *(floating)*, the rupee value was continuously declined and it faced a steep depreciation of Rs.34.96/dollar in 1995, since the government's measure of devaluation was an un successful effort for Indian economy. Due to Asian financial crisis in 1998 and the country's reduction of rating due to pokaran explosion, the rupee depreciated by 16% to Rs.42.76/dollar. After 2007, the rupee value rised to Rs.39.00/dollar due to large foreign investment flow in the country. The global economic recession in 2008 make the rupee depreciated by 21.50% to Rs.50.95/dollar. In 2011, the global economic uncertainties like Euro zone crisis make the rupee depreciate further by 17% to Rs.55.40/dollar. In 2013, due to high budget deficit, reduction in GDP and high inflation, the rupee value declined by 19.40% to Rs.58.85/dollar. However from 2014 to 2017, the rupee value was between Rs.61.00 and Rs.65.00 per dollar. But in 2018, due to the fear of USA-China trade war, global crude oil price rise and weakness in emerging market currencies the rupee depreciated around 16.00% to Rs.74.39/dollar on 09 October 2018.

CAUSES OF INDIAN RUPEE DEPRECIATION

1. Twin deficit

- ***Fiscal deficit***

It is the difference between net government revenue and the net expenditure. India generates less revenue than it spends. The budget balance of USD 90 billion in 2018, and it has adjusted with loans which is not good for an economy. Excessive foreign currency borrowings and repayment can pose serious problems, that will weaken the rupee.

Total revenue $\Rightarrow$ USD 400 billion which is 20.60% of GDP in 2018-19

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

Total expenses ⇒ USD 490 billion which is 27.28% of GDP in 2018-19
The budget balance of India ⇒ USD 90 billion in 2018-19

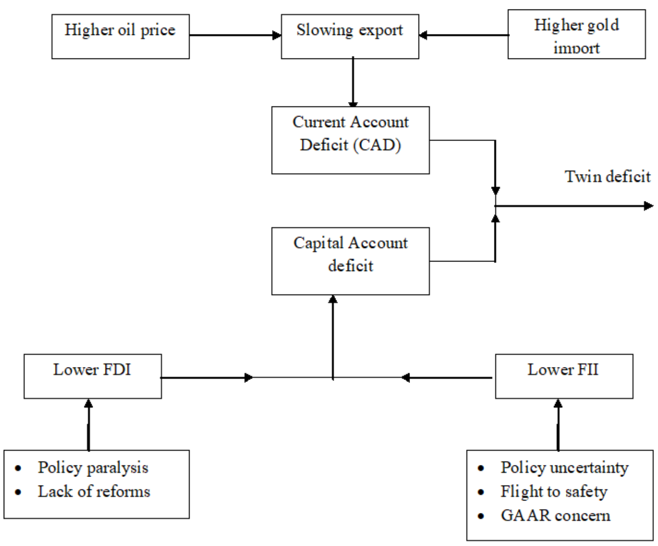
- ***Current Account Deficit (CAD)***

The difference between total goods and service export and the total import. Higher CAD means lesser surplus dollar in hand to pay, leads rupee value slide. In India capital flows are (FDI + FII) not being able to bridge the gap, the CAD has widened recent years (Export Import: 2019).

Export ⇒ USD 330 billion in 2018-19
Import ⇒ USD 514 billion in 2018-19
Trade deficit (or) CAD ⇒ 514 - 330 = USD 184 billion.

Table- [1] showing the total import of India by dollar from countries which ranked top 15 during 2018-19, and Fig- [2] showing the percentage share of export by that countries to India. Table- [2] is a list highlighting 15 countries that imported the most Indian exports during 2018-19, and Fig- [2] showing the percentage share of total export of the country to the said countries in that year. About three-fifth (60.40 percent) of total Indian exports were delivered to the said 15 countries.

Twin deficit flow chart



*[**General Anti Avoidance Rule (GAAR)** is the set of rules ratified, so as to check the avoidance of tax]*

2. Increasing dollar demand

The dollar is the world’s major reserve currency. As far as we know, 11.74 trillion USD reserves throughout the world. The US dollar accounts 57.88 percent of reserves, EUR is 19.11 percent and then there are the rest. Table-[3] and Fig-[3] shows the IMF breakdown reserves by currency. Reserve currencies are used by countries across the world to purchase desired commodities such as gold and oil. When sellers of these commodities demand payment in reserve currency make more dollar demand in the currency market.

As of 31 August 2019, the Indian rupee depreciate 3.7 percent against US dollar, since the beginning of the year. Weak currency makes investors reluctant to invest in India because falling money cannot give much return to them. The investors are taking their investment from equity market (flight to safety) which results less inflow of dollar in India again. The decreasing supply make the dollar demand increase which makes the rupee weakens against dollar.

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

3. Restrictive trade policy

The USD is steadily gaining due to the restrictive trade policy of US government. The most recent economic reform is increase the interest rates on US government bonds which make the investment all over the world turned to the USA, making the USD stronger against other currencies since foreign investment is the major non debt financial source of Indian economy either direct route or portfolio/institutional (FDI in India: 2019). The measure taken by the US government weakened all world currencies especially already weak Indian currency, rupee.

4. Implementation of Demonetization and GST

Under the present government, rupee has become Asia's worst performing currency and has lost almost 10 percent of its value in 2018 itself. According to RBI Annual Report - 2017, the poor domestic economic policies of the government and the disaster of demonetization are responsible for a plunging value of rupee which make widen the Current Account Deficit (CAD) and hence rupee value impacted negatively against dollar. Due to the wide trade deficit, the CAD could go up to 2.8 percent of GDP for FY-2019, compared to 1.9 percent in FY-2018.

Post demonetization, people rushed to put their money in banks. This led to overflow of rupee in circulation than demand. But dollar circulation comparatively less than demand since people buying dollars to invest in other stable market. Hence dollar's value rose as compared to rupee.

No new investments in government and private sectors. Fresh investments are very important for a growing economy. New investments only create new jobs which in turn leads to higher incomes and higher spending, creating economic growth. Due to demonetization disaster, the MSME sector was severely affected, thereby the current forex reserves also fall which depreciated rupee against the dollar.

Since the day, the government implemented GST, the CAD has rise continuously and never recovered and it was apathetic towards exporters and their working capital got blocked, which make rupee lost its value against dollar (United News: 2018).

5. Rising oil demand and import dependency

India is the third largest consumer of crude oil in the world which consume 9.7 percent of world oil production in 2018-19. India imports 83.7 percent of its oil needs which paid majority in dollar. Hence the demand for dollar also increases to pay our suppliers from whom they import oil. These increases in demand for dollar weaken the rupee further.

According to Petroleum Planning and Analysis Cell (PPAC), India spent USD 111.9 billion for 211.6 million tons of crude oil imports in 2018-19 and it is estimated to rise USD 112.9 billion foreign exchange spending for the crude import of 233 million tons for the current fiscal, which make the dollar demand increased.

The year wise data of the crude oil import, dependence on oil imports and domestic crude oil production of India are showing in Table-[4].

In order to pay the import bill of crude oil, Indian firms have to buy dollars by selling rupee in the international market, which make dollar demand in the forex market consequently value of rupee decreases. The price of crude oil increases 10 dollar per/barrel then the GDP of India decreases up to 0.2 to 0.3 percent-***Economic survey 2018***. Table-[5] and Fig-[4] showing the top oil exporting countries in percentage to India.

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

6. Conspiracy of developed countries

The whole world has been divided into two parts like developed and developing. For the purpose of sell its goods and services in all developing countries, USA made World Trade Organization (WTO), World Bank, International Monetary Fund (IMF) and other trade and financial organizations who captured the developing countries by loan and other foreign trade rules and make its benefits directly goes to USA companies. To serve and paying the cost of living in developing countries will more easy, if dollar will boom and developing country's currency value will down.

In case of China, 8.28 Yuan = one US dollar in 2001. But after understanding the conspiracy, it has started to use its domestic products and make Yuan to appreciate. Now in 2019, 6.87 Yuan = one US dollar. Table-[6] and Fig-[5] describes the CNY vs. USD exchange rate movements since 2000.

In fig (5), after the year 2008, the graph is not rising more. It means the Yuan has not depreciated much and the exchange rate is almost stable. China's public banks have lent billions of dollars in Yuan to other countries and welcomed the development of markets trading Yuan bonds. According to data published by the Bank of International Settlements, the Yuan is the fourth most traded currency in the world which trades 4.3 percent by turnover worldwide (James Areddy.T: 2019). The Yuan exchange rate is determined by long term economic fundamentals although it is affected by the market forces, supply and demand. From the macro perspective, the Yuan's exchange rate is floated by the country's sound fundamentals, strong economic resilience, stable fiscal position, controllable financial risk, balanced cross-border capital movements and have sufficient foreign exchange reserve.

Table-[7] and Fig-[6] describes the INR vs. USD exchange rate movements since 2000. In fig (6), after the year 2011, the graph is rising continuously. It means the average exchange value of rupee against dollar surge year to year due to Current Account Deficit, rise in dollar demand from imports and capital outflows by FIIs pulling out the debt market.

Increasing Public debt

India's external debt increased as 543 billion US dollar at the end of March-2019 with the share of 38 percent commercial borrowing which is the largest compenent of external debt ***-A RBI report***. Moreover the report says,with a share of 50.50 percent, US dollar denominated debt continued to be the largest compenent at the end of March-2019.The denomination of India's external debt at the end of March-2019 is described in the Table-[8] and Fig [7]. The debt service also declined 6.40 percent of current receipt at the end of march 2019 which was 7.50 percent at the end of March 2018. Accounting with a huge public debt, the investors are not confident in the country's ability to pay back its debts, then they will not be willing to buy securities in that country's currency. Thus inflation will rise and currency value will come down(India's external debt: 2019).

EFFECTS OF RUPEE DEPRECIATION

- **Corporate borrowing**: The falling Indian currency will hurt corporate borrowing with foreign investors who seek higher virtues on Indian bonds. According to bankers, the sharp depreciation of the home currency in recent days is exerting more pressure on the economy's fundamentals and increasing the risk perception on rupee investments. (Borrowing cost: 2018)

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

- **Exports:** Due to a continuous depreciation of the domestic currency, exporters are facing uncertainty as they are not able to negotiate properly prices of goods in the global markets. (Exports facing uncertainty: 2018).
- **Impacts on a common man:** The weak rupee has made crude oil, fertilizer and medicines which India imports in large quantities costlier. Though these items are not the daily consumption of a common man, they affect our finances indirectly.

Due to the country's high import dependency on crude oil, a weak rupee will influence on fuel prices. The price of food which are transported from various parts of the country bound to rise, since fuel being directly connected with the cost of transportation. This will have impact the household budget directly.

The Fast Moving Consumer Goods (FMCG) such as soaps, shampoos are likely to become expensive, since these consumer products are the outputs of crude oil.

As the country imports more than 60 per cent of edible oil for its requirement, the depreciation of rupee has affected the price of such products in a big way.

- **Effects on stock market:** Rupee and stock markets are linked with each other. In the recent past, equity markets and the currency markets are highly volatile and it is evident that whenever dollar strengthens stock market falls and vice versa. It means the stock market and currency moves in correlation with each other. Almost 50 percent of the movements in stock exchange can be related to the movements of rupee.

The continues weakness of rupee impacted the stock market adversely for FII investors. During this time the investors would prefer to liquidate their investment and invest in dollar dominated stocks or in countries with stronger currency. This can make pressure on the stock market as Foreign Institutional Investors (FII) are the major stock holders in the market.

For a domestic investor, it should be neutral. But for foreign investor weak rupee impact their returns even if stock market remain stable. For example, a foreign investor buy share for Rs.2800 when rupee is 50 per dollar. So his investment in dollar term is 56 dollar. After six months the share value remains at Rs.2800, but rupee depreciate to 70 per dollar, he take back only 40 dollar. So he loses 18 dollar, despite share price remain stable.

- **Effect on Inflation:** Inflation is a monetary phenomenon that cannot separate from the country's currency. It is very important to kept inflation under control for the economic health of a country. India has an inflation rate of 3.5 percent currently. The depreciation of rupee has the potential to increase domestic inflation through the import route. The RBI estimated in its monetary policy report that, for every 5 percent fall in rupee, retail inflation will increase by 20 basis points. (Aparna Iyer: 2018)

The rupee depreciation directly hits inflation. If the exchange rate increases from Rs.50 a dollar to Rs.60, then the price of a product that cost 100 dollar in the world market goes from Rs.5000 to Rs. 6000 in the Indian markets.

Since traders prefer to export goods rather than selling in domestic markets, the prices of goods increases in domestic markets. As imports also costlier, the imported goods become expensive which make inflation. When the inflation increases, sales will be dropped which affecting country's economy.

- **Effect on employment**

The steep depreciation of rupee will affect the development plans and new projects of companies adversely which make cascading repercussion on the job market. If this condition exist

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

a long, the goods and service demand will decline, that will affect companies and new employment will be badly put on hold.

❖ Abroad studies

The depreciating value of the rupee over the past years will also impact repayment abilities, if a loan has been taken abroad for higher studies. A weaker rupee is making educational loans more expensive for parents those looking to send their children overseas for higher studies. Within two months *(July & August 2019)* the rupee has weakened from Rs.68.50/ dollar to Rs.72.00/dollar, which make additional burden of almost Rs.1.4 lakh for a student who paying 40,000 dollar as tuition fees (Rachel Chitra: 2019).

WHAT CAN BE DONE?

1. **Exports and Imports**: The government should help to boost exports and manufacture the imports domestically such as urea which was import previously and now manufacture in the country itself. While doing so, our foreign reserve will retained here. The consumption of imported goods like foreign brand cloths, beverages etc to be reduced.
2. **Reduce gold imports**: India is the largest importer of gold in the world *(almost 100 percent of its needs)* with an annual consumption of 800-900 tons (Gold Imports: 2019). The increase in gold imports pushed up the country's trade deficit marginally. Up to 25,000 – 30,000 tons of gold may have accumulated with Indian households, thereby retaining the tag of the world's largest holders of the metal ***-A report of the World Gold Council (WGC)***. During 2018-19, India import 982 tons gold valued 32.8 billion US dollar which is 6.4 percent of its import bill and is 17.83 percent of the country's balance of trade. Even China, which is much ahead from India in GDP, who is behind in gold import. People purchase gold as an safe investment and kept in bank lockers safely which make slow down money circulation in the economy, since rupee in any investment except gold is actually maintain liquidity flow in market within the country. But money that spend to purchase gold has gone outside India. Table-[9] and Fig-[8] showing the top gold exporting countries and their percentage share of exporting to India. An attempt to reduce gold imports, the government increased import duty on gold in the 05 July 2019 budget to 12.5 percent from 10 percent. This will bring down investment demand on gold significantly (Sutanuka Ghosal: 2019). Table-[10] and Fig-[9 & 10] showing India's gold import bill since 2011-12.
3. **Better Financial Policy**: Without developing the economy, minting money is a bad option which led to complete financial breakdown in the country. The government to make better financial policies that promotes exports and increase market by attracting more foreign investments which earns more foreign reserve.
4. **Reduce dollar dependency**: As India expands its trade globally, the government can promote rupee to an investment and also a reserve currency thereby urge the traders to use Indian rupee for cross border trading, at least in Asia. This will protect the future of rupee and reduce dollar dependency for global trading.

SUGGESTIONS

- Indians should manufacture quality products which can increase their demand abroad. Exporters are happy with the benefit of cheaper rupee rates, but overall the average Indian tends to lose.
- Now the country needs to increasing non-dollar invoicing in external trade and shift borrowing to Indian currency rupee. Moving towards rupee denominated transactions which help dealing with currency risk, reduce the volatility in exchange rate arising from the dependency on US dollar, thereby take the country towards globalizing the home currency.

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

- Utilize the situation of trade war between USA and China, as advantage, produce good quality products which China has exporting to USA previously, and asking opportunity to export the products from India to USA, so that increase the exports and reduce trade deficit.
- As a long term measure, structural reform, cut unnecessary subsidies, boost infrastructure investment, remove bottle neck by labour and land reforms, improve atmosphere to do business. This should over the long term ensure a steady rise in the INR value.
- The governments to be focused on measures like increasing domestic production, promoting the use of bio fuel and energy conservation to reduce expenditure on crude oil import.
- Instead of using subsidies as a vote bank nationalize them; introduce electric vehicles which reduce the burden of oil imports.
- Reduce corruption at all levels by having robust transparent system as it can bad to good governance.
- Create artificial demand for rupee by selling US dollar. India has nearly 430 billion USD reserves which is almost 2 percent GDP of USA. By selling US dollar, demand for Indian rupee will increase. It means, RBI offer dollar and interested persons will purchase dollar by exchanging rupee that will create demand for rupee, so that rupee get appreciated.

CONCLUSION

Since 70 years of history, the rupee value is falling continuously against dollar, why? This is not the question of the year 2019. This is being asked by every one since 1950, but the economists are giving the simple answer that, US dollar demand is increasing faster than Indian rupee, means USA's dollar demand is higher than Indian rupee in India. India becomes the only feeding country of US dollar notes. The Indians who are buying foreign made products are just hurting the economy of India.

Depreciating rupee is stressful in economically and politically. Since India is always a net importing country, it never earns much income through product exports. For a significant change of rupee to happen, a phenomenal change is must be happened. We can change this scenario by doing exactly what US did since 1950, and China started since 1980. We have to go through long root and that too very fast. Everyone must think, why after 70 years of independence we are still developing?. It is a shame, must be changed.

The good news is we are having 1.32 billion people with 65 per cent *(almost 2.6 USA)* young population. We can do unimaginable growth, if work in one direction with harmony.

REFERENCES

[1] Aparna Iyer (2018). 'How a low rupee impacts India and Inc-*Livemint*. [online] Available at *http://www.livemint.com/low-rupee-impacts-india.html* [Accessed on 05 October 2019]

[2] Borrowing cost (2018) 'High borrowing costs weak rupee to impact India inc.-Repot, *Economic times* [online] Available at *http://m.economictimes. com/news/ economy/ indicators/high-borrowing-cost-weak-rupee-to-impact-India-inc-report/articleshow/65529448.cms* [Accessed 05 October 2019]

[3] Export import (2019) Export Import data bank, Ministry of Commerce and Industry, Government of India [online] Available at *http://dgft.gov.in/more/data-statistics/export-import-data-bank* [Accessed 05 October 2019]

[4] Exporters facing uncertainty (2018) 'Exporters facing uncertainty due to rupee depreciation: FIEO' *Times of India* [online] Available at *https://m.timesof india.com /business/Inia-business/exporters-facing-uncertainty-due-to-rupee-depreciation-fieo/ amp/article show/65609492.cms* [Accessed on 06 October 2019]

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

[5] FDI in India(2019) 'Foreign Direct Investment Opportunities Policy' *India Brand Equity Foundation* [online] *http://www.ibef.org/economy/foreign-direct-investment.asp* [Accessed on 10 October 2019]

[6] Gold imports (2019) 'Gold imports up 35.5% in first quarter' *Economic Times* [online] Available at *http://m.economictimes.com/industry/products/fashion/cosmetics/jewellery/gold-imports-up-35.5-in-first-quarter/articleshow/70651759.cms* [Accessed on 10 October 2019]

[7] India's external debt (2019) 'India's external debt increases 20.63% to $543 bn at March end: RBI' *Business standard*, [online] Available at *https://www.business-standard.com/economy- policy/india-s-external-debt-increases-2-63-to-543-bn-at-march-end-rbi-119062801401.html* [Accessed on 08 October 2019]

[8] James Areddy.T (2019) 'China is pitting the Yuan against the dollar so for it's not going to plan: WSJ' THE *WALL STREET JOURNAL* [online] Available at *https://www.wsj.com/article/china-is-pitting-the-yuan-against-the-dollar-so-for-its-not-going-to-plan-11568649663* [Accessed on 15 October 2019]

[9] Lokeshwari S.K (2018) 'Decrease dependence on dollar' *Business Line* [online] Available at *https://www.thehindubusinessline.com/opinion/decrease-dependence-on-dollar/articleshow/7884436.cms* [Accessed on 07 October 2019]

[10] Madan Subnavis (2019) 'Rupee can depreciate another 4% against the USD by 2019- end' *Business Standard* [online] Available at *https://www.businessstandard.com/article/ rupee-can-depreciate-another-4-against-the-usd-by-2019-end-119082100211-1.html* [Accessed on 15 October 2019]

[11] Rachel Chitra (2019) 'Weak rupee make studies aboard dearer' *Times of India* [online] Available at *http://m.timesofindia.com/business/india-business/weak-rupee-make-studies-abroad-dearer/asp-articleshow/70884645.cms* [Accessed on 06 October 2019]

[12] Rupee weaken (2019) 'Rupees weakens to 72 against US dollar for first time in 2019' *Economic Times* [online] Available at *https://m.economictimes.com/markets/ forces/rupee-weakens-to-72-aginst-us-dollar-for-first-time-in-2019/articleshow/ 70798109.cms* [Accessed on 07 October 2019]

[13] Sutanuka Ghosal (2019) 'Likely fall in gold imports: A positive for trade deficit' *Economic Times* [online] Available at *https://m.economictimes.com/markets/commodities/news/likely-fall-in-gold-imports-a-positive-for-trade-deficit/articleshow/70253973.cms* [Accessed on 15 October 2019]

[14] Tim Smith (2019) 'Currency depreciation' *Investopedia*. [online] Available at *http://www.investopedia.com/terms/currency-depricaition.asp* [Accessed on 07 October 2019]

[15] United News (2018) 'Falling rupee, demonetizations, flawed GST, Modi govt punctured Indian economy-cong' *United News of India* [online] Available at *http://www.uniindia. com/falling-rupee-demonetisation-flawed-gst-modi-govt-punctured-indian-economy-cong/india/ news/1336582.html* [Accessed on 07 October 2019]

TABLES

Table [1]: The total Import of India from various countries by dollar during 2018-19

Country	Import value (in billion USD)	Percentage share
China	73.61	14.32
USA	32.72	6.34
Saudi Arabia	28.43	5.52
UAE	26.93	5.24
Iraq	23.04	4.54
Switzerland	18.30	3.56
South Korea	16.39	3.19
Hong Kong	16.06	3.12
Indonesia	16.05	3.12
Iran	14.73	2.87
Singapore	14.44	2.80
Australia	14.08	2.74
Germany	13.85	2.69

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

Japan	12.50	2.43
Nigeria	11.17	2.17
Other 150+ countries	181.70	35.35

Source : Directorate General of Foreign Trade, Government of India.

Table [2]: The total Export of India to various countries during 2018-19

Country	Exports in billion USD	Percentage share
USA	51.60	16.0
UAE	29.00	9.0
China	16.40	5.0
Hong Kong	13.20	4.0
Singapore	10.40	3.2
UK	9.80	3.0
Germany	9.00	2.8
Bangladesh	8.80	2.7
Netherland	8.70	2.7
Nepal	7.30	2.3
Belgium	6.80	2.1
Vietnam	6.70	2.1
Malaysia	6.50	2.0
Italy	5.50	1.7
Saudi Arabia	5.50	1.7
Other 150+ countries	134.80	39.60

Source : Directorate General of Foreign Trade, Government of India

Table [3]: Currency Composition of Official Foreign Exchange Reserves in the world during Q2-2019

Sl. No.	Currency	World Exchange Reserves in Billion dollar	Percentage
1.	US dollar	6792.23	57.88
2.	Euro	2242.71	19.11
3.	Japanese Yen	596.61	5.12
4.	Pounds Sterling	488.56	4.20
5.	China Renminbi	217.64	1.85
6.	Canadian dollar	187.57	1.79
7.	Australian dollar	211.06	1.62
8.	Swiss Franc	15.81	0.14
9.	Other currencies	269.03	2.29
10.	Unallocated reserves	711.34	6.00

Source: Global forex reserves-IMF

Table [4]: The crude oil Import, Expense and Import dependence data of India

Year	Total oil import in Million Tons	Expense in billion USD	Import Dependence in Percentage	Domestic output in Million Tons
2015-16	184.7	64.00	80.6	36.9
2016-17	194.6	70.20	81.7	36.0
2017-18	206.2	87.80	82.9	35.7
2018-19	211.6	111.90	83.7	34.2

Source: Petroleum Planning and Analysis Cell-PPAC

Table [5]: List of top oil exporting countries to India during 2018-19

Sl.No.	Country	Total Exports in (MT)	Percentage
1	Iraq	46.61	22.01
2	Saudi Arabia	40.33	19.06
3	Iran	23.90	11.29
4	Venezuela	17.49	8.26

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

5	Nigeria	16.83	7.95
6	UAE	14.29	6.75
7	Kuwait	10.78	5.10
8	Mexico	10.28	4.86
9	USA	6.40	3.03
10	Others	24.74	11.69

Source : Directorate General of Commercial Intelligence and statistics

Table [6]: The average exchange rate movements of CNY vs. USD for the last 20 years

Year	CNY/USD	Year	CNY/USD
2000	8.28	2010	6.77
2001	8.28	2011	6.46
2002	8.28	2012	6.31
2003	8.28	2013	6.15
2004	8.28	2014	6.16
2005	8.28	2015	6.28
2006	7.97	2016	6.65
2007	7.69	2017	6.76
2008	6.95	2018	6.63
2009	6.83	2019	6.87

Source: www.macrotrends.net

Table [7]: The average exchange rate movements of INR vs. USD

Year	INR/USD	Year	INR/USD
2000	45.00	2010	45.93
2001	47.19	2011	46.47
2002	48.61	2012	53.57
2003	46.58	2013	56.57
2004	45.32	2014	62.33
2005	44.10	2015	62.97
2006	45.31	2016	66.46
2007	41.35	2017	67.99
2008	43.51	2018	72.10
2009	48.41	2019	71.30 (October 13)

Source: http://www.bookmyforex.com

Table [8]: The denomination of India’s external debt at the end of March – 2019

Sl.No.	Currency	Denomination in percent
1	US dollar	50.5
2	Rupee	35.7
3	Japan Yen	5.0
4	SDR	4.9
5	EURO	3.0
6	Others	0.9

Source: Reserve Bank of India (RBI)

Table [9]: Top gold exporting countries to India during 2018-19

Sl. No.	Country	Share in Percentage
1	Switzerland	56.7
2	UAE	11.3
3	USA	5.8
4	Ghana	5.6
5	South Africa	5.2
6	Others	15.4

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce

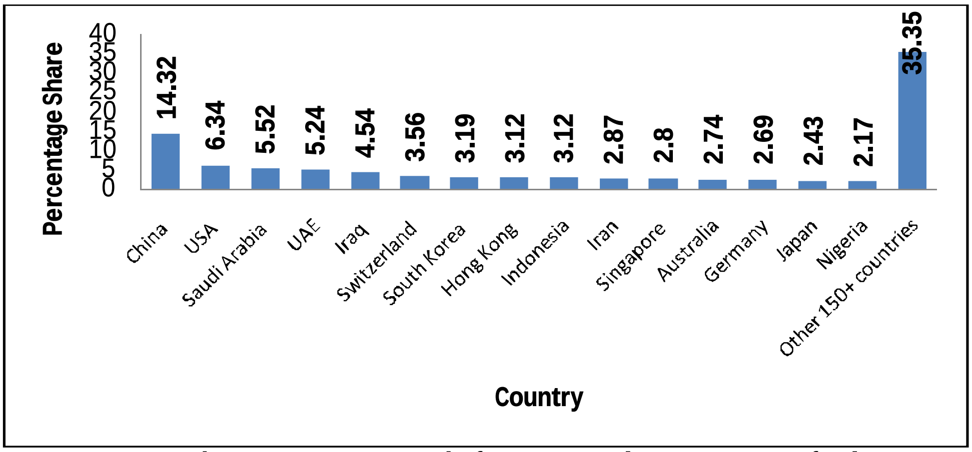
Table [10]: Gold Import Bill of India since 2011-12

Sl. No.	Year	Quantity in Tons	Value in billion US dollar
1	2010-11	653	28.48
2	2011-12	981	53.92
3	2012-13	979	52.77
4	2013-14	824	39.17
5	2014-15	776	31.17
6	2015-16	949	34.98
7	2016-17	582	27.51
8	2017-18	901	33.70
9	2018-19	782	32.80

Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce

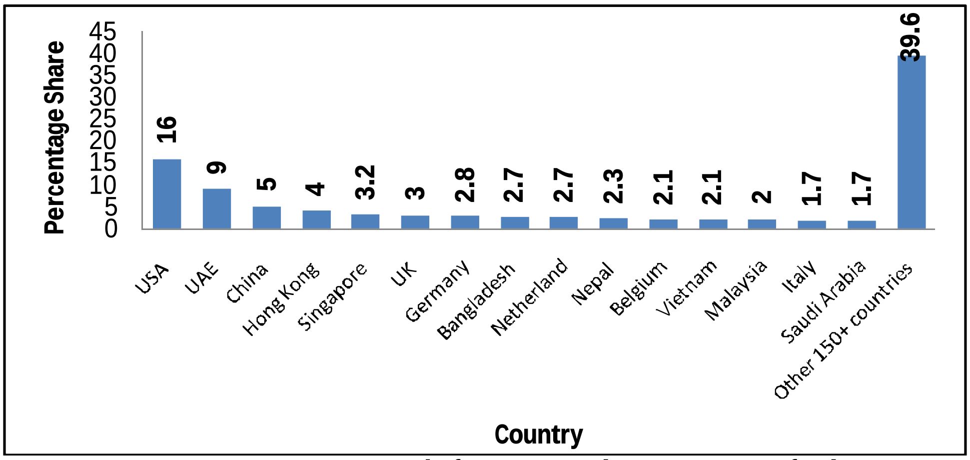
FIGURES

Fig. [1]: The percentage share of Import of India from various countries by dollar during 2018-19



Source : The Directorate General of Foreign Trade, Government of India.

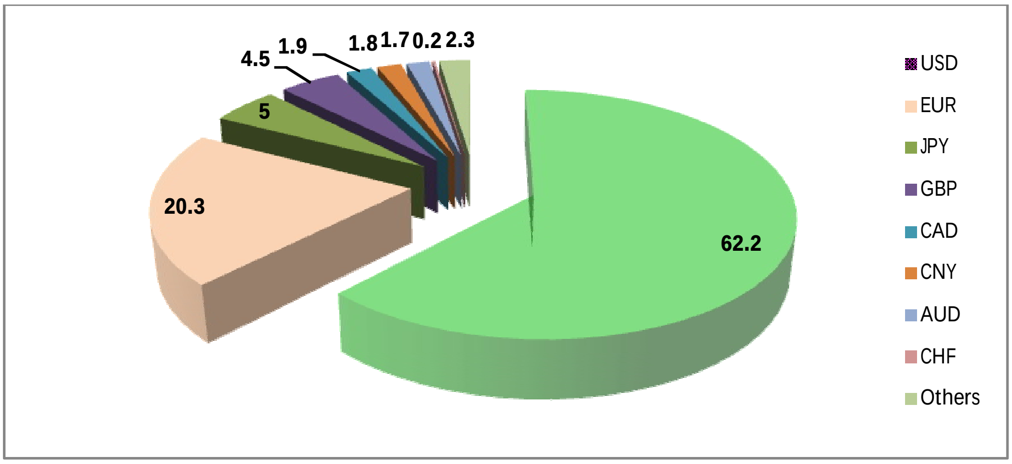
Fig. [2]: The percentage share of Export of India to various countries during 2018-19



Source : Directorate General of Foreign Trade, Government of India

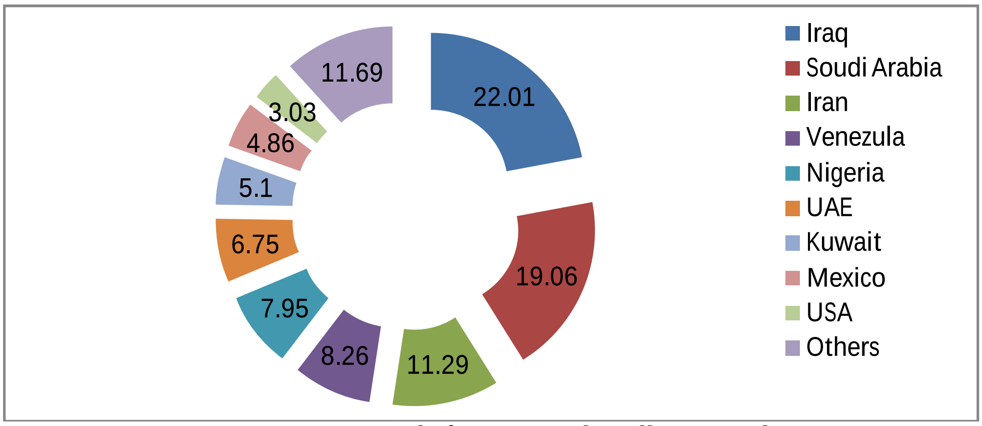
Fig. [3]: Currency Composition of Official Foreign Exchange Reserves during Q2 2019

ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019



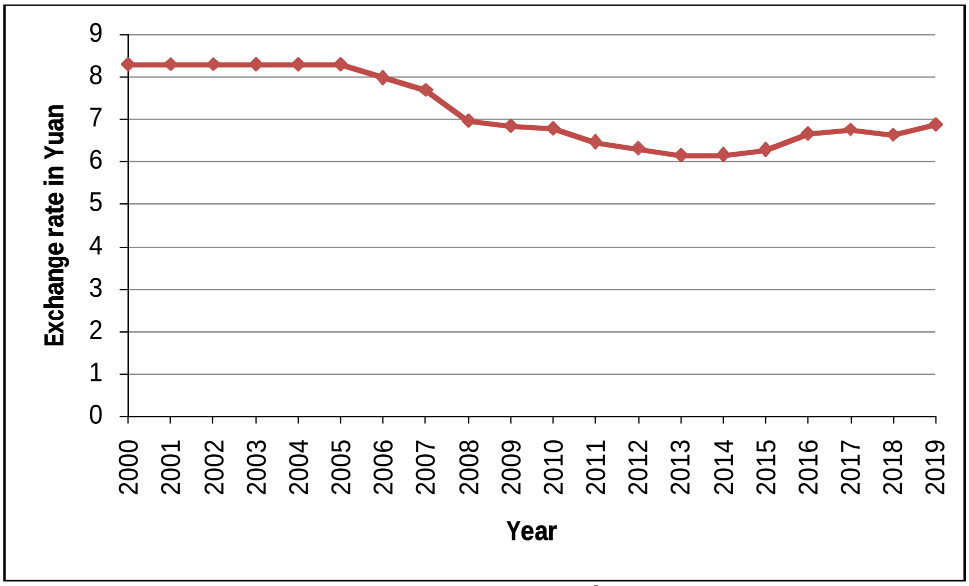
Source :Global forex reserves-IMF

Fig. [4]: List of top oil exporting countries to India during 2018-19



Source: Directorate General of Commercial Intelligence and statistics

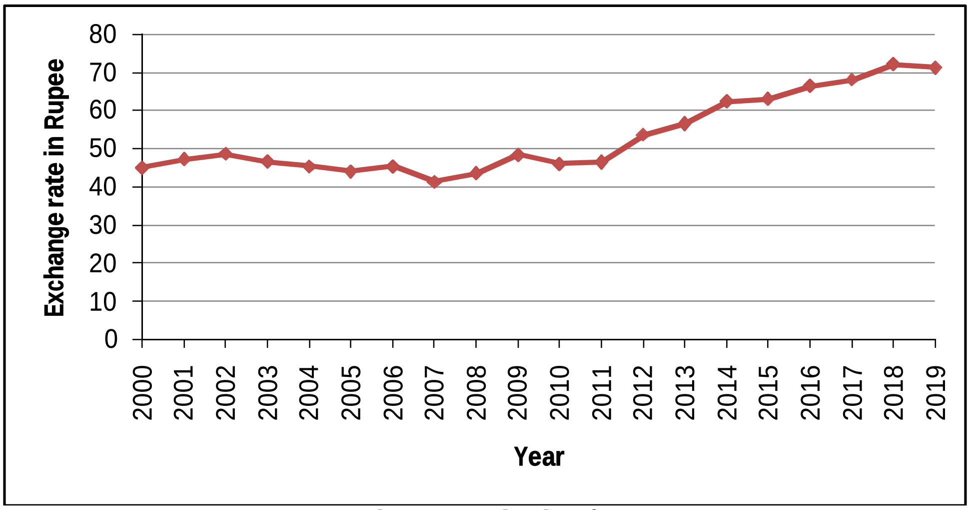
Fig. [5]: The average exchange rate movements of CNY vs. USD for the last 20 years



Source: www.macrotrends.net

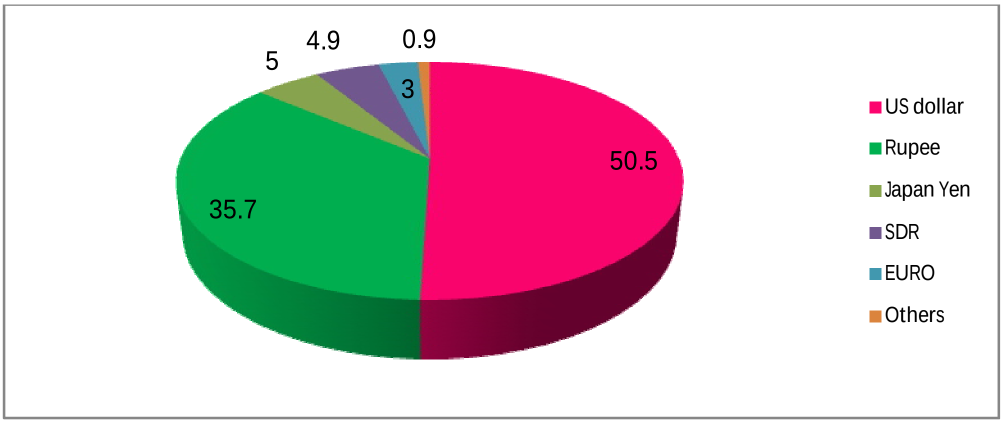
ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

Fig. [6]: The average exchange rate movements of INR vs. USD for the last 20 years



Source : http://www.bookmyforex.com

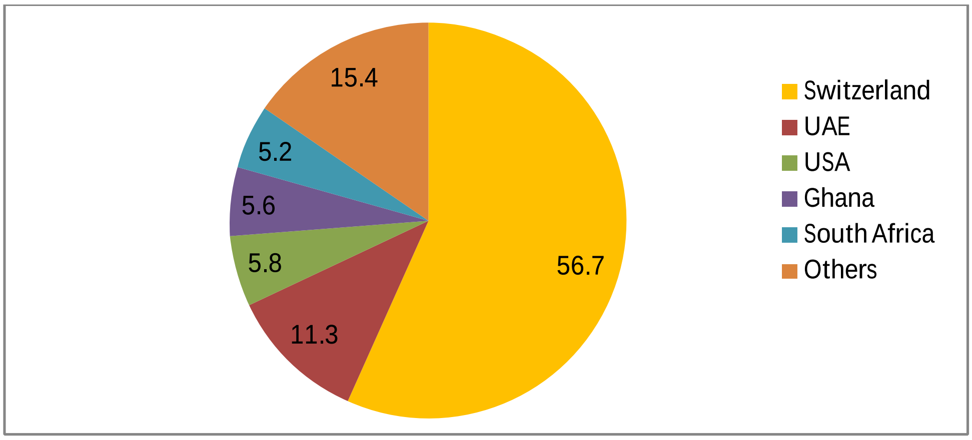
Fig. [7]: The denomination of India's external debt at the end of March – 2019



Source: Reserve Bank of India (RBI)

*(**SDR**-Special Drawing Right, a monetary reserve currency created by International Monetary Fund(IMF) in 1969, which is a supplement money reserve of existing member countries)*

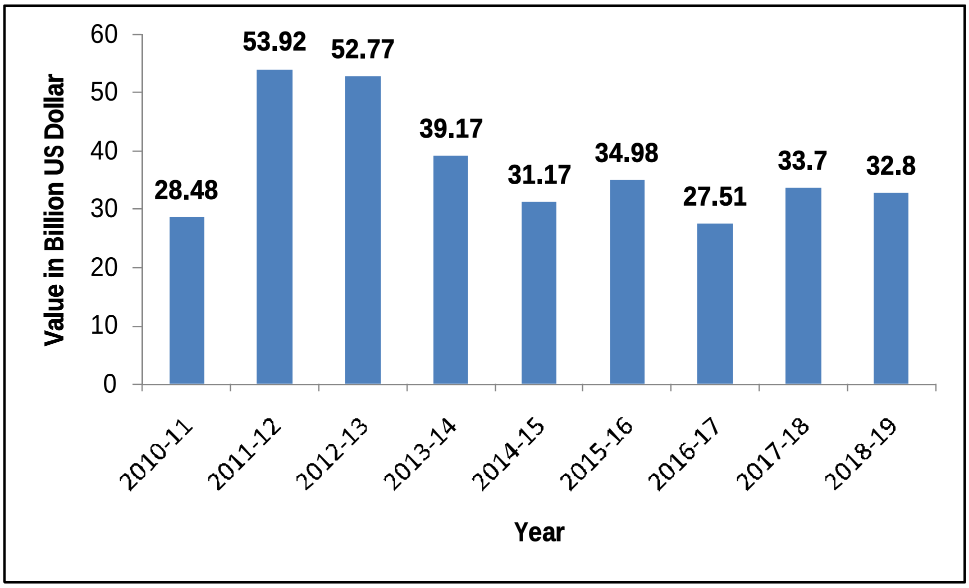
Fig. [8]: Top gold exporting countries to India during 2018-19



Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce

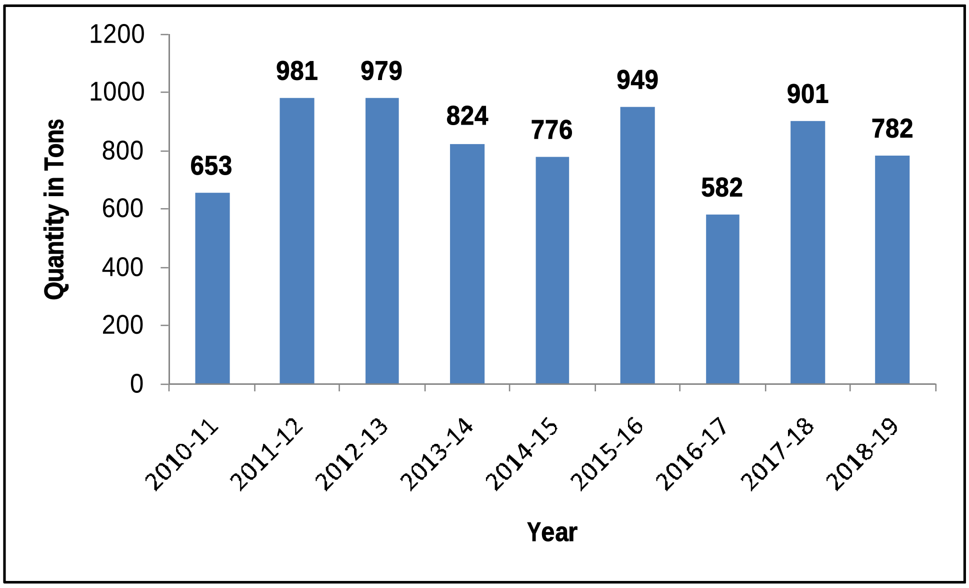
ISSN: 0976-5425
Vol-5-Issue-6-November-December- 2019

Fig. [9]: Gold Import Bill of India since 2010-11



Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce

Fig. [10]: Quantity of Gold Import since 2010-11



Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce