

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3433
ANSWERED ON:15.12.2006
FOREIGN EXCHANGE RESERVE
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Will the Minister of FINANCE be pleased to state:

- (a) The total amount of foreign exchange reserve in the country ;
- (b) The names of the countries whose currencies are available in foreign exchange reserve of the country ;
- (c).The amount invested out of above reserve by the Reserve Bank of India during the last three years and the details thereof;
- (d)The impact on the prices of commodities due to non-utilisation of above reserve for productive work; and
- (e) The reaction of the Government thereto ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

- (a) : India`s foreign exchange reserves (comprising of foreign currency assets, gold, Special Drawing Rights and reserve position in the International Monetary Fund) stood at US\$ 175.5 billion as on December 1, 2006.
- (b)&(c) : The country`s international transactions are generally carried out in major intervention currencies like US Dollar and Euro. The country`s foreign exchange reserves are invested by the Reserve Bank of India, in multi-currency and multi-asset portfolios keeping in view considerations of safety, liquidity and return.
- (d)&(e) : For every unit of foreign exchange accretion, corresponding value in Rupees is released in the domestic economy. As such, the issue of non-utilisation of the reserves does not arise.