

Currency fluctuation has become normal: Nirmala

NEW DELHI: Currency fluctuation has become the new normal and there is a need to focus on other factors like infrastructure and raw material cost to enhance export competitiveness, Commerce and Industry Minister Nirmala Sitharaman said on Thursday. The Minister said the value of the currency is only one factor and Indian exporters have learnt to take into account currency fluctuation while planning their shipments.

“It is just not the currency which gives you the competitiveness. But there are other factors which are equally critical for our exporters like infrastructure, raw material cost, energy supplies, state restrictions,” she told reporters here. “I would not want to place too much emphasis only on currency fluctuation or only the rupee strengthening,” she added. Strengthening of the domestic currency against the

US dollar makes export uncompetitive as per unit realisation comes down. While speaking at the Hero Mindmine Summit here, she said the exchange rate alone cannot be the ‘one cause’ for export competitiveness and in the last few years, the volatility in currencies across the world has been the new ‘normal’.

Sitharaman said that strengthening of the rupee is also a reflection on the performance of the economy. She said that ‘emphasis and priority’ should be given to other factors which enhance export competitiveness.

The rupee has appreciated by over 5 per cent against the US dollar since January. A report by rating agency Ind-Ra today said earnings and margins of textile and apparel exporters would be hit in the near term due to rupee’s appreciation against the dollar in 2017. **PNS**