

# RBI pushing rupee as preferred currency for global trade: FM

FE BUREAU

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**THE RESERVE BANK** of India (RBI) has initiated measures to promote the rupee as a preferred currency for international trade settlement, which will boost exports, finance minister Nirmala Sitharaman said on Monday. On July 11, the central bank allowed export and import settlement in rupees.

In a written reply to Lok Sabha, Sitharaman said, "RBI has put in place the arrangement for invoicing, payment, and settlement of exports/imports in rupee in order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in rupee."

She said the central bank notified the new arrangement to promote trade growth by reducing dependence on hard currency, with an emphasis on exports from India.

Exporters had earlier told *FE*



Nirmala Sitharaman

that the move would spur greater trade with not just Russia, but other sanctions-hit countries like Iran. The mechanism could also be tapped to trade with Sri Lanka and African nations that are reportedly facing foreign exchange woes, some had said.

For settlement of trade transactions, banks concerned will need special rupee Vostro accounts of correspondent banks of the trading partner.