

# Rupee-denominated exports may touch \$8-10 bn soon: FIEO DG



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Rupee-denominated exports may soon touch USD 8-10 billion on the back of strong demand for Indian goods from Russia and the completion of groundwork by both governments to create a new regime in international trade, a senior official of the Federation of Indian Exports Organisations (FIEO) said.

Russian lender Gazprombank has already opened a special Rupee account with UCO Bank. On Wednesday, India notified that exporters will receive all stipulated benefits under the foreign trade policy for export realisations in domestic currency after the Commerce ministry desired to promote international trade settlement in Rupee.

Exporters were apprehensive to

proceed with the Rupee trade settlement without clarity on the benefits of RoDTEP / RoSCTL schemes and the duty drawback normally available for exports in foreign currency.

"Indian currency-denominated exports will reach USD 8-10 billion soon. Russia requires everything under the sun from India. There are strong inquiries in various sectors. Exporters were waiting for the government to allow benefits under Rupee and banks to commence the process of transactions," FIEO Director General & CEO Ajay Sahai told PTI. Currently, India's exports to Russia are around USD 3 billion.

Sahai expects that the Rupee trade mechanism would commence within the next fortnight after banks like UCO starts actual processing.

He stated that imports from Russia have increased by 400 per cent, primarily from oil imports and, except for tea, coffee, tobacco, sugar and inorganic chemicals, exports were declining to Russia.

However, once the Rupee settlement system becomes operational on the ground, the widening trade balance will narrow.