

**Government of India
Ministry of Finance
Department of Economic Affairs**

**LOK SABHA
UNSTARRED QUESTION No.926
TO BE ANSWERED ON FRIDAY THE 8TH FEBRUARY, 2019 (MAGHA 19, 1940, SAKA)**

CURRENCY SWAP AGREEMENT

926. SHRI R. PARTHIPAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has approved Currency Swap Agreement with Japan recently, if so, the details thereof;
- (b) whether this bilateral Currency Swap Agreement is a milestone in mutual economic cooperation and special strategic and global partnership between two countries, if so, the details thereof;
- (c) whether the Currency Swap Agreement is likely to benefit India; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PON. RADHAKRISHNAN)

(a) & (b): Yes, Sir. The Union Cabinet in its meeting held on January 10, 2019 has approved the proposal for entering into an Agreement for Bilateral Swap Arrangement between India and Japan and authorizing the Reserve Bank of India to sign the Agreement with Bank of Japan for a maximum swap amount of USD 75 billion. This arrangement is another milestone in mutual economic cooperation between the two countries as the present agreement is for USD 75 billion, which is 50% over and above the last agreement between the two countries.

(c) and (d): The Currency Swap Agreement between India and Japan is for the strategic objective of assisting each other in times of difficulty and for restoring international confidence. This facility will enable the agreed amount of capital being available to India for use as and when required. Availability of such swap line will help India tide over difficulties arising out of Balance of Payments and greatly enhance the Reserve Bank of India's ability to manage exchange rate volatility.
