

## **Indian rupee falls to all-time low against dollar**

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**NEW DEHLI:** The Indian rupee fell to an all-time low Tuesday against the US dollar amid worries that Turkey's growing financial crisis could spread to other developing-world economies.

Indian Economic Affairs Secretary Subhash Chander Garg told reporters that there was "nothing at this stage to worry" about after the rupee reached 70.1 to the dollar earlier in the day. He said the dip resulted from "external factors".

The rupee ended the day at 69.93 per dollar, down 110 paise or 1.6 per cent. It was the currency's biggest one-day drop in five years. The rupee has lost about 8 per cent of its value this year. Garg said the country had sufficient foreign exchange reserves to weather the downturn.

Turkey's central bank has been unable to stop a sharp plunge in the lira, pushing the value of the dollar higher and driving down emerging-market currencies from South Africa to Mexico.

Rajnish Kumar, chairman of the State Bank of India, said he believed the rupee would stabilise at around 69-70 to the dollar, the *Press Trust of India* news agency reported.

Turkey's economy has been troubled for years, but the latest crisis was set off by worries over President Recep Tayyip Erdogan's economic policies and a trade dispute with the United States. Turkey's government has so far refused to raise interest rates to prop up the currency, fearing a political backlash if it causes the economy to slow.

The falling rupee, which will make Indian exports cheaper on overseas markets, was welcomed by one of India's top industrialists.

"With this boost to India's export competitiveness could we now convince global companies that it's time to switch to India for world-scale, export-focused manufacturing?" Anand Mahindra, the executive chairman of the Mahindra Group, said on Twitter. Mahindra's interests range from cars to construction equipment to insurance.

India's manufacturing economy has long been overshadowed by China's.

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