Q. What is internationalization of Indian Rupee? Enumerate the benifits of it. 250 words (10m).

After the US sanction on Russian products, India faced struggle to import oil from Russian company. It reflects the importance of trade in Rupee.

US sanction on Russia

1) low reserve currency
2) Predictability
3) Easy liquidity
4) FII ↑
5) Trade ↑
6) Resistant to deprivation in unpredictable in need of ...

Internationalization of Indian Rupee

↳ It refers to sell and buy the products of other countries by using our own currency

→ It avoids the usage of dollar and its exchange rate

Benifits

1) Minimum reserve currency - is enough to maintain, which reduce fiscal burden of goverment

2) No fear about exchange rate in maket, makes Indian market stable.

3) More liquidity - easy currency flow from one to another country.

4) More foreign investments in country because of trade in own currency.

5) Bilateral trade will increase with own currency swap agreements

6) Depreciation of currency is reduced because of no exchange rate.

In the unpredictable world, with war, pandemic, economic depression, Internationalization of ruppee is way for economic stability.