

● INDIAN WORKERS CASHING IN ON RUPEE SLUMP

# Currency windfall

INDIAN migrant workers are cashing in on a slump in the rupee, which hit an all-time low against the US dollar this week.

The currency has dropped in value by 16.5 per cent since May – making it more profitable for Indians who send money home now.

A branch manager at one Bahrain Financing Company outlet, who did not want to be named, confirmed there had been an increase in the number of people remitting money over the past “two or three days”.

However, Nonoo Exchange Company human resources manager Mohammad Noman said there had been no “massive rush” so far because people were banking on the rupee’s value falling even further.

“People are hoping it will go further down, so they are hold-

**By GREG FOUNTAIN**  
ing onto their money,” he said. “There are a few more people [sending money home], but not that much.”

One dinar was worth around 170 rupees based on currency rates yesterday.

Indian community leader and former head of the Indian Community Relief Fund (ICRF) John Iype admitted that expatriates stood to benefit in the short term, but added the rupee’s devaluation was bad for the country.

“It’s a short-term benefit, but overall it is creating a big problem for us in India,” he said.

“Even though a few people here in the Gulf may enjoy gains temporarily, overall India is suffering.”

He explained that as commodity and fuel prices soared, life back home could get very difficult.

But he was confident that Indian finance minister Chidambaram Palaniappan – who he described as “a very capable guy” – could resolve the crisis.

Meanwhile, he does not anticipate an increase in the number of Indians seeking work in the Gulf.

“[It] is not going to bring anybody from India to Bahrain, that’s for sure,” he said.

Those sentiments were echoed by Migrant Workers Protection Society (MWPS) chairwoman Marietta Dias, who explained that fewer Indians were seeking work in the Gulf because of a growth in better-paid jobs back home.

“In fact, there’s a huge shortage of casual workers [in India],” she said.

“Those already in India have no reason to come out because they are getting paid very well.” She added that low-paid

workers in Bahrain, such as housemaids earning as little as BD60 a month, were unlikely to benefit from better exchange rates since they were still only able to remit small amounts.

“But of course it will have an impact on the take-home money of professionals and bankers,” Ms Dias added.

Efforts by the Reserve Bank of India (RBI), the country’s

central bank, to prop up the rupee have so far failed.

These measures have included curbing gold imports, reducing the amount that Indian residents can remit each year and lowering the cap for overseas direct investment.

Officials announced yesterday that the RBI would buy government bonds worth nearly BD470 million (80 billion rupees) in an attempt to make more credit available and bring down the cost of borrowing.



Workers queue up to remit money to India at an exchange house yesterday





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