

'Central government must provide sops to non-resident Keralites'

The central government must provide sops to the Non-Resident Keralites (NRK) who are struggling due to the constant strengthening of the rupee, Kerala's Finance Minister Thomas Isaac told the state Assembly, Thursday.

'There are advantages and disadvantages when the rupee becomes stronger or weaker. We are all aware that with the rupee strengthening, those withdrawing from non-resident accounts here would get less than what they used to get previously,' Isaac said.

'The state government is helpless, it is the central government which has to provide a package to overcome this for the NRKs,' he said.

Isaac said this in response to a calling attention motion moved by ruling front legislator V.S. Sunil Kumar demanding the state government to take necessary steps to protect the NRKs by increasing the rate of non-resident deposits.

'The central government has provided sops to exporters who have suffered on account of rupee strengthening and like that we can now ask them to help the NRKs by way of a package,' he said.

The minister said that there were times till 2002 when a US dollar would have fetched Rs.49 but now that has dropped drastically.

'Hiking the interest rate on non-resident Indian accounts will in no way help the cause of these people. The prime reason for this situation today is the entry of speculators in the capital market. In the post reform period, it is the market that determines all these and the central government has to come to the help of the NRKs,' Isaac said.

Today, there are two million people from Kerala working abroad with close to 90 percent of them employed in the Middle East. They contribute more than Rs.20,000 crores into Kerala banks every year.

(© IANS / India eNews)