

ports and to increase invisible earnings, to ensure efficient import substitution and to reduce dependency on borrowed funds for financing expenditure.

[English]

Cut in Import Licences

917. PROF. K.V. THOMAS: Will the Minister of COMMERCE be pleased to state:

(a) the details of cut proposed in the import licences granted under phased Manufacturing Programme to curtail expenditure in foreign exchange; and

(b) the savings of Foreign Exchange expected in 1990-91 by the proposed cut?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI AR-ANGIL SHREEDHARAN): (a) A cut of 15 percent has been imposed on import entitlements in Free Foreign Exchange in the case of actual users engaged in the manufacture of automobiles, electronic items and consumer durables. This cut will be applicable to imports of raw materials and components made under Open General Licence as well as against Supplementary Licences/after-sales service licences.

(b) It is difficult to assess the quantum of foreign exchange savings at this stage.

Trade with G.D.R.

918. PROF. K.V. THOMAS: Will the Minister of COMMERCE be pleased to state:

(a) whether the attention of Government has been drawn to the news item captioned "Efforts on for hard currency trade with GDR" which appeared in Financial Express of 4 July, 1990;

(b) if so, Government reaction thereto; and

(c) the expected Rupee balances to the credit of German Democratic Republic as on 31 December, 1990?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI AR-ANGIL SHREEDHARAN): (a) Yes, Sir.

(b) The existing Trade and Payments Agreement between India and the GDR dated the 1st November, 1985 providing for the rupee payment arrangement between the two countries is presently valid upto 31.12.1990. The trade will continue to be implemented on the basis of rupee trading arrangements and as per the Indo-GDR Trade Plan during the period upto 31.12.1990. However, having regard to the developments in the GDR, both the Governments are presently conducting negotiations to avoid any disruption in trade during the period upto 31.12.1990 and also to discuss and finalise the trade and payments arrangements beyond 31.12.1990.

(c) The Rupee balances of GDR vary from time to time and it will not be possible to anticipate the position as on 31.12.1990.

Exports to USSR by EPZ Units

919. PROF. K.V. THOMAS: Will the Minister of COMMERCE be pleased to state:

(a) whether export of goods from Export Processing Zones are covered under the recently concluded 1990-95 trade agreement with USSR which envisages export of Rs. 5,300 crores worth of goods to USSR; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI AR-