

high priority sectors, their percentage and whether these proposals are less or more in view of the decrease of 22 to 23% in foreign exchange in July 1991 as compared to 1990?

DR. ABRAR AHMED : Mr. Speaker, Sir, regarding the deposits, I would like to tell the hon. Member through you that our deposits till 30 April, 1993 was of the order of Rs. 25793 crores and it has increased. It is equal to 8238 million U.S. dollars. Besides this, the hon. Member has sought to know about the high priority industries. At present, I do not have the details of the percentage of investment made for the high priority sector and low priority sector. If the hon. Member wants to know, I will send him the information.

SHRI ANNA JOSHI : While replying to the question of the hon. Member, the hon. Minister stated that one window policy has not yet been adopted but the State Governments have been asked to provide them maximum facility. I would like to know as to what is the problem in adopting this policy and why the Central Government does not take the initiative in this regard?

MR. SPEAKER : It is crystal clear question. You can sit down and get the answer. Why are you not doing that?

[Translation]

DR. ABRAR AHMED : I have noted the suggestion of the hon. Member.

[English]

MR. SPEAKER : It is an assurance on the floor of the house. You have got a good reply.

SHRI UMRAO SINGH : Mr. Speaker, Sir, I would like to know from the Government whether they are considering to grant dual citizenship to the NRIs and give them some incentives for attracting more foreign exchange from them.

MR. SPEAKER : It is too wide a question. If you want to reply, you can; otherwise it is not necessary.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : Mr. Speaker,

Sir, this proposal has been under consideration. There are several variants on that and this is being considered.

[English]

CUSTOMS DUTY COLLECTIONS

*242. **SHRI RAMASHRAY PRASAD SINGH :**

SHRI K. PRADHANI :

Will the Minister of FINANCE be pleased to state :

(a) whether the customs duty collections have fallen during 1992-93 ;

(b) if so, the details thereof and the reasons therefor ; and

(c) the remedial steps being taken by the Government to improve the situation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY) :

(a) to (c) The customs duty collection during the year 1992-93 have fallen short of the sanctioned Budget Estimate by 5.53% and by 6.60% with respect to the Revised Budget Estimate.

The shortfall in customs revenue had resulted mainly because of the fact that the value of imports during the year was lower than the anticipated level. With the expected improvement in the rate of economic growth and industrial production, customs revenue collection will improve.

[Translation]

SHRI RAMASHRAY PRASAD SINGH : Mr. Speaker, Sir, this is a simple question. In his reply, he has stated that the main reason of shortfall in customs duty collections is the 5.53% and 6.60% reduction made in the original and Revised Budget Estimates respectively. He has told half the truth. The main reason of the shortfall in customs revenue is the exemptions given in custom items under the new economic policy of the Government. These items are not of commonman's item. I would like to know from the hon. Minister the steps being taken to make up the gap in original and Revised Budget Estimates. It may not so happen that the Government may meet the shortfall by imposing more tax on the public.

[English]

SHRI M. V. CHANDRASHEKHARA MURTHY : Mr. Speaker, Sir, the main reason behind this shortfall is due to the fall in total volume of imports. During the year 1992-93, we have anticipated imports for about 23 billion US dollars, but the value of imports during that year was only 21.7 billion US dollars. In other words, the value of imports during that year was reduced by Rs. 4,726 crores that what was anticipated earlier.

If you take the overall average on duty incident consequent on the revenue fall, it is more than 37 per cent of the total loss due to lower volume of imports which amounts to nearly about Rs. 1,705 crores. I do not agree with the hon. Member that because of the new economic policy and concession of customs duty, the value of the short fall has come down.

[Translation]

SHRI RAMASHRAY PRASAD SINGH : Mr. Speaker, Sir, you can make us understand in this regard. The hon. Minister is not admitting that it is due to wrong new economic policy of the Government. A lay-man can understand it. If you give concessions in customs duty, the collections would be less. There is nothing wrong in saying it...

MR. SPEAKER : He has said that it was due to the fall in total imports.

SHRI RAMASHRAY PRASAD SINGH : It has fallen but it has also fallen due to concessions given with regard to duty. Concessions means less collection. Even an ordinary literate person can very well understand it.

MR. SPEAKER : All right, now you ask the second question.

SHRI RAMASHRAY PRASAD SINGH : Secondly, I would like to ask the name of those items which the Government is going to import more. Whether these items are already being indigenously produced? If you intend to import such items what would be the fate of indigenous factories? I would like to know the factual position. What has been the reduction in percentage of import than the original estimates.

MR. SPEAKER : He has just given the statistics in this regard.

[English]

SHRI M. V. CHANDRASHEKHARA MURTHY : As I have already replied earlier, the major reason attributed to this shortfall in Customs revenue is the lower volume of imports and beyond that because of the disruption of economic activity and industrial production after December, we are facing this problem. But as regards the items of import we have allowed, we have taken sufficient care to protect the interests of the indigenous manufacturers.

SHRI SARAT CHANDRA PATTANAYAK : I would like to know from the hon. Minister through you whether the Conference of Customs Collectors has recently recommended any proposals to increase the Customs duty collection and, if so, what has the Government done in the matter.

SHRI M. V. CHANDRASHEKHARA MURTHY : Recently we had the Conference of Collectors, Customs and Excise and the recommendations of Dr. Chellaiah Committee were discussed in detail. On many of these areas, we have still to come to an agreement. We have instructed the Collectors of Customs and Excise to put all their efforts to increase the collection of revenue.

[Translation]

SHRI RAM NAGINA MISHRA : Mr. Speaker, Sir, through you I would like to know from the hon. Minister whether the other countries have reduced the customs duty on the goods imported by them from India as has been done by us in the case of imported items.

MR. SPEAKER : Which countries?

SHRI RAM NAGINA MISHRA : The countries like U.S.A., U.K. who import the Indian goods. Whether they have reduced the customs duty on Indian goods or not? In India, the customs duty on the imported goods has been reduced. Therefore, I would like to ask whether the foreign countries who are importing Indian goods have also reduced the customs duty on the Indian goods or not?

[English]

SHRI M. V. CHANDRASHEKHARA MURTHY: Sir, there is the changing economic scenario in the other parts of the world. Considering that, we have taken up this new economic policy and liberalisation to compete with the other developing countries. We have taken sufficient care to protect the local industries. Even in the case of imports and exports, we have safeguarded our interests.

MR. SPEAKER: The question is whether the other countries have reduced the customs duty on the goods which are imported by them from India.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, the fact of the matter is that in the year 1991, India's customs tariff rates on imported commodities were probably the highest in the world. All over the world, there has been a trend towards reduction in customs duties. The average manufacturing tariffs in the European Community are no more than 4-5 per cent. The same is the case in the United States. If you look Eastwards, in countries of South-East Asia and East Asia also, there has been a progressive reduction of customs duties. We have reduced these duties to help our industry; to help India's farmers; to help India's consumers. Therefore, what we have done is in the interest of our national economy.

[Translation]

SHRI RAM NAGINA MISHRA: Sir, I have yet to receive the reply to my question. The Government has not mentioned the name of any country. I am asking very clearly whether the country like U.S.A. has reduced the customs duty on the goods imported from India or not?

[English]

SHRI MANMOHAN SINGH: I do not have to mention a single country. In the whole world, I think the trend has been towards moderation in imports. I will have to look into the whole world. (*Inter-ruptions*)

DR. B. G. JAWALI: Sir, it is a fact that just to encourage the industrial pro-

duction, agricultural production and other production, the import has been liberalised by reducing the customs duties. Having reduced the import duty, definitely the import quantum should have been increased. On the contrary, it is most ironical that it has been reduced. I would like to know from the hon. Minister what is the factor involved in this. If this has resulted in the reduction in the duty, whether this has been recovered from the other aspects, say, for example, from industrial or agricultural fronts. I would also like to know whether any revenue from the other side has been indirectly recovered. If the benefits have not been achieved, whether the Government has got any re-thinking on this, on the reduction of the customs duties.

SHRI MANMOHAN SINGH: Until November 1992, the customs duty trend was far above the trend implicit in the budget estimates for the year 1992-93. But, unfortunately, from December onwards—December, January, February and March the events that shook this country had an unfortunate effect. I have mentioned on several occasions in this House that the cost of Ayodhya and related subject is at least Rs. 5,000 crores in terms of loss in trade. That is the explanation.

SHRI SRIKANTA JENA: Sir, specifically I draw your attention to part (c) of the answer about the expected improvement in the rate of economic growth and industrial production. What is the scenario in the domestic front, in the industrial production front and economic growth in the year 1993-94 till June which will enable you to have more import and more revenue? May I know from the hon. Minister what is the trend in the industrial production front and in the domestic front in 1993-94 till June?

SHRI MANMOHAN SINGH: The overall industrial trend is not encouraging. But, certainly, in relation to last year, there is definitely an improvement and I expect that in the remaining part of the year, there will be further improvement.