

[English]

Trade Agreement with China

*731. SHRI K. PRADHANI : Will the Minister of COMMERCE be pleased to state :

(a) whether the Chinese delegations, including the one that visited along with the Chinese Defence Minister, which visited India recently have laid stress on steps to improve Sino-Indian Cooperation in trade, investment, science and technology and manpower development including formation of a trade bloc between both these countries;

(b) if so, the details of the issue discussed and the outcome thereof;

(c) whether any trade agreement/joint-venture has been signed by both these countries;

(d) if so, the details thereof; and

(e) the steps by the Government to boost exports to China?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir. However there was no discussion on formation of a bilateral trade bloc.

(b) In the last 6 months two delegations from China have visited India. In the coal sector, the two sides reviewed their bilateral cooperation, constituted an experts Task Force, and identified a number of areas like new projects for construction, briquetting of Indian coal with Chinese technology, and development of green field project by Coal India, etc. The other delegation was in the sector of iron and steel, during whose visit arrangements were concluded for long term supply of iron-ore fines by MMTC.

(c) and (d). The Trade Agreement between India and China was signed on 15th August 1984. Its salient features are promotion of bilateral trade relations, mutual Most-Favoured-Nation treatment, transactions to be in freely convertible currencies, facilitating mutual participation in trade fairs and other similar events, identification of items of mutual trade interest, and regular mutual consultations.

Indian companies are setting up 3 joint ventures in China in the field of pharmaceuticals, automotive 2-wheelers, and refractories. Over 29 technical/financial Chinese collaboration proposals have been approved since 1988 in the fields of engineering, iron and steel, chemicals, pharmaceuticals, fishing and aquaculture, coal, etc.

(e) The steps taken to boost exports to China include, mutual identification of items of India's export interest whose import the Chinese side would facilitate, promotion of exchange of delegations and business

visits, extension of the border trade, fostering and expansion of economic cooperation especially in setting up joint ventures, and regular consultations in different fora, including a Joint Business Council as a business sector initiative.

Closure of Certain Companies by BIFR

*732. SHRI V. SREENIVASA PRASAD :
SHRI INDRAJIT GUPTA :

Will the Minister of FINANCE be pleased to state :

(a) the updated number and names of the companies considered by the BIFR for final closure both in the public and private sectors;

(b) the present status of each of the companies;

(c) whether the BIFR has sent those cases to respective High Courts for further action;

(d) whether the Government propose to safeguard the public sector units in the larger interest of the State by arranging funds for their proper modernisation, rehabilitation and future progress; and

(e) if so, the facts and details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). The Board for Industrial and Financial Reconstruction (BIFR) has reported that as on 30.04.1995, it had recommended under Section (20 (1) of the Sick Industrial Companies (Special Provisions) Act, 195 (SICA), winding up of 377 sick industrial companies including 11 public sector undertakings (PSUs) to the concerned High Courts. Of these, the assets of two private sector companies were sold and the sale proceeds forwarded to the concerned High Court. The remaining cases are before different High Courts for further action under the provisions of the Companies Act, 1956. The time and labour involved in preparing the list of names of these 377 companies may not be commensurate with the results to be achieved.

(d) and (e). The PSUs were brought under the purview of SICA in December 1991 whereby it is mandatory for sick PSUs to make a reference to BIFR under section 15 (1) of SICA. The references received are dealt with by the BIFR under the provisions of the said Act. The BIFR formulates a revival scheme incorporating reliefs/concessions/sacrifices, provision of additional funds, etc. by the administrative ministry or the State Government, banks/financial institutions, workers etc., wherever feasible and sanctions a revival scheme under SICA with the consent of all concerned. The sanctioned scheme takes into account modernisation, rehabilitation and long term viability of the concerned PSU.