

Increase in the Lending Rate in Financial Institutions

4137. SHRI CHETAN P. S. CHAUHAN : Will the Minister of FINANCE be pleased to state :

(a) whether some financial Institutions have decided to raise their prime lending rate to 16.5 percent;

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

(c) whether the corporate sector apprehends a slow down in the implementation of mega infrastructure projects as a result thereof; and

(d) if so, the reaction of the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) and (b) The Industrial Development Bank of India (IDBI) has reported that financial institutions (FIs) have with effect from November 20, 1995, fixed a minimum lending rate of 16% (exclusive of interest tax) under direct project finance scheme. IDBI has further reported that the minimum term lending rate of FIs is fixed keeping in view their cost of borrowing and overall interest rate scenario in the market.

(c) and (d) IDBI has reported that the demand for credit from FIs has been rising including that from the infrastructure sector. As per the information provided by IDBI, total assistance sanctioned and disbursed by FIs to projects in specific infrastructure Sectors as on November 30, 1995 was Rs. 19445.00 crore and Rs.9020.72 crore respectively.

*FIs covered are IDBI, Industrial Finance Corporation of India Ltd. (IFCI), Industrial Credit & Investment Corporation of India Ltd. (ICICI), Unit Trust of India (UTI) and SCICI Ltd.

World Bank Debt

4138. SHRI CHETAN P. S. CHAUHAN : Will the Minister of FINANCE be pleased to state :

(a) whether India is one of the top five debtors to the World Bank;

(b) if so, the details thereof;

(c) the percentage of Gross Domestic Product being spent on debt service at present;

(d) whether the Government have conducted study to assess the country's capability to bear the increased debt servicing burden; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) and (b) As per World Debt Tables, 1994-95 of the World Bank, India is one of the top five debtors to the World Bank Group at the end of March, 1994 with debt owed to the IBRD at US \$

9870 million and to IDA at US \$ 15,978 million which is highly concessional.

(c) Total debt service payments during 1994-95 on India's external debt works out to be about 3.8% of the estimated GDP for 1994-95.

(d) and (e) Government is conscious about the country's external debt liability and keeps a constant watch on the level of country's indebtedness and likely burden of debt servicing. While contracting foreign loans, it is always kept in view that the debt burden and the debt servicing liability of the country does not exceed the capacity of the economy to service such loans.

[Translation]

Investment in Namibia

4139. SHRIMATI DIPIKA H. TOPIWALA : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government of Namibia has invited Indian Industrialists to make investment in their country and requested to avail of the benefits and facilities available there;

(b) if so, the areas in which Indian Industrialists have been invited for making investment in Namibia; and

(c) the reaction of the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) to (c) In the meeting held on 27th Nov., 1995 with the Confederation of Indian Industry, the visiting Prime Minister of Namibia indicated in his address that the best chance of diversifying the Namibian economy lay in encouraging investment in manufacturing as a favourable investment climate has been created for the purpose. The indicative areas identified for investment projects in Namibia are agro-industries, fisheries, services, tourism and infrastructure sectors.

[English]

Safety Norms by Private Airlines

4140. SHRI PRABHU DAYAL KATHERIA : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) the number of cases of violation of air safety norms by the private airlines which have come to the notice of the Government during the last six months;

(b) whether a number of proposals from private airlines seeking the Government's permission to buy new aircraft are pending with the Government;

(c) if so, the details thereof; and

(d) the reasons for delay in taking decision thereon?