

(vii) With effect from 26.08.96, the RBI has fully deregulated the interest rates that can be changed to the ultimate borrowers by the RBSs.

(viii) With a view to impart viability to lending operations of RRBs and to bring about uniformity in approach on lending alongwith commercial banks, RBI have recently stipulated that, beginning from 1st April, 1997, the advances of RRBs to priority sector should constitute 40% of their outstanding advances, as in the case of commercial banks.

Economic Growth

500. SHRI PRITHVIRAJ D. CHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether serious problems have developed in the growth of our economy due to the shortage of infrastructure facilities;

(b) if so, the details of problems and the steps taken to overcome them;

(c) whether the Government have formulated any plan and policy programmes in pursuance of the recommendations of the Experts Committee on infrastructure sector;

(d) if so, the details thereof; and

(e) the role assigned to domestic and foreign investors for the development of infrastructure facilities in our country?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Seven infrastructural and core industries, namely, electricity generation, coal, saleable steel, crude oil, petroleum products, cement and fertilisers with a combined weight of 31 per cent in the Index of Industrial Production (IIP), have recorded a growth rate of 2.9 per cent in April-March, 1996-97 as compared to 7.8 per cent in April-March, 1995-96. While Gross Domestic Product (GDP), at factor cost, at constant prices, for the year 1996-97 registered a growth of 6.8 per cent as compared to 7.1 per cent in the preceding year, the manufacturing sector grew by only 8.1 per cent as compared to 13.6 per cent in 1995-96. The slowdown of growth in manufacturing in 1996-97 can be partly attributed to the poor performance of the infrastructure industries since some infrastructure industries are included in the index for manufacturing and more important weak infrastructure performance constrains the growth of manufacturing generally.

The Government's development strategy attaches high priority to the Development of efficient infrastructure and recognises the fact that provision and maintenance of adequate infrastructure facilities at reasonable cost are absolutely necessary for rapid economic growth on a sustaine basis. Several fiscal incentives have been offered

for setting up infrastructure projects.

(c) and (d) The Government has already implemented some of the recommendations of the Expert Group on commercialisation of Infrastructure Projects.

To provide long-term finance for the infrastructure sector the Budget, 1996-97 announced establishment of an infrastructure Development Finance Company (IDFC). The IDFC has since been incorporated under the Companies Act on 30.1.97 with an authorised share capital of Rs. 5000 crore. The Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) on net inter-bank liabilities has been abolished. Foreign Institutional Investors (FIIs) have been allowed to participate in the debt market.

(e) Given the competing demands on limited resources available with the Government, the creation of quality infrastructure will need infusion of private capital, including foreign investment. Since December, 1996 the Government has allowed automatic approval for foreign equity participation upto 74 per cent in key infrastructure industries.

Currency Notes

501. SHRI RUPCHAND PAL:

SHRI A.G.S. RAMBABU:

SHRI ANIL BASU:

SHRI AJAY MUKHOPADHYAY:

DR. ASIM BALA:

Will the Minister of FINANCE be pleased to state:

(a) the annual production capacity of the currency notes in each of the printing presses and the total requirement thereof in the country;

(b) whether the production capacity of these presses is fully utilised;

(c) if so, the details thereof and if not, the reasons thereof;

(d) whether the Government propose to import currency notes to meet the requirements;

(e) if so, the reasons therefor and the amount of foreign exchange proposed to be spent thereon;

(f) whether the Government propose to modernise the existing presses to overcome the acute shortage of currency notes; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The production capacity of the currency notes and the requirement during 1996-97 was a under:-