

up a Leather Research Institute in Dindigul which is famous for Leather Products;

- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) the total number of Leather Industries in the country, particularly in Dindigul.
- (e) the steps being taken to provide better facilities to leather exporters; and
- (f) the total turnover of leather products in the country, particularly from this area annually ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) No, Sir.

- (b) Does not arise.
- (c) The Central Leather Research Institute (CLRI), Chennai, a constituent laboratory of the Council of Scientific & Industrial Research (CSIR) which is about 400 Kms. away from Dindigul, as a National institute is already servicing the R&D and training needs of the leather industry in the country including that of Dindigul. The leather product manufacturing units and the industry in Dindigul is making good use of these services.
- (d) Leather Industry is largely in the unorganised sector. There are about 1100 registered tanneries in the country (excluding job work units and cottage units) located in different parts of the country of which Tamil Nadu accounts for 53%. In addition, there are 1125 manufacturing-cum-exporting leather products units (excluding household sector and job work units). In Dindigul, there are 61 small scale tanneries of which 54 are working.
- (e) Under the National Leather Development Programme, inter alia, technical and training assistance is being provided to the industries in the area of technology upgradation, organisation of investment and technology parks, etc. which facilitate exports.
- (f) Leather industry is largely in the un-organised sector and hence information regarding turnover, production, etc. are based on estimates. As per one estimate, the total annual value of leather products, viz., leather footwear, leather goods, leather garments, saddlery, etc. in the country works out to Rs. 1,17,600 million. Contribution of Dindigul tanning industry for the production and export of leather is significant.

Difficulties in Trading with Iran

6685. SHRI SANAT KUMAR MANDAL : Will the Minister of COMMERCE be pleased to state :

- (a) whether the attention of the Government has been drawn to the news-item captioned "Difficulty in trading with Iran" appearing in 'The Week end Observer' dated May 3, 1997;
- (b) if so, the facts of the matter reported therein;
- (c) whether the Indian exporters are actually facing difficulties in receiving their payments from Iran;
- (d) if so, whether Export Credit Guarantee Corporation had been placed in high risk category and also post-shipment credit was not easily available against exports to Iran;
- (e) if so, the reasons therefor;
- (f) whether this issue has been discussed with Iran Government by Federation of India Export Organisation International Committee; and
- (g) if so, the details of issues discussed and the outcomes thereof alongwith the reaction of the Government thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Yes, Sir. It has been reported by Federation of Indian Exports Organisations that Indian exporters are facing difficulties in receiving payments from Iran, availing post-shipment credit and facing problems in respect of other related banking facilities.

(c) One case of non-payment of export proceeds has been reported to Export Credit Guarantee Corporation (ECGC). No other specific instances of delayed payments under ACU mechanism have been reported to EXIM Bank in respect of proposals cleared by them and also to Ministry of Commerce.

(d) and (e) ECGC has placed Iran in Category 'C' in the four fold classification from A to D. A being the lowest risk Category and D being the highest risk category. The classification is based on economic/political risk rating, experience of ECGC/other insurers etc.

- (f) No, Sir.
- (f) Does not arise.