

intent they have given a commitment that they would export 40% of their total turnover of own manufactured items along with 10% from a selected list of items to be exported from this country. It has been seen that they are exporting items like shrimps, rice and tea which are not manufactured by them or which would not form a part of that selected list. Is the Government aware as to what are the items being exported by Pepsi Food and whether they form a part of the selected list? If so, it should be specified by the Government.

SHRI GIRIDHAR GOMANGO: The Government is aware of it. We constituted an official team which visited the company. They found out that the export obligations have not been fulfilled. On that basis we issued a show-cause notice and that show-cause notice has been replied to. We find that the 40% export obligation which they have to fulfil, they have not fulfilled because the items which they have exported are not manufactured by the units they have set up. The Ministry of Commerce are also examining the violations of Pepsi Food Pvt Ltd regarding the export obligations. (*Interruptions*)

Their letter of intent is here. We are examining all the issues which are related to the company as well as their obligations which are to be fulfilled. The Inter Ministerial Committee is meeting day after tomorrow. After that, a decision would be taken. (*Interruptions*)

MR. SPEAKER: Because we are discussing it for half-an-hour, we will go to the next question.

(*Interruptions*)

Export of Maruti Cars

*674. **SHRI ANNA JOSHI:** Will the PRIME MINISTER be pleased to state:

(a) whether M/s. Suzuki propose to set up a plant to manufacture different types of cars in Hungary to meet the demand for cars in Europe;

(b) whether this will affect Maruti's exports to Europe; and

(c) if so, the steps proposed to be taken by the Maruti Udyog Limited in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.K. THUNGON): (a) Suzuki Motor Corporation is setting up a plant in Hungary to manufacture 1 litre and 1.3 litre cars.

(b) and (c). The Suzuki plant in Hungary will manufacture different cars from the one Maruti Udyog Ltd. will be exporting to Europe. They will cater to different market segments.

MR. SPEAKER: Mr. Anna Joshi, you do not want to put the supplementaries?

SHRI ANNA JOSHI: Sir, I would put the supplementaries a little afterwards.

[*Translation*]

SHRI MOHAN RAWLE: Mr. Speaker, Sir, I would like to know from the hon. Minister as to how much foreign exchange has been earned by Maruti Udyog Limited by export of Maruti cars and the amount of foreign exchanges spent by the Government on Maruti Udyog Limited?

[*English*]

MR. SPEAKER: Do you have this information?

SHRI P.K. THUNGON: Yes, Sir; I have information from 1988-89 to 1990-91.

So far, M/s Maruti Udyog Limited have spent worth US\$ 764.63 million. And they have earned worth of about US\$ 103.50 million. (*Interruptions*)

[*Translation*]

SHRI HARIN PATHAK: Mr. Speaker, Sir, Government of Hungary is interested in buying Maruti cars manufactured in India. Some of our officials had visited Hungary in

this connection. Thereafter Suzuki Company sent some of its staff to Hungary so that Hungarians do not buy Maruti cars and Suzuki Company decided to set up its own factory in Hungary. Sir, may I know from the hon. Minister whether such a situation is being created to lead Maruti Udyog to further loss and trouble? My first question is whether the Government would mention the names of the officers who visited Hungary and what discussion was held by them? Secondly, I want to know as to why the Government of Hungary changed its earlier decision?

[English]

SHRI P.K. THUNGON: Sir, in the main reply I have stated that the plant which is going to set up by M/s Suzuki in Hungary is going to produce different types of cars than what Maruti Udyog limited produces for the market in Europe. As I have stated, they will manufacture 1 litre and 1.3 litre cars in Hungary. This will be the upper strata of the small cars to be manufactured there whereas Maruti cars are of 800 cc and 1000 cc only. Our export will be particularly in the lower strata of small cars. We have assessed as to whether this will affect our market in Europe or not. From our assessment, it is clear so far that our market in Western Europe will not be affected by the industry which is going to be set up by M/s Suzuki.

The other part of the question is whether or not any official had gone there for negotiations. It is true the CMD of the Maruti Udyog Limited went to Hungary and negotiations took place for better export arrangements and appointment of our agents there so that a better market can be created there.

Thirdly, for the information of the hon. House, I would like to say that this is the first time that M/s Suzuki has come forward to leave the whole European market particularly for M.U.L. Not only that they will also extend the necessary facilities through their sales organisations and other facilities which

they have in Europe. So, we may not have to set up new sales organisations there. Whatever facilities and sales organisation are set up by M/s Suzuki there will also be given to Maruti Udyog Limited. (Interruptions)

[Translation]

SHRI HARIN PATHAK: Had our C. M. D. not gone to Hungary in this connection... (Interruptions)...

MR. SPEAKER: Pathakji, be seated please. I am not allowing you.

[English]

You have heard what he has said.

SHRI ANNA JOSHI: Sir, what is the difference between 1 litre, 1.3 litres, 800 ccs and 1000 ccs cars? This is my first supplementary.

Secondly, the hon. Minister has said that they will cater to different market segments. Does it mean that the cars which are going to be produced by M/s Suzuki in Hungary will not be going to the markets where Maruti Suzuki cars are being sold out including the markets which they are going to capture or which they are catering now?

SHRI P.K. THUNGON: Probably, the hon. member wants to know about the type of vehicles. One litre means 1,000 cc and 1.3 litre means 1,300 cc.

The second point is more important. So far as marketing is concerned, by different segments what I meant is the difference in prices. The difference in price will be there between the upper and lower strata of the small cars. We intend to cater to the needs of the lower strata small cars in Europe. Naturally, the demand for small cars in Europe will not be adversely affected by the production of Suzuki's bigger cars there.