

Assistant Director. Suppose that somebody gives this type of information and the entire plan to seize the smuggled goods is made at the Director's and even higher level. The team is mostly headed by an officer of the rank of Assistant Director. In this case, the higher officers complain that though the entire plan is made by them, it is only the Assistant Director who gets the reward and not they. In view of the above will the Government formulate a policy under which higher officers will also be rewarded suitably and thus remove the feeling that has spread among these officers.

SHRI RAMESHWAR THAKUR: Mr. Speaker, Sir, the reward is given either to somebody from among the public who gives such information or to officers who conduct the raids as a part of their duty. Official teams consist of officials of other departments like Narcotics, coast Guard, B.S.F., Police, Income-Tax etc. The reward is given to all those responsible for the seizure and who really make some contribution in it. Otherwise, no one is rewarded, just because they are high Officers.

[English]

SHRI P.C. THOMAS: There are many honest officers in these Departments who are finding difficulties because of harassment from the big smugglers. There are big smugglers who are giving more incentives or trying to influence the officers by giving them those incentives.

So, will this Ministry take this into account and really give the incentives to the real honest officers in a big way ?

MR. SPEAKER: That is done.

(Interruptions)

SHRI RAMESHWAR THAKUR: Not only that, I will try also to give due protection to them.

[Translation]

SHRI RABI RAY: Mr. Speaker, Sir, we regularly read in newspapers that there are many such vulnerable areas in the Country like the Coastal States, where Custom Officers are often attacked by smugglers who are equipped with speed boats and sophisticated weapons. So, I would like to know from the hon. Minister the provision for rewards for officials working in such vulnerable areas where they are prone to attacks by smugglers and also steps taken to ensure the security of their lives?

SHRI RAMESHWAR THAKUR: Mr. Speaker, Sir, such instances of international smuggling take place almost everyday in our coastal areas, our borders with Pakistan and Nepal etc. In Rajasthan, Smugglers and camels. Thus our officials have to face a lot of problems and it has been our endeavour to provide them with necessary equipments including vehicles and sophisticated weapons to deal with these smugglers. We also take the assistance of State Government officials in this regard. It has always been Government's endeavour to provide maximum security to its officials and also encourage them in the execution of their responsibilities.

[English]

Interest Rates of Export Credit

*714. SHRI SUDHIR SAWANT: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have recently revised the interest rates on export credit;

(b) if so, the details thereof and the objectives behind it;

(c) whether this step will boost exports; and

(d) the other steps proposed to be taken to boost exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a). Interest rates on Exports Credit were revised w.e.f. the 6th August, 1991 and the RBI has issued suitable instructions in this regard to Scheduled Commercial Banks.

(b) and (c). A statement is given below.

(d) Government has recently liberalised the trade policy and introduced a number of measures to provide market led incentives, de-regulate and de-licence imports and exports, delegate authorities to the field formations and simplify the procedures. These measures have been included in the Statement on Trade Policy laid on the Table of the Lok Sabha on 13.8.1991.

STATEMENT

OBJECTIVES: With the adjustment in the exchange rate of Rupee, the Government decided to abolish subsidies on exports, including interest subsidy. Consequently, RBI has revised interest rates on export credit provided by the Commercial Banks with effect from 6.8.1991.

The revised interest rates are:-

(i) Pre-shipment Credit-for period upto 180 days-12.50 % p.a.

(ii) Pre-shipment Credit-for more than 180 days upto 270 days-14.50% p.a.

(iii) Post-shipment Credit-for period upto 90 days-12.50% p.a.

(iv) Post-shipment Credit-for more than 90 days upto 180 days-18% p.a.

Interest subsidy made available to Commercial Banks under Export Credit (Interest subsidy) scheme, 1968, was withdrawn w.e.f. the 6th August, 1991, in consequence of which the interest rate structure was revised upwards. The present interest rate structure of Export Credit continues to be concessional since interest rates nor-

mally charged by Commercial Banks are 18.5% p.a. or more. For Post-shipment credits of more than 90 days upto 180 days, the rate of interest has been fixed at 18% p.a. in order to provide an incentive to exporter to arrange for early realisation of export proceeds.

It is difficult to state the impact of any factor taken in isolation on export, because exports are influenced by a number of factors.

SHRI SUDHIR SAWANT: In the statement laid on the Table of the House, it has been stated that—

“It is difficult to state the impact of any factor taken in isolation on export, because exports are influenced by a number of factors.”

It is not difficult to gauge what will be the impact of the upward revision of interest rates on exports. It will have a negative impact. The hon. Minister has met exporters in Calcutta and Bombay and other places also, probably. I would like to know what were the exporters' view on this issue and secondly is his Ministry taking any steps to restore *stats quo* as earlier existed?

SHRI P. CHIDAMBARAM: The exporters are, of course, unhappy that the interest rates have gone up. Nobody will be happy when they interest rates are increased. But it is difficult to say that a single measure will effect the exports adversely. This Exports Subsidy Scheme has been in operation for the last five years. Between 1989 and 1999 by a conscious decision interest rates were reduced and the difference was subsidised by commercial banks as a measure of export promotion. Today credit has become more difficult. I can understand the compulsions of the Ministry of Finance and the RBI. But I do hope that the Ministry of Finance and the RBI will be able to reduce interest rates at some point of time in future. The Finance Minister has been kind enough to listen to my pleas on many issues including this issue. Today, of course the situation in extremely tight and

,therefore, he have been forced to take this step. But I do hope sometime in the near future interest rates will be brought down particularly for export trade.

SHRI SUDHIR SAWANT: My second question relates to export houses. The export houses are largely tending to make up their exports by exporting non traditional item which do not require any special marketing. This has two types of impact. One is that it adversely affects the exports in the sense that it does not give sufficient incentive to the exporters. Second is all the manufacturers and the producers do not get the exact return which they should get, because everything is exported from the export houses.

I would like to ask the Government what measure the Government is taking to see that the export houses exports non-traditional items more and secondly what are the measure being taken to see that the producers and the manufacturers get the exact benefit.

SHRIP. CHIDAMBARAM: I am not quite clear about the thrust of the question. But if the intention of the hon. Member is to find out the kind of goods which are exported by the export houses, it is a mix of all goods. Today about 50 per cent of our goods which are exported are manufactured goods. Only 15 percent are primary goods like agricultural commodities and 35 percent are other value added goods. This mix is broadly reflected in the goods exported by the export houses.

The second half of this supplementary deals with the incentives. There is a little in happiness because of the distinction between manufacturers-exporters and trader-exporters' as a result of the provisions in the Finance Bill. This I am told, is being considered by the Finance Minister. When the Finance Bill comes up for voting in this House I am sure that the hon. Member will express his views and it is possible perhaps that the Finance Minister will try to remove the anomaly which has been pointed out in the packet of incentives available for trader-

exporters and manufacturer-exporters.

18 **SHRI NIRMAL KANTI CHATTERJEE:**

Sir, what is the amount of savings due to withdrawal of subsidies The figures for the last three years will do. But more importantly what is the net effect, the direction and the quantum if he can state.

Undoubtedly there are many factors including the IMF factor in the export possibility. When there are several factors operating it is possible to isolate one factor and try to relate it to export growth or any other variable. Is there any study either by the Institute of Foreign Trade or by the Ministry itself where price elasticity of exports have been studied. If so, what is it?

SHRI P. CHIDAMBARAM: Sir, on net saving, in 1986-87, the credit subsidy, the interest subsidy was only Rs. 32.16 crore and in 1990-91 it increased to Rs. 250 crores. So, the abolition of interest subsidy, I assume, would mean a saving of approximately Rs. 250 crores.

Sir, on the so called b & c parts of his question, I am really not an economist... (Interruptions)...

SHRI NIRMAL KANTI CHATTERJEE: You have studied economics.. (Interruptions)...

SHRI P. CHIDAMBARAM: I am really not an economist. I am told the hon. Member has studied economics forty years ago.

Sir, it has been estimated but this is a disputable matter that every one percent adjustment in the exchange rate leads to an elasticity of .66. This cannot be confirmed. This is only based on empirical data, but this cannot be confirmed. One has to see how exports behave after the recent exchange rate adjustment.

Sir, on the net impact of abolition of interest subsidy on exports, firstly it is a psychological impact. It is seen as an anti-export measure and therefore there is a

psychological impact. But in pure economic terms, the impact adds only approximately 1 to 1 1/2 per cent to the cost of export. It is this that I am concerned about and I am confident that when the situation improves, the Finance Minister will heed my plea and bring down the interest rate on exports, particularly post-shipment credit and pre-shipment credit. The Finance Minister is here. I am sure that he is not oblivious to all that you say and I say. (Interruptions)...

9 SHRI MURALI DEORA: Sir, in the reply the hon. Minister has said that with the adjustment in the exchange rate of Rupee, the Government decided to abolish subsidies on exports including interest subsidy. When the Rupee was devalued and when there was exchange variation, it has automatically helped the exporters. But there is no argument of denying the subsidy on interest, which you have just explained. In order to compete in the international market, if the money supply is not given to the exporters at the current market level, how do you expect them to compete in the market?

SHRI P. CHIDAMBARAM: I understand the hon. Member's concern. If our exporters do not receive credit at competitive interest rates, it is difficult for them to compete in the international market. The point is well taken. But what is to be done? The average lending rate is 18 percent today. When the average lending rate is 18 percent, a pre-shipment credit of 12.5 percent itself is a subsidised interest rate. I would like interest rates to be lowered. But I cannot shut my eyes to the fact that credit is tight, and the credit situation is indeed difficult, and I must go along with the decision taken by the Finance Minister, and the RBI, that for the time being we have to live with the tight credit situation. (Interruptions)...

20 SHRI LOK NATH CHOUDHURY: Sir, I want to know from the hon. Minister whether after the revision in the interest rate the Government has come to the conclusion that this would not effect the competitive character of our goods in the international market. My second question is once the

export dates are fixed, it does not depend only upon the exporter, there are other factors also like shipping and other things, which come in the way. Many a times the exporters suffers whether all those factors have been taken into consideration while increasing the interest rates.

SHRI P. CHIDAMBARAM: Sir, exporters are slightly unhappy that interest rates have been increased. But their real concern is not the increase in the interest rates. The real concern is the availability of the export credit. I must inform the hon. Members of this House that only day before yesterday, the R.B.I. has increased the total availability of export re-finance by about ten per cent. It is a small improvement, but it is a welcome improvement. I hope that export re-finance will be available in larger measure to exporters.

As regards the second part of the question of the hon. Member, the answer is 'Yes'. We are a country where there are serious infrastructural bottlenecks. I am addressing these infrastructural bottlenecks. My colleagues. The Minister of Surface Transport and the Minister of Railways have promised their cooperation. But, these bottlenecks cannot be overcome overnight. But, we have a plan. I have an Additional Secretary in the Ministry looking at only the infrastructural bottlenecks. I am sure within six months many of these infrastructural bottlenecks would have been cleared substantially.

20 SHRI M.R. KADAMBUR JANARTHANAN: Sir, the Minister has stated that he had simplified the procedures to boost the exports. The Seena Leaves cultivated in the Southern Districts of Tamil Nadu have been exported for the past 75 years. But, of late, they are finding problems in their exports. Is the Ministry aware that the Ministry of Environment are asking them to produce a forest certificate that it is a cultivated plant? Will the Ministry come to the rescue of Seena exporters who are exporting for the past 75 years?

MR. SPEAKER: You are asking alto-

gether a different question. He will reply to you in writing.

(Interruptions)...

SHRIP. CHIDAMBARAM: I do not have the information at present. I will supply the information to the hon. Member.

1-37
Electoral Rolls in Regional Languages

*715. SHRI E. AHAMED: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the electoral rolls are published in all regional languages;

(b) if so, the details thereof; and

(c) if not, the steps taken or proposed to

be taken to publish the electoral rolls in all languages including Urdu?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a). The electoral rolls are published in the official language of the State or the Union Territory concerned. In addition, whenever a request is made, the electoral rolls are also published in additional languages if the percentage of people speaking such languages is twenty per cent or more of the total population of that constituency or part of the constituency.

(b). A Statement is placed on the Table of the House.

(c). Does not arise.