

vanced and then get reimbursement. This is a practical proportion.

There are other reasons also like technical difficulties in the implementation of the project. Sometimes, there are environmental problems where clearance has not been given by the Environment Ministry.

#### **Saudi Arabian Assistance for Indian Projects**

\*428. SHRI P.M. SAYEED: Will the Minister of FINANCE be pleased to state:

(a) whether Saudi Arabia has offered assistance for certain Indian Projects which are likely to be taken up soon;

(b) if so, the details thereof; and

(c) the response of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c). Assistance from Saudi Arabia for projects in India has been available from the Saudi Fund for Development since 1976-77. At the recent Indo-Saudi Joint Commission meeting held in New Delhi on 12th-13th November, 1991 a list of projects as in the enclosed statement have been given to the Saudi Fund for Development.

#### **STATEMENT**

The list of projects mentioned in the report of the Indo-Saudi Joint commission Working Group is as under:

#### **NAME**

##### *Health Sector*

1. Expansion of the IRCH Cancer Hospital
2. Construction of 500 bedded hospital at Bareilly, U.P.
3. Establishment of 300 bedded hos-

pital at sitapur, U.P.

4. Cancer Insitute, Adyar (Tamil Nadu).

##### *NCDC Projects*

- 3 projects relating to poultry, bagasse-based power generation, and cotton spinning.

##### *Agricultural Sector*

1. Technology upgradation and increased production of vegetables/flower seeds.
2. Watershed development programme in Gujarat.

##### *Horticulture*

1. Strengthening post-harvest infrastructure of horticultural crops.
2. Setting up of plant propagation units.

SHRI P. M. SAYEED: Sir, India has been offered an opportunity to take up Saudi Arabia's development projects and in their five Year Plan, it amounts to 120 billion US dollars and we have been asked to help them in their projects also.

Another aspect is that the Indo-Saudi Joint Commission had met after six years and it appears that they have taken some important steps to seek our cooperation. We understand from the newspapers that apart from engineering, plastics and food processing, our help is also sought in the field of oil exploration. Now, may I know from the hon. Minister as to what are the other fields where they have sought our help in their Five Year Plans?

SHRI RAMESHWAR THAKUR: During the last meeing on the 12th and 13th of November, 1991, Saudi Arabia had agreed to assist five projects in India. They have also requested India's participation in 50 projects worth about 50 billion dollars and handed over a list of projects planned in such

areas like engineering, plastics, food processing, steel production, oil prospecting and petrochemicals. They desired that the Indian entrepreneurs may be informed of the investment opportunities in joint venture projects in Saudi Arabia. The Indian side agreed to disseminate this information and this information has been communicated to FICCI, ASSOCHAM, Exim Bank, EEPIC and other organisations. They are supposed to follow up this information and can discuss the specific projects with the Saudi authorities.

SHRI P. M. SAYEED: Sir, apart from this, Saudi Arabia is offering assistance from their Saudi Fund for Development since 1976-77. There are four projects where they are giving assistance to us. Under health sector, expansion of the IRCH Cancer Hospital, construction of 500 bedded hospital at Bareilly, UP, establishment of 300 bedded hospital at Sitapur, UP, Cancer Institute, Adyar (Tamil Nadu) are there along with NCDC projects, agricultural sector and horticulture. Now, I want to know from the hon. Minister, as regards this assistance, the total amount which they have earmarked and the extent we have utilised it on these hospitals, etc. By what time will we be utilising this fund and why has it been delayed so far?

SHRI RAMESHWAR THAKUR: These projects are at different stages of development and the agreements have been signed on different dates. The first project was Srisailem-Nagar junasagar Hydro Electric Power Project for which SR 353 million dollars was provided at the rate of 4 per cent interest for 20 years. This project has been completed. The amount for Koraput-Rayagada railway line Project was 30 million dollars and we have utilised upto SR 54.307 million dollars. The work is still on and it will take some time to complete. With regard to Ramagundam Thermal Power Plant, out of SR 172 million, we have spent SR 51 million. The work on the project is in progress. Nhava Sheva Port project is also in progress and extension of time has been sought. The Gwalior Hospital Project has not proceeded much.

(Interruptions)

[Translation]

SHRI MOHAMMAD ALI ASHRAF FATMI: Mr. Speaker, Sir, thank you for giving me an opportunity to speak. I would like to point out that today Saudi Arab is supplying 70 per cent *Methnol* to European countries and it is supplying fertilizers to India also. In these circumstances I would like to know from the hon. Finance Minister whether there is any joint venture or programme in both these fields. If not, is there any proposal for a joint venture in future?

SHRI RAMESHWAR THAKUR: There were three old projects i.e. Madras Metropolitan Area Transmission and Sub Transmission Distribution Improvement Master Plan, Sardar Sarovar Dam Project and Manjira Water Supply Scheme. Recently the team who had visited....(Interruptions) ....

SHRI MOHAMMAD ALI ASHRAF FATMI: This is the matter relating to fertilizers.

SHRI RAMESHWAR THAKUR: I am coming to the point. Recently they have decided to postpone these projects. The directions of new projects have changed. An approval has already been given to the earlier fertilizer and power projects and later on the projects which were in pipeline have not been approved. In the recent meeting it has been decided that further projects should be given in the fields of social and human resources and agriculture. In this connection 4 projects have been given to them and 7 more are to be given.

SHRI MOHAMMAD ALI ASHRAF FATMI: Mr. Speaker, Sir, I had asked about *Methnol*.

[English]

MR. SPEAKER: It was not related to this question. Yet I allowed it. Please sit down.

DR. K. V. R. CHOWDARY: I would like to

know whether any project with the assistance of Saudi Arabia is pending or in progress in Andhra Pradesh. If so, how much amount is allotted for this project?

**MR. SPEAKER:** If you have the statistics, you may give. Otherwise you can send it in writing.

**SHRI RAMESHWAR THAKUR:** I will send it in writing.

**SHRI E. AHAMED:** We have a new industrial policy enunciated by this Government. In spite of the fact that Saudi Arabia and the industrialists there, are ready to set up joint ventures in India, we have not made any headway in this respect. In my recent visit to Saudi Arabia, I have been told by some of the industrialists that they are ready for a tie-up in joint sector with IPCL under full arrangement. When the Saudi industrialists are prepared to utilise their finances with our technological know-how, why have the Government not taken any tangible or concrete steps in persuading the industrialists and government-owned companies in India to have more ties with buy back. bilateral arrangement in the joint sector industries?

**SHRI RAMESHWAR THAKUR:** I have said, the emphasis in the last meeting has been that they have not proposed any assistance from the Saudi funds with regard to our projects in the industrial sector. In fact they have specifically said that further assistance will be given only in the field of human resource and agriculture. But, the Government has an open policy and if any suitable proposal is offered, it will be considered on merit. The Government will welcome such proposals.

[*Translation*]

**SHRI RAM LAKHAN SINGH YADAV:** Will the hon. Minister be pleased to state whether the amount received from Saudi Arab for the projects to be under taken in different States, has been spent on any of such projects in Bihar till today. To my infor-

mation, no such amount has been spent in Bihar for any project, and as is being said that the amount to be received from Saudi Arab will be spent on these projects in future. How much amount of those funds will be given to Bihar because there had been a regular mistake in case of Bihar. Will the hon. Minister be please to pay his attention towards Bihar?

**MR. SPEAKER:** Would the assistance to be received from Saudi Arab be given to the projects of Bihar?

**SHRI RAMESHWAR THAKUR:** Mr. Speaker Sir, it depends on the State Government. I have clarified about the funds received from Saudi Arab and the areas for which it has been made available. If any project or scheme is received from the State Government, the Central Government would think over it and will present before Saudi Arab for its views and co-operation

[*English*]

#### **Withdrawal of Incentives under small Savings Schemes.**

\*429. **SHRIMATIMALINI BHATACHARYA:** Will the Minister of FINANCE be pleased to state:

(a) whether some of the incentives so far allowed under the small savings schemes have been withdrawn recently by the Union Government and the Reserve Bank of India;

(b) whether these tend to make small savings schemes less attractive than the schemes of the schemes of the Unit Trust of India, Mutual Funds etc;

(c) whether the Union Government have considered the likely effect thereof on resource mobilisation by the State Governments; and

(d) whether the Union Government propose to restore the incentives given under small savings schemes?