

The correct conclusion would, therefore, be that during April-October 1991 exports to GCA countries showed a modest increase of about 5.5% in Dollar terms while exports to RPA countries showed a decline of about 52% in Dollar terms, as compared to April-October 1990.

The reasons for the decline in exports to RPA countries are mainly external and include the political changes that have taken place in the erstwhile Soviet Union.

Other factors which have affected export growth include a slow-down in the world economy, recession in major developed countries, unavoidable import compression and high rate of export credit.

(d) and (e). Due to uncertainties in the global trading environment, collapse of the erstwhile Soviet Union, a major trading partner of India, and the lag for the far reaching economic reforms to have a real impact on exports, no export targets for 1991-92 have been finalised.

(f) The Government introduced a package of trade policy reforms aimed at strengthening of export incentives, eliminating substantial volume of import licensing and optimal import compression. REP licences have been replaced by Eximscips. These will be the means of obtaining access to certain categories of imports of raw materials, components and spares. The system of advance licensing as an instrument of export promotion has also been strengthened. Government has decided to allow established exporters to open foreign currency accounts in approved banks and allow exporters to raise external credits pay for, export related imports from such accounts, and credit export proceeds to such accounts. Besides, Government have taken other steps which include reducing controls through licensing, simplification of procedures for exports, activation of Board of Trade, bilat-

eral discussion with selected countries, interaction with national organisations of trade and industry etc.

[*Translation*]

Import of Fax Machines

* 70 SHRI LALIT ORAON: Will the Minister of COMMERCE be pleased to state:

(a) whether the Facsimile Automatic Transmission (FAX) Machines have been transferred from Appendix 1-A to Appendix 3-A of the new import policy;

(b) if so, the details thereof and the reasons therefor;

(c) whether the production of FAX machines in India is likely to be adversely affected due to import of these machines; and

(d) if so, the steps taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b). Import of Facsimile Automatic Transmission (FAX) machines is allowed as an office machine by eligible Registered Exporters and Government Departments etc. Its import is also allowed against Eximscips.

(c) and (d). No, Sir. The indigenous production of FAX machines is not sufficient to meet the requirements within the country.

[*English*]

Foreign Exchange Reserves

*71. SHRI PAWAN KUMAR BANSAL:
DR. Y.S. RAJASEKHAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the total foreign exchange reserves as on June 22, 1991 and January 31, 1992 respectively;

(b) whether these reserves include contributions from the International Monetary Fund and the World Bank;

(c) the share of each of the sources of foreign exchange in these reserves;

(d) whether the balance of payments position has improved during this period; and

(e) if not, the steps taken or proposed to be taken to improve the position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The total foreign exchange reserves (excluding Gold and Special Drawing Rights) as on June 22, 1991 and January 31, 1992 were Rs. 2542 crores (\$ 1188 million) and Rs. 9766 crores (\$ 3775 million) respectively.

(b) The level of reserves is the net result of a number of transactions in the balance of payments accounts including those with IMF and World Bank.

(c) It is not possible to compute source-wise share in the reserves since it is a net result of a number of transactions in the external sector. However, receipts from IMF during the period are : Rs. 570 crores (\$ 221 million) in July 1991, Rs. 1654 crores (\$ 639 million) in September 1991 and Rs. 305 crores (\$ 117 million) in November 1991 and Rs. 683 crores (\$ 265 million) in January 1992. Receipts from World Bank on account of structural adjustment loan during the period are equivalent to Rs. 770 crores (\$ 300 million).

(d) Yes, Sir. The balance of payments

as reflected in the level of reserves has improved.

(e) Does not arise. Even so, the steps initiated and proposed to be taken to maintain the balance of payments position include; macro economic stabilisation, restoration of fiscal discipline, together with structural reforms in trade policy and industrial policy in the short term; increase in capital flows consistent with financial prudence along with their productive use, enhancement of direct foreign investment and inflows from the non-Resident Indians over the medium term.

Special 301 Trade Act

*73 SHRIMATI MARAGATHAM CHANDRASEKHAR:
SHRI CHITTA BASU:

Will the Minister of COMMERCE be pleased to state:

(a) whether the threat by U.S. to begin the process of imposing punitive tariffs on Indian exports is continuing;

(b) if so, the reasons therefor and the details thereof;

(c) whether U.S. has also issued a notification for taking action against India under its special 301 Trade Act;

(d) if so, the details thereof; and

(e) the action taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (e). On 26 April, 1991, the United States Trade Representative (USTR) designated India as a priority foreign country under the Special 301 provisions of the U.S. trade legislation on grounds of