

[English]

### Visit of IMF World Bank Team

225. SHRI K.P. UNNIKRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether the IMF-World bank teams were in India recently as part of an on going dialogue;

(b) the specific proposals of the IMF as conveyed to the Government of India on structural re-adjustment and other problems of the Indian economy;

(c) the level of agreement or disagreement on this question; and

(d) the scale of assistance sought or obtained from the IMF as a result of the dialogue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir;

(b) and (c). The terms and conditions for access to the IMF resources have been negotiated satisfactorily and it has been ensured that the measures proposed to be adopted are those considered to be in the country's best economic interest.

(d) IMF Board have approved India's request for purchase under a Stand-by Arrangement for a 20 month period amounting to SDR 1656 million. Of this an amount of SDR 85 million was drawn on November 15, 1991.

### Tea Production and Export

226. SHRI MANJAY LAL: Will the Minister of COMMERCE be pleased to state:

(a) whether the government have conducted any study to know the various problems being faced by the tea industry;

(b) whether the Government have also reviewed the existing policy with a view to identify the short comings and to chalk out a more comprehensive policy to restore the country's image as the top tea producing and exporting country; and

(c) if so, the details thereof and the steps contemplated by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c). Government had constituted a national committee for formulating a long term strategy and plan for tea. This committee had submitted its report in May, 1989 and had, inter-alia, also identified the problems and shortcomings of the tea industry. Among the policy measures being implemented for maintaining India's image as the top tea producing and exporting country are promotion of tea cultivation in non-traditional areas, encouraging higher productivity through replantation, rejuvenation, etc., promotion of Indian tea in the international market through special logos and also promotion of India brands by private companies.

### Foreign Investment

227. SHRI RAM PRAKASH SINGH: Will the Minister of FINANCE be pleased to state:-

(a) whether the Government propose to allow foreign companies to participate in Indian mutual funds;

(b) if so, the details thereof;

(c) other opportunities proposed to be

given by the Government to encourage foreign investment in the country; and

(d) the expectations of the Government as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). Such proposals when received when received are considered on merits.

(c) New Industrial Policy announced recently, has allowed approval for foreign direct investment upto 51% foreign equity in 34 high priority industries. Foreign equity proposals need not necessarily be accompanied by foreign technology agreement. Majority foreign equity holding upto 51% equity has also been allowed for trading companies predominantly engaged in export activities.

(d) It is expected that the measures as at (c) above will bear good results.

Hindustan shipyard Limited, Visakhapatnam

228. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Hindustan Shipyard Limited, Visakhapatnam is running in loss for the last several years;

(b) if so, the reasons therefor;

(c) whether the shipyard is not having sufficient orders to manufacture ships; and

(d) if so, the steps taken or proposed to be taken by the Government to make the shipyards economically viable?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT

(SHRI JAGDISH TYTLER) : (a) Yes, Sir.

(b) A number of factors contribute to the losses of Hindustan Shipyard. The more important ones are:

(a) Huge cost-price gap due to pricing formula;

(b) Long time over-runs in completion of ships;

(c) Huge interest burden arising out of borrowings for meeting the cost-price gap etc.

(d) Low productivity.

(c) Yes, Sir.

(d) A number of steps are under consideration of the Govt. for revival of HSL and other shipyards. These include capital restructuring, upward revision of Govt. subsidy payable for construction of ocean-going vessels, duty free ports upto 50% of the realisable price of vessel etc.

[Translation]

Construction of Defence roads from Moradabad to Tanda, Bajpur, Haldwani

229. SHRI BALRAJ PASSI: Will the Minister of DEFENCE be pleased to state:

(a) the total amount spent so far on the construction of defence, road from Moradabad to Tanda, Bajpur, Haldwani;

(b) whether the said road is in a dilapidated condition;

(c) whether work on this road is in progress as per schedule; and

(d) if not, the reasons therefor and the details of the progress of work?