

sold by these units in the domestic market during 1993-94; and

(d) the steps being taken by the Government to increase the exports from these units?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS, PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) Export Oriented Units (EOUs), Export Processing Zone (EPZ) Units in the agriculture, aquaculture, animal husbandry, floriculture, horticulture/pisciculture, poultry and sericulture sectors, may in accordance with the guidelines notified in this behalf sell upto 50% of their production in value terms in the domestic market.

(b) This has been done with a view to encourage investment in the agro-based export sector which is a thrust area with considerable potential and possibilities of high net foreign exchange earnings.

(c) Four such units were permitted domestic sales. The value of their production in 1993-94 was Rs. 6.15 crores approx. Information on the production sold within the country in 1993-94 is being ascertained.

(d) Some recent initiatives taken by the government to improve export competitiveness of EOU/EPZ Units, *inter-alia* include rationalisation of duty structure on domestic disposal of finished products, waste and scrap, higher access to the local market, flexible value addition norms for electronic products, simplification of customs procedures, Areas of activity in EPZs have also been broadened to

include trading, re-export after re-packing/labelling, repairs, reconditioning and re-engineering.

[English]

#### Irregularities in B.C.C.I.

4650. SHRI MOHAN RAWALE:  
SHRI P. KUMARASAMY:

Will the Minister of FINANCE be pleased to state:

(a) whether some irregularities in schemes of the Bank of Credit and Commerce International were detected in 1985 and 1986;

(b) whether any action was taken against the bank in this regard;

(c) if so, the details thereof; and

(d) if not, the remedial steps proposed to be taken by the Government to ensure that strict action is taken against foreign banks, on detection of any irregularities committed by them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (d). The information is being collected and will be laid on the Table of the House, to the extent available and permissible under the rules.

#### World Bank Report

4651. SHRI RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have received the latest World Bank's Report on India;

(b) if so, the salient features of the Report; and

(c) the reaction of the Union Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a): Yes, Sir.

(b) and (c). The Country Economic Memorandum 1994 has reviewed the recent economic development and prospects as well as policy issues in the short-term and medium term. While commending India's reforms programme, it indicates that there has been a generally positive response within the economy to the reform process. The Report stresses the need for strengthening of public finances, improvement of infrastructure, encouragement to private investment and managing capital inflows.

As regards to the issue of Public finances and inflow of foreign capital, the Government and RBI have already taken a number of steps to moderate any possible inflationary impact. These include restricting fiscal deficit to 6% of GDP for 1994-95, as well as tighter monetary controls, easing of import controls on sugar, raw cotton and edible oils and selective interventions made in the food grain markets through FCI by way of open market sale of rice and wheat.

#### Savings Ratio

4652. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of FINANCE be pleased to state:

(a) whether savings ratio are stagnating for the last few years;

(b) if so, the savings ratio during the last three years;

(c) the reasons for this low savings ratio; and

(d) the steps being taken by the Government to increase the savings propensities of indians?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (d). The savings ratio as measured by the ratio of gross domestic savings to the gross domestic product at market prices during the last three years as per the data available with the Central Statistical Organisation is as under:

1990-91	1991-92	1992-93(Q)
23.9	23.1	22.3

Q: Quick estimate

The savings rate in the economy is a function of multiple factors which include rate of growth in the economy, level of fiscal deficit, tax policies, inflation, profile of interest rates and relative yields efficiency of the banking system and the capital markets and confidence in the economy. The various economic reform measures undertaken so far are expected to have a favourable impact on the aggregate savings.

#### Recovery of bad Debt

4653. SHRI MANORANJAN BHAKTA: Will the Minister of FINANCE be pleased to state:

(a) whether Industrial Development Bank of India, Industrial Credit and