

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) The India-China trade figures for the last two years are as below:

(In Rs. Crores)

Exports to China		Imports from China	Total Trade
1992-93	409	365	774
1993-94	857	972	1,829

(b) and (c) According to the latest available trade figures for the current year (1994-95), during April-August, India has a trade deficit of Rs. 497 crores, with exports to China at Rs. 336 crore, and imports Rs. 833 crore. The trade deficit in 1993-94 was Rs. 115 crore, but had a trade balance in our favour in the preceding two years.

(d) It is readily seen that the India-China trade is growing dynamically, with normal fluctuations. Our ongoing efforts to boost our exports to China, and bilateral trade in general include, inter alia, opening and extension of border trade, promotion of joint ventures, encouragement to business level contacts, diversification of the trade basket, simplification of visa procedures and agreement on opening of bank branches in each other's country.

[English]

#### Group Insurance

417. SHRI SYED SHAHABUDDIN: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 3561 on August 19, 1994 and state:

(a) the total premium paid to LIC in respect of Group Insurance Scheme for the Landless Agricultural Labourers (LALGI) upto March 31, 1994 with State-wise break-up;

(b) the total premium paid in respect of other group insurance schemes upto March 31, 1994 with break up, occupation-wise and State-wise; and

(c) total value of claims paid upto March 31, 1994 under LALGI and other group insurance schemes with the corresponding number of beneficiaries, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c) The requisite information is being collected and shall be laid on the Table of the House.

#### Unit Scheme, 1964

418. SHRI R. SURENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) the market price of US-64 units in July, August, September, October and November, 1994;

(b) whether the same were higher than the prices anticipated by the U.T.I.; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Since US-64 is not a listed scheme there are no formal price quotes available. The price at which transactions are

made depends on the demand and supply situation at that point of time. Generally, the prices of units in the secondary market vary between the sale and repurchase prices announced by U.T.I. The prices announced by UTI during July-November, 1994 were as follows:—

Period	Sales Price (Rs.)	Repurchase Price (Rs.)
01.07.94-15.07.94	16.50	15.50
16.07.94-31.07.94	17.00	15.95
01.08.94-15.08.94	17.50	16.30
16.08.94-31.08.94	18.00	16.75
01.09.94-15.09.94	18.50	17.25
16.09.94-30.09.94	18.70	17.40
01.10.94-31.10.94	Book Closure	
01.11.94-30.11.94	18.90	17.60

(b) and (c) Do not arise.

[Translation]

#### Income Tax Concession

419. SHRI SUSHIL CHANDRA VARMA: Will the Minister of FINANCE be pleased to state:

(a) whether any study has been made to ascertain various tax concessions provided have actually given a boost to industrialisation; and

(b) if so, the outcome of the study made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir. A study was conducted by the study Group set up by Ministry of Finance in 1993 in order to evaluate the impact of fiscal concessions on industrialisation of backward areas.

(b) The main conclusions of the Study Group were as follows:

(i) Tax incentives may have played a positive role in helping the industrial growth of backward areas.

(ii) But, in the absence of systematic cost-benefit analysis, it is not feasible to conclude firmly that their operation improved overall national welfare.

(iii) There was a tendency for tax incentives to play a more significant role in guiding industrial investment to backward areas of advanced states, suggesting the importance of other factors, such as quality of infrastructure and market opportunities in attracting new industry.

(iv) As the cost of tax incentives is rarely quantified, there is a presumption for using them sparingly. Equal quantum of budgetary funds may be more effective in promoting backward area industrialisation if it was spent directly for developing physical and social infrastructure of backward areas.