

Introduction of Group Saving Linked Insurance Scheme for the Employees of Central Silk Board

837. SHRI R.P. DAS : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have accorded approval for the introduction of Group Saving Linked Insurance Scheme to the employees of the Central Silk Board; and

(b) if so, the date from which it will be introduced ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Not yet, Sir.

(b) Does not arise at this stage.

India's Trade Deficit During 1985-86

838. SHRI LALSHMAN MALLICK :
SHRI ANIL BASU :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that India trade deficit soared to Rs. 2,109 crores in the first quarter (April-June) of 1985-86 as against Rs. 1,255 crores in the corresponding period of 1984;

(b) whether it is also a fact that there has been a continued surge in import in June, taking the deficit from Rs. 1,515 crores in April-May to Rs. 2,109 crore by the end of June; and

(c) if so, the reaction of Government in this regard ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir. India's trade deficit, during April-June 1985 on the basis of provisional figures, amounted to Rs. 2,109 crore as compared with the revised figure of Rs. 1,255 crore in the corresponding period of the previous year.

(b) Yes, Sir.

(c) All possible efforts are being made to boost exports and encourage efficient import substitution.

Custom Duty on Imported Pot Pen-G as a Drug and as an Intermediate

840. DR. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the rate of customs duty is different if Pot Pen-G is imported as a drug and if imported as an intermediate;

(b) whether it is also a fact that Government have fixed the price of 6 APA manufactured out of this taking into account 100 per cent import duty; and

(c) if so, how Government justify the fixation of price of this vital drug intermediate ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Potassium Penicillin G First Crystals are subjected to a customs duty of 110% advalorem and pharmacoepial grades of penicillins, if imported, are subject to a custom duty of 100% advalorem. The price of 6-APA has been fixed on the basis of the price of Potassium Penicillin G First Crystals produced locally.

High Rate of Custom Duty on Drug Intermediates Vis-A-Vis Final Bulk Drug

841. SHRI B.B. RAMAIAH : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4033 on 23 April, 1985 regarding indigenous production of drugs in small scale sector and state :

(a) the steps taken by Government to remove the barrier of high customs rate of duty on drug intermediates in relation to import of the final bulk drug; and

(b) the reasons for Government not giving a general exemption to all drug intermediates in view of saving in foreign exchange involved in giving this exemption ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Drugs fall within Chapter 29 or 30 of the

First Schedule to the Customs Tariff Act, 1975 and drug intermediates generally fall within Chapter 29 of the First Schedule. While the general statutory basic duty on items covered by these Chapters is 100% advalorem, drugs generally carry an effective basic duty of 60% advalorem, and drug intermediates 70% advalorem. Auxiliary duty at the rate of 40% advalorem and additional (countervailing) duty equal to Central Excise duty are leviable in addition. However, duty on various specified drugs and drug intermediates has been reduced in consultation with the administrative Ministry concerned and notifications issued in this respect from time to time have been laid on the Table of the House with Explanatory Memoranda setting out the reasons for such exemption. As while granting exemption on drug intermediates various factors including their alternative uses, indigenous availability, consumption-factors and actual incidence of duty are taken into account, in has not been found possible to give general exemption from customs duty to all the drug intermediates imported into the country.

Textile Export to U.S.A.

842. SHRI C. JANGA REDDY :

DR. A.K. PATEL :

Will the Minister of TEXTILES be pleased to state :

(a) whether USA has imposed curbs on imports of textiles to that country;

(b) if so, to what extent it will be detrimental to India's textile exports to USA;

(c) nature of preparations being made for formulating the Indian position with reference to MFA (Multi-Fibre Arrangement) 1986;

(d) Indian position as reflected in negotiation with other LDCs; and

(e) how much has been Indian textile exported to USA in each of the last three years and the current year ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). No, Sir. However, a Bill has been passed in the U S. Senate on November 14, 1985 which inter-alia seeks to freeze textile imports from India and a few other countries into USA for 1985 at 1984 level and allow only an annual growth at the rate of 1 per cent instead of 6-7% as existing at present. The Bill is yet to be approved by the US President.

(c) and (d). India's stand has been formulated taking into account of our competitiveness and the views of other exporting countries. The position taken is that derogation from the normal rules of GATT inherent in the discriminatory regime of the MFA should be terminated.

(e) The value of textiles exports to USA from India during the current year and also the earlier three years is given in the following table :—

(Rs. crores)

Item	1982	1983	1984	1985 Jan.- Sept.)
Readymade Garments	138.49	225.88	291.46	285.02
Fabrics, Made-ups and Yarn of Cotton, Woolen, Synthetic and Silk.	38.10	53.53	118.83	94.75

Source : *Export Promotion Councils*

Check on Increase in Price of Silk Yarn at Varanasi

843. SHRI ZAINUL BASHER : Will the Minister of TEXTILES be pleased to state :

(a) whether his Ministry is aware that despite the assurance given by the Textile Minister that silk yarn prices will not be