

of these new sugar mills under new sugar policy ?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI GHULAM NABI AZAD) :
 (a) There is no State-wise and Sector-wise predetermined number of new sugar mills to be set up during the years 1987 to 1989. Setting up of new sugar mills would depend upon adequate availability of sugarcane in an area. Persons intending to set up sugar mills in such areas are required to submit applications through the State Governments satisfying the guidelines issued recently in this regard.

(b) Guidelines for licensing of new sugar mills during the Seventh Five Year Plan have been announced vide Press Note dated the 2nd January, 1987 issued by the Department of Industrial Development as per copy attached.

[Placed in Library. See No. LT-4001/87]

Excess capacity in tyre industry

2145. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of INDUSTRY be pleased to state :

(a) whether there is excess capacity in the tyre industry;

(b) if so, the reasons for issuing more letters of intent for tyre manufacture;

(c) the effect of excess capacity on the tyre prices; and

(d) the steps being taken to prevent the industry going stick due to unused excess capacity ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) (a) No, Sir.

(b) to (d) Do not arise.

Refractory units facing closure

2146. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of INDUSTRY be pleased to state :

(a) whether several refractory units are facing closure in various parts of the country due to the problems of over capacity as reported in the Economic Times of February 15, 1987; and

(b) if so, the steps proposed to be taken to avoid stickness in the industry ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : (a) and (b) No specific report about the closure of refractory units in the country has been received. Assistance for upgradation of technology is being provided to the industry. Reduction in import duty on some raw materials used by the industry is also proposed in the Finance Bill, 1987.

Removal of Nail cutters from reserved list

2147. SHRI BHATTAM SRIRAMA MURTY :

SHRI V. S. VIJAYARAGHAVAN :

Will the Minister of INDUSTRY be pleased to state :

(a) whether protection to the small scale sector is given by reserving certain items for manufacture in that sector;

(b) whether such reserved list has been undergoing frequent amendments and changes from time to time;

(c) if so, the changes thus made each time during the last three years; and

(d) the reasons for making these changes ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): Yes, Sir. Reservation grants protection to small scale units by preventing fresh capacities being created in the large scale sector in areas or items which are techno-economically suitable for being taken up in the small scale sector, the only exception being the case of large units which undertake a certain level of exports as a percentage of their total production.

(b) Items are added to or deleted from the reserved list, from time to time, based on the recommendations of the Advisory Committee on Reservation constituted by the Government under the IDR Act. This Committee takes into account all relevant aspects while submitting their recommendations to the Government.

(c) Changes have been made to the reserved list four times since 1984 vide Government of India Notifications dated the 18th October, 1984, the 30th May 1986, the 30th October 1986 and the 13th February 1987. Under these Notifications 9 items were added, 31 items were deleted and changes in the nomenclature of items were made in respect of 34 items. Nail cutters were deleted from the reserved list vide Government of India Notification, dated 30.5.1986.

(d) Changes by way of reservation and dereservation are made on the basis of the following criteria :—

Criteria for Reservation

The overwhelming consideration for reservation of an item is its suitability and feasibility for being made in the small-scale sector without compromising on quality aspects. The Advisory Committee makes its recommendations after taking into consideration;

(a) The nature of any article or class of articles which may be produced economically by the ancillary or small-scale industrial undertakings;

(b) The level of employment likely to be generated by the production of of such article or class of articles by the ancillary or small-scale industrial undertakings;

(c) The possibility of encouraging and diffusing entrepreneurship in industry?

(d) The prevention of concentration of economic power to the common detriment; and

(e) Such other matters as the Committee may think fit.

Criteria for Dereservation

The Advisory Committee makes its recommendations for dereservation on the basis of following criteria :

(a) Industries where large imports are being allowed and/or where large scale smuggling is taking place.

(b) Industries in high technology areas or those requiring greater impetus for promoting exports which should necessarily be of large size in order to reduce costs and be competitive internationally.

(c) Industries where because of constraints on size, the small scale sector is unable to ensure quality production and cannot provide in-house R & D nor can it induct modern technology.

Drilling for natural gas at Sivala, East Godavari

2148. SHRI SRIHARI RAO : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether drilling for natural gas was carried out at Sivala village in East Godavari district; and

(b) if so, the result thereof ?