

market development assistance, exchange of delegations, buyer-sellers meets, participation in trade fairs etc., and liberalisation in the policy and procedures.

[Translation]

#### Barter Trade

1986. SHRI RAMASHRAYA PRASAD SINGH :

SHRI RAMESHWAR PATIDAR :

Will the Minister of COMMERCE be pleased to state:

(a) whether the Union Government have formulated any new trade policy to increase percentage of barter trade in the total export of the country:

(b) if so, the details thereof:

(c) whether the counter trade is increasing in the whole world whereas India has not been a major participant in this field:

(d) if so, the reasons therefor:

(e) the present policy of the Government in this regard:

(f) the details of trade agreements signed under the counter trade during each of the last three years: and

(g) the details of total exports made by the State Finance Corporation, Minerals and Metals Trading Corporation of India Ltd. and the Projects and Equipment Corporation of India Ltd. under the counter trade during the above period?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (e) The existing policy envisages three broad categories of Counter Trade:

(i) Counter trade against major Government or Public Sector Purchases:

(ii) Counter trade through ESCROW Account:

(iii) Counter trade through Evidence Account mechanism

Counter trade provisions against major purchases are currently applicable in respect of certain categories of major imports by Government departments or Public Sector Undertakings. In such cases, export is required to be made from a Positive list and is also subject to the fulfilment of the incremental criterion. Counter trade through ESCROW Account is now possible with any country without any restrictions. This mechanism facilitates trade with countries which are short of hard Currency. Counter trade through the Evidence Account mechanism is largely applicable to trade with Malaysia with most of the exports from India being in the form of projects.

An exercise to review the Counter trade policy aiming to increase Indian exports through the mechanism of counter trade is being undertaken.

There is a lack of data on the volume of counter trade in relation to total world trade.

(f) While PEC did not sign any Counter Trade Agreement during the last three years, STC signed three Counter trade MOUs and MMTC 52 Counter trade contracts in the last three years.

(g) PEC did not effect any export under Counter trade during the last three years. However, the details of total exports made by STC, MMTC under Counter trade during the last three years are given below:

( US \$ Million )

	STC	MMTC
1993-94	131.75	48.43
1994-95	114.85	23.15
1995-96	69.06	0.23
		(Provisional)

[English]

#### Bank Branches

1987. SHRI HARIN PATHAK :

DR. BALI RAM :

SHRI VISHVESHVAR BHAGAT :

Will the Minister of FINANCE be pleased to state :

(a) the target fixed for opening of branches of different commercial banks in the country, State-wise especially in Gujarat, Uttar Pradesh and Madhya Pradesh during the Eighth Five Year Plan, bank-wise:

(b) the details of achievements made in that regard, State-wise, year-wise and bank-wise: and

(c) the details of bank branches proposed to be opened in the near future, State-wise and bank-wise?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Under the extant policy of Reserve Bank of India (RBI), it is left to the judgement of commercial banks of open branches after assessing the need therefor. The proposals for opening of the branches identified by the banks at centres/villages, which are recommended by State Governments are considered by the RBI on merits. However, RBI have given freedom to banks which fulfill the undernoted additional criteria to open new branches/convert their extension counters into fulfilled branches:

(a) compliance with capital adequacy of 8 per cent:

(b) a minimum owned funds of Rs 100 crores:

(c) the banks showing net profits continuously for three years: and

(d) the Non-Performing Assets not exceeding 15 per cent.

RBI have advised the banks satisfying the aforesaid criteria to submit to them a yearly plan duly approved by their Board of Directors for opening branches.