

### Pending Foreign Investment Proposals

4626. SHRI SULTAN SALAHUDDIN OWAISI: Will the Minister of INDUSTRY be pleased to state:

- (a) the total numbers and details of proposals received from foreign investors and pending before the FIPB;
- (b) the action taken by FIPB thereon; and
- (c) the deadline fixed for clearing the above proposals?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b). During the year 1996, 876 applications for foreign investments were received upto August, 1996. Out of these 636 have been considered by FIPB.

About 240 applications are yet to come up for consideration before FIPB.

- (c) The proposals are generally cleared within a period of 6 weeks.

### Investment Proposals of Coca Cola

4627. SHRI GEORGE FERNANDES: Will the Minister of INDUSTRY be pleased to state:

- (a) whether any proposal of coca cola for US \$ 700 million investment is pending with the Union Government for clearance; and
- (b) if so, the details thereof alongwith the field in which the amount is to be invested?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b). No, Sir. Approval has been granted to M/s. Coca Cola South Asia Holding Inc., USA for setting up of 2 wholly owned subsidiaries in India to expand and consolidate the production and distribution infrastructure of Non-Alcoholic Beverage business in Eastern India and Western India envisaging investment of US \$ 700 million and to set up another wholly owned subsidiary with foreign equity of US \$ 40 million in Gujarat for setting up bottling plants, which will engage in preparation, packaging, sale and distribution of beverages.

### Price of Rubber

4628. SHRI P.C. CHACKO: Will the Minister of COMMERCE be pleased to state:

- (a) whether the production of rubber has gone up substantially to meet the domestic demand of the industry;
- (b) if so, the reasons for importing the natural rubber during the current year; and

- (c) the steps taken to maintain the price of rubber and to protect the interest of the rubber growers?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) The production of natural rubber has gone up substantially. However, it has not been able to keep pace with the growing demand.

- (b) During 1996-97, Government have not allowed import of natural rubber so far.

- (c) The price of rubber is maintained at remunerative level by allowing import to the minimum extent to bridge the gap between domestic demand and supply.

[Translation]

### Gratuity Limitation

4629. SHRI SUSHIL CHANDRA: Will the Minister of INDUSTRY be pleased to refer to the reply given to Unstarred Question No. 226 dated 28 February, 1996 regarding Gratuity ceiling in PSUs and state:

- (a) whether the Government have examined the issue of enhancement of gratuity ceiling for employees of Public Sector Undertakings;

- (b) if so, the details thereof; and

- (c) if not, the reasons for the delay and the time by which the decision is likely to be taken?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c). The issue of enhancement of gratuity ceiling for employees of Public Sector Undertaking is under examination of the Government in consultation with different agencies in the Govt. and the final decision will take some more time.

[English]

### Foreign Direct Investment

4630. SHRI SULTAN SALAHUDDIN OWAISI: Will the Minister of INDUSTRY be pleased to state:

- (a) whether the Union Government are working out a major policy paper on foreign direct investment to ensure minimum US \$ 50 billion foreign funds inflow into the country by 2000 A.D.;

- (b) whether any proposals in this regard have been worked out; and

- (c) if so, the details thereof and by when the final decision is likely to be taken?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c). According to the Common Minimum Programme, the nation needs and has the capacity to absorb at least US \$ 10 billion a year as foreign direct investment. The Government policy on foreign investment is being constantly reviewed to make it more dynamic with the objective of increasing foreign direct investment into the country, particularly, in priority/core sectors including infrastructure.

#### Revenue Deficit

4631. DR. LAXMINARAYAN PANDEY:  
SHRI RAM NAIK:

Will the Minister of FINANCE be pleased to state:

(a) the projected and the actual revenue deficit recorded during 1993-94, 1994-95 and 1995-96 separately;

(b) the reasons for continuous increase in the above deficit and its impact on the Indian economy; and

(c) the efforts made and proposed to be made to check the increasing revenue deficit?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The details of revenue deficit are as under:

(Rs. crore)

	Budget Estimates	Revised Estimates	Actuals
1993-94	17630	34058	32716
1994-95	32727	34132	31029
1995-96	35541	33331	Accounts are being finalised.

(b) The recurring revenue deficits can be attributed to growth in areas of expenditure like interest payments, subsidies, grants to State Governments, internal security, plan expenditure on revenue account, etc. Financing of the revenue deficit entails higher borrowings by Government leading to growth in fiscal deficit and higher interest rates.

(c) Government would endeavour to restrict the revenue deficit by maximising revenues and controlling expenditure.

[Translation]

#### Unutilized Foreign Aid

4632. PROF. RASA SINGH RAWAT : Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has expressed concern over non-utilisation of aid provided by foreign financial institutions for various development projects in the country;

(b) the details of the projects which could not be implemented so far for which foreign aid was provided through the Union Government, State-wise;

(c) the foreign aid provided by the Union Government for implementation of aforesaid projects;

(d) whether the Government have approached the World Bank and IMF for setting up of some new development projects in the country particularly in Rajasthan, Haryana and Himachal Pradesh; and

(e) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). World Bank has not expressed concern over non-utilisation of aid provided by foreign financial institutions for various development projects in the country. In the India : Country Economic Memorandum, 1996 published by the World Bank, the World Bank has mentioned "Over the last few years, the Government has taken several specific measures to improve the utilization of ODA. While these measures have accelerated aids disbursements, there remains scope for further improvements." The foreign aid from these agencies is on reimbursement basis, therefore, the State Governments and project authorities have to incur the expenditure first and thereafter claim reimbursement through the Union Government. In this arrangement, the Union Government provided the amount of foreign aid to States as Additional Central Assistance after project implementation is taken up.

(d) and (e). IMF assistance is not tied to development projects. In the case of World Bank, the new projects posed to the World Bank for assistance and which are at varying stages of project appraisal, are as under:-

**Rajasthan:** Water Resource Consolidation Project, Jaipur Water Supply & Sanitation Project, Water Supply Project for five towns. State Highways upgradation, District Poverty Initiative Project, IIIrd State Health Systems Development Project, Integrated Child Development Scheme-III and SEB Restructuring project.

**Haryana:** Agriculture Development Project, State Highways upgradation and SEB Restructuring project.

**Himachal Pradesh:** IIIrd State Health Systems Development Project and State Highways project.