

and items of mass consumption whose exports were banned or restricted in 1977-78 due to pressure of domestic demand are onions, tea, HPS groundnuts, cumin-seed, turmeric and fresh vegetables.

(b) and (c). The above measures had generally a sobering impact on the prices of these items in the domestic market. Ban/restriction on exports is one of the steps to make essential commodities available to the local consumers at reasonable prices. Other important measures being taken in this connection are to increase their production; supplement domestic supplies by imports; and to direct national level cooperatives like National Agricultural Cooperation Marketing Federation of India Ltd. (NAFED) and National Cooperative Consumers Federation (NCCF) to enhance their operations in these commodities.

Decline in the Export of many value added items

6903. SHRI S.R. DAMANI : Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state :

(a) what are the reasons for the weakening trend in the export of many value added items in 1977-78;

(b) whether also such items have been identified and, if so, the details thereof; and

(c) the targets of export fixed for these items in 1978-79 and the measures Government have taken to achieve them ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG) :

(a) The weakening trend in the growth of exports can be attributed to factors such as recession in the world market, protectionist tendencies adopted by developed countries and in the case of certain mass consumption items, Government's deliberate policy to regulate their exports in the interest of domestic market.

(b) During the first half of 1977-78, as compared to the corresponding period of the previous year, exports were lower in the case of principal items like ready-made garments, leather & leather manufactures, iron & steel, sugar and vegetable oils.

(c) Export targets for the year 1978-79 are not yet finalised.

Impact of New Levies on Coal, Electricity and enhanced excise duties on cost of production of Industrial Goods

6904. SHRI S.R. DAMANI : Will the Minister of FINANCE be pleased to state :

(a) whether Government has worked out the impact of the new levies on coal, electricity and the enhanced excise duties on cost of production of industrial goods in 1978-79 ;

(b) if so, what are the specific items they have taken up for such exercise and the higher cost of production so worked out;

(c) what according to Government will be the effect on demand which is said to be sagging; and

(d) the steps taken to prevent any further slackness in demand ?

THE MINISTER OF FINANCE (SHRI H.M. PATEL) : (a) and (b). Immediately after the presentation of the Budget, a quick exercise was undertaken to assess broadly the direct impact of new/additional excise levies on the items included in the Wholesale Price Index (1970-71-100). This study did not take into account the indirect effects which would arise from the increase in existing excise duties on inputs and the new duties on coal and power. As regards the latter, the Wholesale Price Index for the group, "Fuel, Power, Light and Lubricants" shows a rise of 3.4 per cent during the first post-Budget week. The data relating to 1650 non-Government, non-financial medium and large public limited companies, compiled by the Reserve Bank of India, show that fuel and power accounted for 5.13 per cent of the value of production in 1975-76. Hence the direct impact of the new levies on coal and power on costs in the private corporate sector would work out at 0.17 per cent. Of course, in some cases, like aluminium and cement, the impact would be higher.

(c) and (d). Deficiency of demand can only be overcome by a step up in investment and the creation of more incomes through larger production and employment. The developmental outlay in the Annual Plan for 1978-79 has been raised by 17 per cent with this end in view; and the new Five Year Plan indicates the Strategy for the whole period 1978-83.