

India's Commercial Representatives abroad, and the Export Promotion Council and Commodity Boards, so as to make them play a more dynamic and promotional role in the export field, particularly in the small scale and cottage industries/sectors, (vi) to promote the export of item in value—added form rather than in primary form and to bring about diversification in export products as well as exports markets, (vii) to provide necessary cash compensatory support to selected export items on a systematic and stable basis, and (viii) to make persistent the efforts for securing better trading environment for India and other developing countries at multinational for such as UNCTAD and GATT and through bilateral negotiations.

"Due to recent developments in the international and national economy, the difficulties in regard to exports still persist. There will also be some time till the measure adopted to boost exports being to operate fully. Meanwhile, however, there are some encouraging signs. The latest provisional figures regarding exports during April and May 1979 is Rs. 940.70 crores against corresponding provisional figure of Rs. 724.86 crores and revised figures of Rs. 859.94 crores for April-May 1978."

Unctad Meet in Philippines

924. PROF. P. G. MAVALANKAR : Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state :

(a) whether he attended the recent UNCTAD meet in the Philippines ;

(b) if so, full details regarding his stand and Government's policy on the major issues at the said Conference ;

(c) details regarding other Indian Officials etc. who attended the said meeting ; and

(d) whether India suggested one or more proposals at the said Conference and whether they were discussed and/or accepted by the World body?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BAIG) : (a) and (b). The Commerce Minister led the Indian Delegation to UNCTAD meeting in Manila.

At the UNCTAD forum, negotiations take place essentially on the basis of group proposals or positions. The developing countries had harmonised their positions on the issues before UNCTAD V at their meeting in Arusha which accordingly adopted the Arusha Programme for Collective

Self-Reliance and Framework for Negotiations. India actively participated at this meeting. India's stand on the major issues was largely reflected in the developing countries proposal/positions at UNCTAD—V which are summarised below—

Structural changes & Management of the World Economy

Developing countries proposed the creation of a global consultation mechanism within UNCTAD where inter-related issues of trade, development, money and finance could be discussed, so that recommendations to governments and international agencies could be made outlining a package of concerted measures that would facilitate the growth of developing countries as well as the achievement of the New International Economic Order and which could give developing countries greater participation in the decision making processes related to the international economy. No agreement could be reached on this issue at UNCTAD—V and it was remitted to Trade and Development Board for further consideration.

Protectionism

On the important question of Protectionism which affects the exports of the developing countries the group of 77 (developing countries) desired the adoption of long-term policies and measures including the setting up of a mechanism within UNCTAD for monitoring and periodical review of adjustment processes with a view to reach an agreement on a framework for negotiations to facilitate adjustments and short-term policies and measures to deal with the problem of protectionism. The conference could adopt an appropriate resolution on this subject.

Manufactures and Semi-Manufactures

With a view to expand and diversify their export trade in manufactures and semi-manufactures, the developing countries made proposals for restructuring of world industrial production and trade in accordance with their comparative advantage, for improving their capability to supply exports of manufactures and semi-manufactures, increasing their participation in marketing and distribution and access to markets of developed countries. They also proposed that arrangements regulating trade in textiles should not be prolonged and special treatment should be given by developed countries to handicrafts products of developing countries including handloom products, through duty-free and quota-free entry. The developing countries also wanted that generalised system or Preferences be extended beyond the initial 10 years period, giving it a legal

character to increase the certainty and permanence of its application, provision for binding of negotiated rates, enlarging the product coverage and prior consultations in case of withdrawal of preferences. Developed countries did not agree to the above proposals and the matter has been remitted to the Trade and Development Board of UNCTAD.

Monetary and Financial Issues

On the question of Official Development Assistance (ODA) the developing countries desired that the developed countries should undertake binding commitments for an annual growth rate of ODA disbursement for the next three years. The developed countries did not accept this commitment and a resolution was adopted in which developed countries agreed only to consider adopting new and additional measures to increase ODA.

In the area of International monetary reform, it was proposed that an *ad-hoc* inter-governmental group of experts be established with in UNCTAD to examine fundamental issues in the field of international monetary policy. The resolution was adopted by vote in the absence of agreement between developing and developed countries on this issue.

Commodities

In the area of commodities the developing countries sought support for the second window of the common fund, and various aspects of the implementation of the Integrated Programme of commodities including greater share for the developing countries in the processing, marketing and distribution of their commodity trade and the question of complementary facilities for commodity-related shortfalls in export earnings. During the Conference, some countries indicated their contribution to the second window of the Common Fund. India announced her intention to contribute £5 million exclusively for the second window of the common fund.

Technology

On transfer of Technology, the conference could not resolve the issue concerning the nature of the Code of Conduct for transfer of technology. A resolution was adopted for the convening of a resumed session of the UN Conference on this subject. The conference however, reached a consensus on several steps for strengthening the technological capacity of developing countries.

Shipping

The Group of 77 was of the view that the Code of Conduct for Liner Conferences

should come into force. The developing countries also put forward proposals for sharing in bulk cargoes, but this was opposed by developed countries. A resolution proposed by developing countries on this subject calling for equitable participation of developing countries in world shipping tonnage was put to vote and passed at the conference.

Least Developed and Land-locked Developing Countries

A new programme of action for the least developed countries and a comprehensive programme of action related the particular needs and problems of land-locked developing countries was adopted by the Conference.

Institutional Issues

The developing countries desired that UNCTAD-V should be the principal instrument for negotiations on international trade and related problems of economic development. The resolution adopted at UNCTAD-V reaffirms the prominent role of UNCTAD in the series of international economic negotiations, contains a series of policy recommendations for improving the functioning of UNCTAD and establishes an *ad-hoc* inter-governmental committee for rationalisation of UNCTAD's machinery.

Economic Cooperation among Developing Countries (ECDC)

The resolution proposed by the developing countries and adopted at UNCTAD-V refers to economic cooperation among developing countries as an essential instrument to promote structural changes for balance and equitable process of global economic developments and has urged that the developing countries and international organisations provide support and assistance to ECDC. The resolution calls for submission of action-oriented proposals and provides for meetings of the developing countries being serviced by UNCTAD in order to undertake preparatory work for establishment of a global system of trade preferences among developing countries, cooperation among state trading organisations and establishment of multi-national marketing enterprises among developing countries, in the context of the special session on the UNCTAD Committee on ECDC which is to be convened early next year.

(c) The other Indian officials who attended the meeting in Manila included Commerce Secretary, Ambassador of India in Manila, representatives from the Department of Commerce, Department of Economic Affairs, Ministry of Shipping and

Transport, Ministry of External Affairs, Ministry of Science and Technology, Permanent Missions of India in Geneva and New York.

(d) The Commerce Minister made a specific proposal for a fresh round of tariff negotiations among developing countries on the basis of upto 50 per cent tariff concessions and this set the tone for greater cooperation among developing countries. To give further thrust to definitive action in the area of economic cooperation among developing countries, Commerce Minister had detailed discussions with President Marcos of the Philippines, the host country, and leaders of other developing countries at Manila. This initiative taken by Philippines, India and other countries was well-received and largely in pursuance of these talks, the developing countries decided at Manila to set up a Committee of 18 to work out the modalities of multilateral economic cooperation among themselves and to monitor the implementation of the programme. India has been nominated as a member of this Committee. New awareness amongst the developing countries for mutual economic cooperation and self-reliance and the constitution of the committee for their implementation could be considered as a major achievement of UNCTAD-V.

The Indian delegation also participated actively in the negotiations on the various items of the UNCTAD-V agenda and made substantial contribution to the negotiations.

Grounding of Air Buses by I.A.C.

925. PROF. P. G. MAVALANKAR : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether it is a fact that I.A.C. recently ordered grounding of one or more Air Buses for thorough and careful check ;

(b) if so, facts thereof and reasons therefor ; and

(c) whether any major defects or deficiencies were detected in the said aircrafts and if so, what were they and how were they rectified?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURSHOTTAM KAUSHIK) : (a) to (c). Although no inspection whatsoever was required on the Airbus aircraft as per the Manufacturers, Indian Airlines, on their own, as a measure of abundant caution, called for certain checks, to be done on the Airbus aircraft in their fleet in consultation with M/s. Airbus Industries and

the D.G.C.A. (Indian Airworthiness Authorities). The Airbus aircraft were not grounded specifically for this inspection but the checks were to be done in a phased manner during major inspections.

Foreign Travel Tax

926. PROF. P. G. MAVALANKAR : Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state ;

(a) whether it is a fact that new regulations regarding foreign travel ticket taxes have recently come into operation ;

(b) if so, full facts thereof ;

(c) reasons for making the changes in this regard; and

(d) the estimated revenue accruing from the new rates of taxes, for the period ending March 31, 1979?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL) : (a) Yes, Sir. The new Scheme of foreign travel tax as incorporated in Chapter V of Finance Act, 1979 (21 of 1979) has come into force with effect from 15 June, 1979.

(b) Under the new scheme, every passenger embarking on an international journey from India by air or by ship will have to pay a tax of Rs. 50 if the journey is to a neighbouring country, i.e., Afghanistan, Bangladesh, Bhutan, Burma, Nepal, Pakistan, Sri Lanka and the Maldives, and of Rs. 100 if the journey is to other countries. The tax will be collected by carriers and deposited with the Government. Passengers travelling by sea from Rameswaram in India to Talaimanar in Sri Lanka have however, been exempted from the tax. Diplomats and transit passengers are also exempt.

(c) The new scheme of Foreign Travel Tax is designed to eliminate evasion or avoidance of tax and is also very much simpler to administer.

(d) The new scheme has come into force with effect from 15 June, 1979 and was not applicable during the period ending 31st March, 1979. However, the estimated revenue realisation for a whole year under the new scheme would be about Rs. 10 crores.