

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) to (c). No feasibility study, as such, has yet been carried out for setting up of a new steel plant in Orissa. However, location of future steel plant is to be based on techno-economic considerations and all feasible locations, including in Orissa, will be considered by Government while taking a decision to set up any new steel plant.

News item captioned "Export emphasis will be restored"

602. SHRI SHIV KUMAR SINGH: Will the Minister of COMMERCE AND CIVIL SUPPLIES be pleased to state:

(a) whether the attention of the Government has been drawn towards a news item appearing in the 'Hindustan Times' dated 21st February, 1980 under the heading "Export emphasis will be restored";

(b) if so, the details thereof; and

(c) the extent to which it will help in bringing down the prices of sugar, jute and jute goods, engineering goods and other allied materials?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) A series of meeting were held in Calcutta on 18th and 20th February, 1980 with the representatives of the jute, tea and engineering industries. They were advised to take supporting steps to boost up export earnings. In particular, the urgency of fully utilising capacities and the need for removal of physical constraints to higher production were highlighted. Governments eagerness to improve the general industrial climate in the country and augment the rate of annual growth of export with a view to improving the balance of payments position was also stressed.

(c) The efforts of Government are directed to enlarge the production base

to meet the domestic needs and exports. The extent by which the production of sugar, jute, jute goods, engineering goods etc. is augmented in general, there will be a favourable impact on the price level.

Increase of Cargo Capacity by Air India

603. SHRI SHIV KUMAR SINGH: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that the Air India is expecting to increase its cargo capacity in the near future;

(b) if so, the extent to which the capacity is expected to be increased both for imports and exports;

(c) the details of 707 Boeings which the Air India is considering to dispose off and their replacements;

(d) the total expected strength of Air India Fleet, when the cargo capacity will be increased as a result of induction of more Aircrafts;

(e) whether any Committee has been appointed by the Government to work out plans regarding purchase of freighter aircrafts to meet future requirements; and

(f) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI KARTIK ORAON): (a) and (b). Air India has planned to increase its cargo capacity provided on various routes from 30357 tonnes in 1979-80 to 39908 tonnes in 1980-81, both for exports and imports each way.

(c) and (d). Air-India's fleet consists of nine B-707 aircraft and 9 Boeing-747 aircraft. One B-747 aircraft will be added to the fleet in April, 1980. In the first instance, Air-India proposes to phase out two B-707 aircraft in 1980-81. The fleet position in 1980-81 will be as follows:

Boeing 707—Seven

Boeing 747—Ten

(e) and (f). Air-India has set up a Committee to look into the long term needs of freighter aircraft of the Corporation. The Government has not set up any such Committee.

Curb on import of certain essential items

604. SHRI SHIV KUMAR SINGH: Will the Minister of COMMERCE AND CIVIL SUPPLIES be pleased to state:

(a) whether it is a fact that the Government of India have put a curb on import of certain essential items like cement, newsprint, edible oils and white printing papers;

(b) if so, the reasons therefor;

(c) whether Government are considering to review their decision in the near future; and

(d) if so, when and the details thereof?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) No, Sir.

(b) to (d). Do not arise.

Devaluation of Indian currency in relation to foreign currencies

605. SHRI CHITTA MAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the devaluation of rupee/Indian currency in relation to the foreign currencies; and

(b) if so, the details in this regard and reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) and (b). Presumably, the Hon'ble Member is referring to the downward adjustment of 0.55 per cent made by the Reserve Bank of India, in the value of the rupee against Pound Sterling with effect from February 15, 1980, when the middle rate for Pound

Sterling was changed from Pound 1=Rs. 18.15 to Pound 1=Rs. 18.25. Since then, there have been two more changes in the rate on 5th and 11th March, 1980, when the Rupee-Pound Sterling rate was changed from Pound 1=Rs. 18.25 to Pound 1=Rs. 18.15 and further to Pound 1=Rs. 18.05 respectively. This shows an appreciation of Rupee against Pound Sterling on each of these occasions.

2. The changes in the Rupee-Sterling rate effected by the Reserve Bank of India, from time to time, are in accordance with the exchange rate arrangement adopted by the Government since September 25, 1975, under which the exchange rate of the rupee is fixed with reference to the daily exchange rate movement of a suitably weighted basket of currencies mainly of countries which are India's major trading partners.

3. The exchange rates between rupee and other foreign currencies would move upward or downward almost every day depending upon the fluctuations in the value of these currencies in the London Market.

4. The exchange rates for various currencies as on March 11, 1980 show that the rupee stands appreciated by 1.43 per cent against Pound Sterling 10.04 per cent against US dollar and 2.03 per cent against French Franc as compared to the rates which prevailed on September 25, 1975. The rupee has, however, depreciated by 25.28 per cent, 10.03 per cent and 30.29 per cent against Deutsche Mark, Japanese Yen and Swiss Franc respectively during the same period.

5. The earlier connotations of devaluation and revaluation have lost their relevance in the context of 'floating' exchange rate arrangements for major currencies of the world and the changes, both upward and downward, effected from time to time in the Rupee-Sterling rate would simply imply an adjustment to the fluctuating exchange rates in the international currency markets. In a regime of 'floating' exchange rates, fluctuations in the