

Trade Deficit

796. SHRI INDRAJIT GUPTA: Will the Minister of COMMERCE be pleased to state:

(a) whether India's Trade deficit in 1979-80 is almost 25 per cent higher than in 1978-79;

(b) whether this is mainly due to the rising costs of imported oil and petroleum products, as well as other commodities; and

(c) whether, in view of the declining foreign exchange reserves, there is any plan to modify the present liberal import policy?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE). (a) On provisional basis the deficit of India's foreign trade during 1979-80 amounted to Rs. 2232.68 crores which was more than double the deficit of Rs. 1088.04 crores (Revised) in the previous year 1978-79.

(b) Yes, Sir.

(c) The Government is taking possible measures to boost exports so that the trade deficit is reduced. Efforts are being made to identify and remove constraints in export production and other infrastructural facilities. The Import Policy for the current financial year 1980-81, which was announced on 15th April, 1980, has been given export orientation. In order to help exports, the policy contains the following salient features:—

(i) Manufacturer-exporters will have a wider choice than before for the import of items against their replenishment licences.

(ii) The scheme for the grant of advance licences with benefit of duty exemption has been made more wider in scope than before.

(iii) A scheme has been introduced to allow duty free imports against replenishment licences. To begin

with, the scheme is applicable to a few export products only.

(iv) The import policy for Export Houses has been liberalised to enable Export Houss to render greater assistance to their supporting manufacturers in the supply of imported inputs.

(v) Manufacturer-Exporters exporting 10 per cent or more of their production will be given automatic licences as Actual Users for import of raw materials and components for a value 10 per cent higher than than their actual consumption.

Rate of Inflation

797. SHRI V. KISHORE CHANDRA S. DEO:

SHRI S. R. A. S. APPALA NAIDU:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of inflation has been very high during the last four months;

(b) if so, the steps taken by Government to contain it; and

(c) what was the rate of inflation during the corresponding period of the last three years?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) and (c). The rate of inflation as measured by the Wholesale Price Index (1970-71=100) works out to 5.6 per cent for the period 26th January, 1980 to 24th May, 1980 as against 7.6 per cent for the corresponding period of 1979; the rates for the corresponding periods of 1977 and 1978 were 4.6 per cent and (—) 0.1 per cent respectively.

(b) Government views the existing price trends with concern and is determined to tackle the price situation.

through a number of measures which include strengthening the Public Distribution System; augmenting domestic availability through imports of commodities in short supply; curbing anti-social activities; increasing production; more efficient management of infrastructure and restraining undue expansion in money supply and bank credit.

Shortage of Essential Commodities in Garo Hills Districts of Meghalaya

798. SHRI P. A. SANGMA: Will the Minister of CIVIL SUPPLIES be pleased to state:

(a) whether Government are aware that there is an acute shortage of essential commodities like rice, sugar, fuel etc. in the Garo Hills Districts of Meghalaya; and

(b) if so, what steps are being taken to improve the situation in the area?

THE MINISTER OF CIVIL SUPPLIES (SHRI V. C. SHUKLA): (a) and (b). On account of movement constraints, created by continuing agitation in Assam, the availability of some essential commodities in North Eastern States including Meghalaya has been adversely affected. Even though the Gauhati and Digboi refineries have been working intermittently the overall availability of kerosene etc. in the North Eastern Region has gone down appreciably.

All efforts are being made to move as much of rice to the North Eastern States including Meghalaya as possible under the prevailing circumstances. In the case of levy sugar, out of total allocation of 2655.8 tonnes made to Meghalaya upto May, 1980, the total quantity lifted by FCI upto 31st May, 1980 was 2536.8 tonnes, leaving a balance of only 119.0 tonnes. In the case of kerosene some quantity had to be moved from Haldia, (West Bengal), to Silguri and from there despatched by road/rail to North Eastern States

including Meghalaya. From out of the available product, pro-rata allocations are being made to these States.

However, the responsibility of making available the supplies of these commodities to different areas of the State is that of the State Government.

Demand, Allocation and Actual Supply of Edible Oils to States

799. SHRI JYOTIRMOY BOSU: Will the Minister of CIVIL SUPPLIES be pleased to state:

(a) State-wise demand for edible oils, month-wise, from January to May, 1980;

(b) Statewise allocation and actual supply, month-wise from January to May, 1980; and

(c) on what basis State-wise quota per edible oils is fixed?

THE MINISTER OF CIVIL SUPPLIES (SHRI V. C. SHUKLA): (a) On the basis of data furnished by State Governments/Union Territories, a statement showing the demand for the period from January, 1980 to May, 1980 is enclosed. (Annexure I).

(b) The Statements [Statements II & III (a) to (e)] giving the required information are laid on the Table of the House. Placed in Library. See No. LT-885/80).

(c) Monthly allocation of imported edible oils to States are made by the Central Government on the basis of their projected demand and also keeping in view the lifting by them of allocation for the previous months.

Rise in Index of Wholesale Prices

800. SHRI JYOTIRMOY BOSU: Will the Minister of FINANCE be pleased to state:

(a) rise in the index of wholesale prices (in per cent) between 1st