Removal of Licensing Constraints to Boost Export Prodction

721. SHRI MADHAVRAO SCINDIA: Will the Minister of COMMERCE be pleased to state:

(a) whether with a view to boosting export production, Government have lately decided to free it from licensing constraints and those relating to import of technology;

(b) if so, the precise decision taken in this regard; and

(c) what is Government's policy with respect to large houses in this regard?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) to (c) Government has recently made the following decisions:

1. **Production forexports:**

(i) In order to encourage increased production for export, export production should be outside the licensed capacity for any industrial undertaking. This would mean in determining whether production of industrial unit has exceeded licensed capacity or otherwise, its export would be automatically excluded. Till such time an enabling provision is made in the I(D&R) Act, executive instructions may be issued to this effect.

(ii) Exports will be kept out while computing the production of an undertaking for considering the question of its dominance as dominance of an industrial unit will be determined only with reference to its sales in the domestic market.

2. **Facility for Automatic Growth:**

In allowing automatic expansion for the industrial units including those attracting 'dominance' under MRTP favourable consideration will be given for their previous export performance.

3. **Definition of 'New Article' in the Industries (D&R) Act:**

In executing export commitments, there is a need for flexibility of operation within an industrial licence of the unit. For instance, an industrial undertaking that is licensed for a product under generic description will be permitted production of a product for export which is only a variation and thus obviating the need for the licensing formalities.

4. **Technology:**

It is necessary to continuously update technology for export production so that international standards of quality design and performance are met by our exports. To achieve this, it is necssary to have liberalised policies and procedures for imports of technology. Applications for technology imports which involve only lumpsum payment of royalty would therefore be considered more liberally. Permissible royalty rates could also be higher for the export sales vis-a-vis domestic sales. Such facilities would widen technology choices of industrial units that are engaged in export production. Existing procedures of permitting such imports would be further decentralised and streamlined.

Trade ties between India and Kuwait

722. SHRI MADHAVRAO SCINDIA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Amir of Kuwait during his recent visit to India had a series of talks for improving the economic and trade ties between India and Kuwait; and

(b) if so, the outcome of the talks held and the prospects of improvement of economic and trade relations, which emerged therefrom during 1980-81?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KHURSHEED ALAM KHAN): (a) and (b). During the visit of H.H., the Amir of Kuwait to India some discussions took place for further improving economic and trade ties between India and Kuwait. The Kuwaiti Minister of Commerce and Industry and our Commerce Minister discussed broad matters relating to the trade between India and Kuwait and expressed satisfaction at the gradual growth in the trade between the two countries. At the same time, the two Ministers agreed on the need for further efforts to identify new areas of industrial and commercial cooperation between the two countries. In this context, the two Ministers agreed to consider the possibilities of setting up joint venture projects in India with Kuwaiti financial collaboration in fields like petro-chemicals, fertilisers, power, cement, paper and paper pulp It was agreed that a high-powered technical team from Kuwait could visit India to explore the possibilities in this regard.

2. Both the Ministers agreed to further bridge the information gap between the traders and the industrialists of the two countries and for this purpose it was agreed that trade fairs and exhibitions could be organised in Kuwait and exchange of business visits between the two countries would be encouraged. The Kuwaiti Minister of Commerce and Industry also met the Union Minister of State for Industry and discussed possibilities of India's participation in the industrial development of Kuwait Kuwaiti investment in India and joint ventures in third countries.

3. The Finance Minister of Kuwait also met our Foreign Minister and during the discussions both the Ministers expressed the desire to increase economic cooperation between the two countries.

4. In the concluding round of talks between our Prime Minister and H.H.. the Amir of Kuwait, it was agreed, amongst other things on the need for taking various steps including exchange of delegations and holding of exhibitions for further expansion of trade between the two countries. The two sides also agreed to study Kuwaiti participation in the development and industrialisation of India on investment basis and for mutual benefit.

Withdrawal of Countervailing Duties imposed by U.S.A. on Imports of Indian Textiles

723. SHRI MADHAVRAO SCINDIA: Will the Minister of COMMERCE be pleased to state:

(a) whether the U.S. Government has since agreed to withdraw the countervailing duties imposed by it on imports of Indian textiles in July this year;

(b) if so, the details of the new agreement; and

(c) how far the Indian textile exports are likely to get a boost thereby?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). On 26th June, 1980, the US Department of Commerce made a preliminary determination that the export cash rebate programme of the Government of India on certain textiles and textile mill products constituted a subsidy and that the subsidy amounts were as follows:

(i) Cotton make-ups 5 per cent.

(ii) Men's garments 7 per cent.

(iii) All woollen items except woollen yarn 7.5 per cent.

(iv) Cotton fabrics 10 per cent.

(v) All items made of manmade fibres except yarn, thread and cordage 15 per cent.

(vi) Other cotton manufactures 2.5 per cent.