

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 exhibi-

tions 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.

Provisional countervailing duties at the above rates were levied on the imports of these items to off-set these subsidies. These levies were ordered to be collected in the form of bonds/securities.

For making a final determination, the US Department of Commerce investigated the Cash Compensatory Support given by the Government of India for textiles and came to the conclusion that the primary purpose of the scheme is to rebate indirect taxes, which otherwise remained un-refunded, to Indian exports of textiles. As such rebating is not considered a subsidy under the GATT Agreement on Subsidies and Countervailing Measures for the purpose of levying countervailing duties, the US Department of Commerce made a final determination on 24th September, 1980 to the effect that the Government of India does not provide export subsidies on textiles or textile mill products. Accordingly, they have cancelled their earlier order authorising levy of provisional countervailing duty on the imports of these items from India.

(c). If countervailing duties had been imposed, there would have been set-back to Indian exports of textiles to the USA. In fact, during the period of continuance of provisional duty, a number of exporters were asked by U.S. buyers to suspend shipment of goods pending final determination. This had created an uncertain atmosphere in textile trade in the USA. As the USA have now withdrawn the countervailing duties the threat of a major impediment to our exports has been lifted.

Indo-Swiss Joint Commission

724. SHRI MADHAV RAO SCINDIA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Second Session of the Indo-Swiss Joint Commission to discuss trade and economic relations between the two countries was held in the third week of September, 1980; and

(b) if so, the precise issues discussed therein and the outcome of the talks?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) Yes, Sir. The Second Session of the Indo-Swiss Joint Commission was held in Berne from 18—23 September, 1980.

(b) During the discussions, matters relating to trade policy, trade promotion, problems of Swiss firms operating in India in the fields of watch, machines and chemical industries, Indo-Swiss collaboration, including third country ventures as well as other matters like GSP., Investment Policy, double taxation etc., were discussed. Both the sides agreed that there was considerable scope for increasing Indo-Swiss economic cooperation including the volume of Indo-Swiss trade and possibilities of Indo-Swiss industrial collaboration and joint ventures in third countries.

Demand and Supply Position of Newsprint

725. SHRI ATAL BEHARI VAJPAYEE:

SHRI R. K. MHALGI:

Will the Minister of COMMERCE be pleased to lay a statement showing:

(a) the demand and supply position of newsprint paper during each of the last three months;

(b) whether Indian and Eastern Newspapers Society has found the State Trading Corporation responsible for newsprint shortage;

(c) if so, the facts and steps taken and the results achieved; and

(d) percentage of the newsprint supply which is met by imports?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) The requirement of imported newsprint projected by the Registrar of Newspapers