

According to IJMA, sizeable profit in 1979-80 is due to an unusual spurt in the price of jute goods caused by supply bottlenecks in that year. The RBI figures for the years 1980-81 and 1981-82 are not available yet.

India's Foreign Indebtness

264. SHRI M. V. CHANDRA
SHEKARA MURTHY.
SHRI MOHAMMAD ASRAR
AHMAD:

Will the Minister of FINANCE be pleased to state:

(a) whether an average India's foreign indebtedness stood around Rs. 250 at the end of December, 1981;

(b) whether since then it has further increased;

(c) what are the main reasons for the same; and

(d) what steps Government propose to take in this regard?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) and (b). On the basis of 1981 census figures of population of India, the average Indian's foreign indebtedness on government account at the end of December, 1981 and March, 1982 works out approximately to Rs. 219 and Rs. 226 respectively.

(c) and (d). The increase in disbursements of foreign assistance is largely due to speedier utilisation of committed funds earmarked for specific projects included in the plan.

A number of steps are being taken by the Government to ensure that foreign debt is progressively reduced. These include:

(i) Increasing domestic exploration and production of oil and natural gas, development of alternative energy sources and reducing demand for petroleum products.

(ii) Import substitution in major areas like cement, fertilizers, non-ferrous metals, steel etc. by improving capacity utilisation and by creating additional capacity.

(iii) Achievement of better export performance through removal of infrastructure constraints, especially those in power, transport and ports, generation of larger export surpluses through increased production, improvement in the growth of competitiveness and efficiency in Indian industry combined with a system of incentives which would make exports profitable and encourage export growth in areas of dynamic comparative advantage, etc.

(iv) Adoption of measures which offer incentives for larger remittances from Indian nationals abroad.

(v) Adoption of an external financing strategy which ensures that essential imports needed by the economy, especially those for development are not constrained, cost of borrowed funds from abroad is minimised and debt servicing obligations are kept within prudent limit.

Foreign Debt

265. SHRI MADHAVRAO SCINDIA:
SHRI MOHAMMAD ASRAR
AHMAD:

Will the Minister of FINANCE be pleased to state:

(a) the extent of India's foreign debts as on 30th June, 1982, 1981 and 1980;

(b) whether foreign debts have considerably increased during these years; and

(c) what are the main reasons for the increase and what steps have been and are being taken to reduce and minimise India's dependence on foreign debts?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) India's foreign debt on government account at the end of June 1980 and 1981 stood at Rs. 12094.87 crores and Rs. 14125.13

crores respectively. The information for the period ended June 1982 is not yet available as the accounts for the period have not been finally closed. However, the provisional figures of foreign debt at the end of March 1982 are Rs. 15458.54 crores.

(a) and (c). Foreign debt has shown an increase largely due to faster disbursement of assistance in recent years from out of the earlier commitments earmarked for specific projects included in the plan.

Continuous efforts are made to ensure that foreign financing is progressively reduced and country's debt burden is kept within prudent limits. A number of steps are being taken by the Government to ensure that foreign debt is progressively reduced. These include:

(i) Increasing domestic exploration and production of oil and natural gas, development of alternative energy sources and reducing demand for petroleum products.

(ii) Import substitution in major areas like cement, fertilizers, non-ferrous metals, steel etc. by improving capacity utilisation and by creating additional capacity.

(iii) Achievement of better export performance through removal of infrastructure constraints, especially those in power, transport and ports, generation of larger export surpluses through increased production, improvement in the growth of competitiveness and efficiency in Indian industry combined with a system of incentives which would make exports profitable and encourage export growth in areas of dynamic comparative advantage, etc.

(iv) Adoption of measures which offer incentives for larger remittances from Indian national abroad.

(v) Adoption of an external financing strategy which ensures that essential imports needed by the economy, especially those for development are not constrained, cost of borrowed funds from abroad is minimised and debt servicing obligations are kept within prudent limits.

Decline in share of Indian Mica in global trade

266. SHRIMATI MADHURI SINGH: Will the Minister of COMMERCE be pleased to state whether it is a fact that the share of Indian Mica in the global trade has been on the decline in view of fierce competition from various countries?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): The aggregate exports of Indian Mica (i.e. processed, fabricated and manufactured) have been consistently going up during last five years.

Point raised by Tea Industry in North Bengal

267. SHRI ANANDA PATHAK: Will the Minister of COMMERCE be pleased to state:

(a) whether the attention of Government has been drawn by the tea industry in North Bengal about the stranglehold of a coal coterie which is holding the industry to ransom and a suggestion made for priority to be given to the movement of coal;

(b) if so, the other salient points raised by the tea industry in North Bengal; and

(c) steps taken by Government in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) to (c). So far as the stranglehold of a coal coterie is concerned the Tea Board of India has not received any such complaint either from the Tea Industry or any of the Tea Associations.

The matter was discussed in the National Meet on Tea held in New Delhi on 3-8-1981, where the representative of the Railway Ministry was also present. The meeting urged the Railways to provide full movement facilities for transport of coal to meet the requirement of the tea gardens. More recently, a meeting was conducted by Tea Board on 5-2-82 with Tea Producer Associations, Railways and Coal India to review the movement of coal to the tea gardens in North Bengal.