

Modifications in Import Policy of Formic Acid

216. SHRI G.M. BANATWALLA : Will the Minister of COMMERCE be pleased to state :

(a) whether Government of Kerala has recommended certain modifications in the present import policy with respect to formic acid as its free and unlimited import will adversely affect the units in India manufacturing the same;

(b) if so, the main modifications suggested by the Kerala Government; and

(c) the reaction of Government of India to these suggestions ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE DEPARTMENT OF SUPPLY (SHRI NIHAR RANJAN LASKAR) : (a) Yes, Sir.

(b) The following specific suggestions have been made :

(i) Formic acid may be removed from Appendix 17 of the Import Policy.

(ii) The basic import duty may be increased to 100% and the auxiliary duty to 50% from the existing 70% and 35% respectively; and

(iii) The import policy may be reviewed so as to ban the import of formic acid.

(c) Import policy for 1984-85 is under formulation.

Measured to Check Price Rise

218. SHRI B.V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government was considering a package of measures to check price rise on the basis of a note submitted to the Prime Minister by the high powered economic advisory council;

(b) if so, the measures that are being considered after the preparation of the note by the high-powered committee;

(c) by what time, the measures will finally be implemented; and

(d) to what extent Government has been able to check the price rise which has been on a large-scale for the last 3-4 months ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) and (b) Although no specific note on measures to control inflation has been submitted by the Economic Advisory Council, in the meeting held on January 9, 1984 between Prime Minister and Members of the Council this aspect was discussed.

Several measures have been taken by the Government to contain inflation on the supply as well as on demand side. These include, inter alia, strengthening of the public distribution system, larger releases of foodgrains, sugar and edible oils; imports of foodgrain and edible oils; and mopping up of excess liquidity in the system through successive adjustment in the cash reserve ratio. A package of measures was also taken by the Government in January, 1984 in order to keep the budgetary deficit within reasonable limit.

(c) Measures are already under implementation.

(d) There has been a deceleration in the rate of inflation in recent months. While the Wholesale Price Index had increased by 8.5 per cent in the first six months of the current financial year up to end-September, 1983, the Index has gone up by less than 1 per cent in the subsequent four months upto end of January, 1984. The monthly rate of increase in the Consumer Price Index has also come down significantly from 2.6 per cent in May 1983 to 0.5 per cent in November, 1983. The index for December, 1983 has in fact declined by 0.4 per cent over the month.

Induction of Chinese Aircrafts by Pakistan

219. SHRI B.V. DESAI : Will the Minister of DEFENCE be pleased to state :

(a) whether the strength of the Pakistani