

[Translation]

### Exchange Value of Rupee

2213. SHRI MADHAV RAO PATIL :  
SHRI HARI KEWAL PRASAD :  
SHRI H.P. SINGH :  
SHRI RUPCHAND MURMU :

Will the Minister of FINANCE be pleased to state :

- (a) whether the Government have taken notice of declining exchange value of rupees during the last six months;
- (b) if so, the extent to which the exchange value of the Indian Rupee had declined during the above period;
- (c) the reasons for devaluation of Indian rupee during the above period;
- (d) the impact of devaluation of Indian rupee on the international market;
- (e) the steps taken by the Government to arrest the trend of declining exchange value of rupee and the extent to which the success has been achieved therein;
- (f) whether there is a possibility of solving the problem just by discontinuing the money expansion through the citizens and by making them card holders; and
- (g) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The exchange rate of the rupee against the US dollar had depreciated by about 4.5 per cent during the last six months from the monthly average rate of Rs.40.47 per US dollar in May 1998 to Rs.42.38 in November, 1998.

(c) and (d) The exchange rate of the rupee in India is market determined and is influenced by the trends in the inflows and outflows of foreign exchange on both the current and capital accounts of balance of payments. The movements in the exchange of the rupee over the last six months or so help improve India's external competitiveness. This is expected to revive the growth of exports and strengthen our efforts at cost effective import substitution.

(e) to (g) The exchange rate developments are closely monitored both by the Government and the Reserve Bank of India (RBI). The RBI, as and when necessary, intervenes in the foreign exchange markets and deploys suitable monetary and other measures to counter speculative pressures on the rupee and to ensure orderly foreign exchange market conditions. These measures have helped to maintain reasonable stability in the external value of the rupee during periods of external pressures and to maintain the level of exchange rate consistent with the preservation and improvement of India's external competitiveness.

[English]

### Export of Farm Goods

2214. SHRI VITHAL TUPE : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have chalked out any comprehensive scheme to boost the export of farm goods;

(b) if so, the details thereof;

(c) the percentage of country's share of world trade is likely to be increased by implementation of the said scheme; and

(d) the time by which it is likely to be implemented?

THE MINISTER OF COMMERCE (SHRI RAMKRISHNA HEGDE) : (a) and (b) Policy of exports of agricultural products forms an integral part of the Export Import Policy of the country. The Policy regarding exports of agricultural products is governed principally by the concerns of India's food security, maximising farm incomes and earning foreign exchange. Review of export performance of agricultural products is an on-going process and accordingly policy interventions are made, as and when considered necessary with a view to making agricultural exports increasingly viable.

Some of the steps taken/proposed to be taken to enhance exports of farm goods include:

1. Providing assistance for raising small and large nurseries for production of good quality planting material, upgradation of technical knowhow of farmers through demonstrations, trainings and publicity, rejuvenation of old orchards, area expansion, supply of minikits for vegetables, improving productivity and training of farmers.
2. Provision of soft loans for setting up Xof grading/processing centres, auction platforms, ripening/curing chambers and quality testing equipment.
3. Providing financial assistance to exporters/growers/Cooperative Societies for development of infrastructural facilities such as purchase of specialised transport units, establishment of pre-cooling/cold storage facilities, integrated post-harvest handling systems (pack houses).
4. Grant of financial assistance for improved packaging, strengthening of quality control and modernization of processing units.
5. Establishment of vapour heat treatment facilities for improving the acceptability of the product especially the mangoes in overseas markets.
6. Grant of Air Freight Subsidy for exports of floricultural items and selected fresh fruits and vegetables.
7. Arranging promotional campaigns such as buyer-seller meets and participation in important international fairs and exhibitions.
8. Setting up of integrated cargo handling and cold storage facilities at various international Airports for handling export of perishable items such as fresh fruits and vegetables.
9. Providing assistance in development of data base and dissemination of market information.
10. Providing assistance for setting up of laboratories for testing of products to ensure quality, technology transfer, process upgradation and product development.