

Balance of Payment

654. DR. SHAKEEL AHMAD:
SHRI CHADA SURESH REDDY:
SHRI NARESH PUGLIA:

Will the Minister of FINANCE be pleased to state:

(a) the latest position of the Balance of payments;

(b) whether due to economic recession and gloomy scenario, the crisis of BoP may face serious challenge;

(c) if so, the details thereof;

(d) the steps the Government propose to take to face any crisis being created by BoP situation;

(e) whether the Government propose to issue white paper on the Balance of payments situations; and

(f) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) The latest available data on India's balance of payments (BoP) relate to the period upto the quarter ended September, 1998. According to these data, the current account deficit during the first half of 1998-99 amounted to US\$ 3085 million. Latest available information for 1998-99 indicates that despite a modest widening of the trade deficit, the net surplus under invisibles continues to remain buoyant while in the capital account net inflows of US\$ 4.2 billion under the Resurgent India Bonds have supplemented normal sources of external finance. As a result, the foreign currency assets of the RBI have increased by US\$ 1682 million in the current financial year upto February 12, 1999 to reach a level of US\$ 27657 million.

(d) to (f) As per the current indications, the BoP situation during the coming year is expected to remain manageable. However, the developments in the BoP are closely and continuously monitored with a view to undertaking suitable policy measures, if warranted. Economic survey, 1998-99 provides a detailed account of recent trends and prospects of our Balance of Payments.

[Translation]

Foreign Exchange Reserves

655. SHRI RAMSHAKAL:
SHRI DATTA MEGHE:

Will the Minister of FINANCE be pleased to state:

(a) whether present foreign exchange reserves in the country is insufficient;

(b) if so, the efforts being made by the Government to increase the foreign exchange reserve of the country;

(c) the total foreign currency set by Non-Resident Indians and the other people during last five years;

(d) whether the devaluation of rupee in the past few years has increased our income through export; and

(e) if so, the total foreign currency earned as a result thereof during each of the last five years, till date?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) The country's foreign exchange reserves, including gold and SDRs, have increased by US\$ 1.3 billion during the current financial year so far and amounted to US\$ 30.7 billion as on February 12, 1999. At this level, the foreign exchange reserves provide a cover of about seven months of imports, which can be considered satisfactory.

(c) Foreign currency sent by non-resident Indians and by other people comprising current receipts (export receipts and invisible receipts) and gross inflows under all capital account items (including loans from the IMF) over the last five years is given below:

F/Year	Foreign currency Receipts (US\$ million)
1993-94	63,278
1994-95	68,323
1995-96	74,152
1996-97	91,729
1997-98	99,261

(d) and (e) Export performance depends up a number of external and internal factors. While India's exports benefited from movements in the external value of the Rupee, export performance in recent years has been constrained by unfavourable international trading environment caused by the economic and financial

turbulence in East Asia, sluggish growth of world demand, significant declines in export prices of primary and manufactured goods as well as some domestic factors. Indian export performance, on balance of payments basis, for the last five years is given below:

F/Year	Export (US \$ million)
1993-94	22,683
1994-95	26,855
1995-96	32,311
1996-97	34,133
1997-98	34,649

Pending Cases of Madhya Pradesh with KVIC

656. SHRI DADA BABURAO PARANJPE: Will the Minister of INDUSTRY be pleased to state:

(a) whether release of Rs. 1282.00 lakhs from Khadi and Village Industries Commission, Mumbai in 680 cases has been pending since March, 1998 to Khadi and Village Industries Board, Madhya Pradesh under the Consortium Bank Credit Scheme; and

(b) if so, the time by which the Khadi and Village Industries Commission is likely to release this amount?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) No, Sir.

(b) In view of 'a' above, question does not arise.

Appointment of International consultants for SIDBI

657. SHRI PRITHVIRAJ D. CHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have appointed international consultants to assist repositioning and restructuring of the Small Industries Development Bank of India (SIDBI) for better credit impact;

(b) if so, the names of the international consultants;

(c) the terms of reference of the consultants;

(d) whether the consultants have presented the final report;

(e) if so, the details thereof; and

(f) if not, the time by which the report is likely to be received?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) Government have not appointed any consultants. However, Small Industries Development Bank of India (SIDBI) has appointed a consulting firm to give a report on strategic plan for SIDBI.

(b) SIDBI has reported that M/s. Partha S. Ghosh & Associates Pvt. Ltd. of Mumbai has been appointed as consultants.

(c) The broad terms of reference *inter alia* include development of an overall strategic plan for SIDBI based on opportunities, competitive position and core-capabilities, define SIDBI's future financial role as also its co-ordination role with other agencies engaged in development of SSI and redefining the objectives, goals and strategies of SIDBI to meet the requirement of SSI sector in the changing environment.

(d) to (f) The final report is likely to be received by end March, 1999.

Export of Tobacco

658. SHRI ANANT KUMAR HEGDE:
SHRI AJAY CHAKRABORTY:

Will the Minister of COMMERCE be pleased to state:

(a) the details of foreign exchange earned by the Government by way of exports of tobacco products during each of the last three years;

(b) whether the Government have taken any steps to enhance the tobacco exports;

(c) if so, whether the crop area of tobacco is being increased; and