

Recovery of Industrial Growth

667. DR. T. SUBBARAMI REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Confederation of Indian Industry has predicted an improved industrial outlook during the second half of current financial year on the basis of recovery shown by a number of industrial sectors;

(b) whether any survey has been made in this regard;

(c) if so, the details thereof;

(d) the steps proposed to be taken to improve industrial outlook further;

(e) the sectors in which industrial production has increased; and

(f) the extent to which it has given boost to the industrial production in the country?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (c) The Confederation of Indian Industries based on information provided by member companies of CII, evaluates regularly the growth in different sectors of the manufacturing sector. As per CII, during April-Dec. '98 as compared to similar period last year, sectors like cement, fertilizer, crude oil, steel, diesel engines, machine tools, commercial vehicles have low growth of less than 10%, sectors having a high growth (10% to 20%) or more than 20% comprise motor cycles, computers, washing machines, drugs & pharmaceuticals etc.

As per the CII, aluminium, automotive tyre, consumer durables, drugs & pharmaceuticals, electrical machinery, electricity generation, paper and pulp, are expected to show increased growth during the next six months.

(d) to (f) The growth during the current year for the period April-December, 1998 is 3.5% as compared to 6.7% during April-December, 1997.

The analysis of the performance shows that during the nine months of the current year 1998-99 (Apr-Dec.), the sectors like metal products and parts except machinery and equipment (22.9%), transport equipment and parts (20.8%), paper and paper products (16.0%), beverages, tobacco and related products (13.8%) and rubber, plastic, petroleum and coal products (10.6%) have shown a fairly high growth rate of over 10%. Positive growth has also been recorded in electricity, food products, basic chemicals & chemical products, leather and fur products, non-metallic

mineral products and wool, silk and man-made fibre textiles.

The Government is conscious of the need for increased momentum for industrial growth. Various measures have been initiated for correcting sectoral policies to induce faster growth. The Government and the private sector have taken a number of steps which could restore the industrial growth to its long term trend.

The steps taken to improve industrial growth are:—

1. Special package announced for revival of growth in exports.
2. Repeal of ULCRA and incentive to house ownership.
3. The Government has recently allowed buy back of shares and inter corporate loans to boost investment and revive the capital market.
4. The Reserve Bank of India has avoided raising interest rates in the busy season credit policy to boost industrial activity.
5. Private sector has been restructuring to induct new technology, improve efficiency and withdraw from non-core business. The financial results of the majority of the corporate for the year 1997-98 and 2nd and 3rd quarter of 1998-99 show a reduction in cost. After restructuring they are likely to undertake investment for expansion.
6. The Government conscious of the need for revival of the industrial sector, has constituted 4 Task Forces to recommend ameliorative measures for 4 sectors, most adversely affected, namely, steel, capital goods, commercial vehicles and cement. The recommendations of the Task Force have been submitted to Ministry of Finance. Certain measures relating to steel have been announced and policy announcements relating to other sectors are expected shortly.

[Translation]

Retired Employees under V.R.S. of SAIL

668. DR. SUSHIL INDORA:
PROF. PREM SINGH CHANDUMAJRA:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether in Steel Authority of India Limited (SAIL) and its ancillary units, approximately 5500 employees have retired under Voluntary Retirement Scheme;

(b) if not, the actual number of those employees and the number of administrative officers, officers-technical, officer-supervisor and labour respectively among the retired employees;

(c) the category-wise expenditure incurred by the units on the above employees at the time of retirement;

(d) whether the production will not be suffered as a result of retirement of these employees in these units; and

(e) if not, the number and category of employees who are yet to be retired and even after that the production will not be affected?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) and (b) As a part of the manpower rationalisation efforts, SAIL has implemented a Voluntary Retirement Scheme (VRS) between March and August, 1998 and 5975 employees had availed voluntary retirement under the scheme. Out of this, around 71% were from Works (Technical) area and 29% were from non-works (Administrative Streams) areas. The number of executives and non-executives who had availed of Voluntary Retirement were 658 and 5317 respectively.

Maharashtra Elektros melt Ltd., Chandrapur, a subsidiary of SAIL, had also introduced deferred payment VRS-98 scheme and 15 employees availed voluntary retirement. In addition, a lumpsum scheme based on DPE scheme was implemented in two other subsidiaries *i.e.* Indian Iron and Steel Company (IISCO), Bumpur and Visvesvaraya Iron and Steel Limited (VISL), Bhadravati. Number of employees who availed voluntary retirements in IISCO and VISL during the period 1997-98 were 483 and 334 respectively.

IISCO employees who availed voluntary retirements belong to non-executive category. The break-up of 483 voluntary retirements at IISCO for Works (Technical) and Non-works (Administration) is in the ratio of around 90% and 10%.

The number of executives and non-executives who have availed voluntary retirements at VISL are 19 and 315 respectively and ratio of Works (Technical) and Non-Works (Administration) is 79% and 21% out of 334 voluntary retirements.

(c) The SAIL scheme is based on deferred payment. Employees are paid 80%, 90% or 100% of Basic + DA every month for their remaining months of service subject to a maximum period of twelve years. Since there is no lumpsum payment, there is no immediate expenditure at the time of voluntary retirement. However, employees are paid their normal separation dues like PF, Gratuity etc.

The IISCO and VISL adopted a lumpsum scheme and for 483 and 334 voluntary retirements and a sum of Rs. 10 crores and Rs. 12.35 crores respectively were availed from National Renewal Fund.

(d) Production has not suffered as a result of voluntary retirement of these employees.

(e) In the present competitive environment, to retain the competitive edge, it is necessary to continuously reduce the manpower cost. SAIL has taken a number of initiatives to reduce its manpower through operation of voluntary retirement scheme and strict control of recruitment against natural separations. The manpower requirement depends on the technology adopted, annual targets etc. and the same varies from time to time.

[English]

Export of Cotton and Yarn

669. SHRI VITHAL TUPE:
SHRI MADAN PATIL:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have fixed the higher ceiling for export of cotton and yarn during 1999;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps being taken by the Government to boost the export of cotton and yarn?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): (a) and (b) Government have announced an initial export quota of Five lakh bales (of 170 kg. each) of raw cotton for the current cotton year 1998-99 (October-September) as against 7.20 lakh bales for the cotton year 1997-98.

Government have also announced a ceiling of 200 million kgs for export of cotton yarn of 40s and below counts for the calendar year 1999 as against 175 million kgs for the year 1998. The annual ceiling is fixed after