

larly, the concerns of the rubber industry have been fully kept in mind while finalising the lists. The duty concessions under the Free Trade Agreement will be available only on basic customs duties and not on additional customs duty in lieu of central excise and special additional duty, which provides enough protection to the domestic industry.

[English]

#### Decrease in Bilateral Trade

\*378. SHRI BIJOY HANDIQUE : Will the Minister of COMMERCE be pleased to state :

(a) whether steady decrease in bilateral trade, aid combined with the sanctions imposed on India in the wake of the Nuclear tests are made it difficult for development agencies to undertake their programmes in India;

(b) if so, whether Government have pursued the matter with those countries and have held bilateral talks; and

(c) if so, the results thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (c) The United States has imposed certain restrictive economic measures under its Nuclear Proliferation Prevention Act of 1994. Measures announced by Canada, Japan, Germany, Norway, Sweden, Denmark, Netherlands, Sweden and Switzerland relate mostly to developmental assistance or concessional loans. However, most countries have exempted loans and financial aid, which is meant for meeting basic human needs. The Government is fully alive to the challenges posed by coercive economic measures and is taking necessary steps to safeguard the economic and national interests of the country.

The Government has been closely monitoring the economic measures announced against India and continuously assessing their likely impact, including impact on trade and commerce. Though any precise quantification of the impact of the economic measures may be difficult, so far the impact has been minimal. The fundamentals of the Indian economy are strong enough to be able to withstand any pressure arising out of the economic sanctions.

India has all along maintained that unilateral coercive measures are unjustified, counter productive and impede free flow of trade, technology and capital and have an adverse impact on mutually beneficial economic interaction. Major countries have themselves refrained from imposing bilateral sanctions and within the US itself there has been a substantial rethinking on the efficacy of unilateral measures. This is reflected in the recent authorisation by the US congress to the US President to waive bulk of the sanctions against India and in exercising that authority the US administration has recently decided to lift partially some of the financial sanctions.

#### Setting up of Silk Reeling Units

\*379. SHRI SURESH WARPUDKAR : Will the Minister of TEXTILES be pleased to state :

(a) whether Central Silk Board propose to set up 300 multi-end reeling units in the country during the Ninth Plan;

(b) if so, the details thereof, State-wise; and

(c) the steps taken by the Government to modernise the existing traditional reeling units and extending financial help to them for modernisation?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) Yes, Sir. It is proposed to provide assistance for installation of 200 numbers of 6 basin and 100 numbers of 10 basin multiend units with the objective of improving the productivity and quality of raw silk. The assistance would be provided by way of 30% subsidy to be shared equally between the State Govt. and the Central Govt., 60% as interest free loan to be provided by the Central Govt. and 10% contribution from the entrepreneur.

The scheme has been offered to all the State Governments. On the basis of proposals received through the State Government, as on 31.3.99, the number of units covered State-wise is indicated below :

S.No.	State	Six-basin	Ten-basin	Total
1.	Karnataka	7	15	22
2.	Tamil Nadu	5	9	14
3.	Jammu & Kashmir	2	4	6
4.	Andhra Pradesh	4	4	8
5.	Uttar Pradesh	5	2	7
6.	Madhya Pradesh	-	1	1
Total		23	35	58

(c) The main objective of the above scheme is to encourage the existing reelers to modernise/upgrade their Charaka or Cottage Basin Units by switching over to multiend machine which is an advanced reeling device by providing financial support to the reelers. Around 80% of the total coverage of the scheme will be for the existing reelers. As such implementation of the above scheme is an important step in the direction of the modernising the existing traditional reeling units. In addition existing reeling units can avail of the concessional finance available for modernisation under the Technology Upgradation Fund Scheme introduced w.e.f. 1.4.99.

#### Private Participation in Coal Sector

\*380. DR. ULHAS VASUDEO PATIL :

SHRI PRASAD BABURAO TANPURE :

Will the Minister of COAL be pleased to state :