

[English]

Super 301 Provisions

3723. SHRI G. GANGA REDDY :

DR. ASIM BALA :

SHRI K. YERRANNAIDU :

Will the Minister of COMMERCE be pleased to state :

(a) whether India propose to participate in the dispute settlement hearing between European Union and the US on Super 301 provisions and act as reference to the banana issue ;

(b) if so, the WTO rules in regard to imposition of Super 301; and

(c) the principles of multilateral trading ?

THE MINISTER OF COMMERCE (SHRI RAMA-KRISHNA HEGDE) : (a) India has joined as Third Party in a complaint filed by EC under the Dispute Settlement Procedure under WTO against the provisions of Section 301 of US Trade Act 1994. With regard to the Bananas case, India joined as Third Party in the dispute relating to implementation of the panel ruling against EC under Article 21.5 of the Dispute Settlement Understanding.

(b) and (c) There are no specific WTO Rules relating to Super 301. However, under Article XXIII of GATT, any Member country can approach WTO for dispute settlement if it considers that any benefit accruing to it under the WTO Agreement is being nullified or impaired or the attainment of any objective of the Agreement is being impeded as a result of the failure of another Member country to carry out its obligations, the application by any other Member country of any measure, whether or not it conflicts with the provisions of the Agreements or the existence of any other situation.

[Translation]

Misuse of Value Based Advance Licence

3724. SHRI RAMSHAKAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the mass misuse of value based advance licence and quantity based advance licence;

(b) if so, the details of the total loss incurred to the Government due to the misuse of these scheme during the last three years till date; and

(c) the preventive measures taken by the Government to remove these shortcomings ?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) Cases of misuse of Value based Advance Licence (VBAL) and Quantity based Advance Licence (QBAL) Schemes have been noticed during the last three years.

During the last three Financial Years ending 1998-99, 504 cases of misuse of these schemes have been detected. Out of this, 52 cases have already been adjudicated after investigation and issue of Show-cause Notice resulting in confirmation of customs duty of Rs. 41.25 crores and penalties of Rs. 8.72 crores. In another 450 cases, Show-cause Notices have issued involving customs duty of Rs. 570 crores and these are pending at adjudication stage. In the remaining two cases, investigation is still to be completed.

(c) Working of the Two Schemes have been periodically reviewed and various measures taken by the Government to plug the loop-holes and to prevent misuse of these Schemes. In fact, Value Based Advance Licence already stands withdrawn w.e.f. 1.4.1997.

Directorate of Valuation under C.B.E.C. now collects real time data on various commodities, collates and disseminates the same to various Custom Houses and licencing authorities and this helps in checking any misdeclaration of imports under the Schemes. The examination procedures have also been tightened and all Field formations alerted to step up intelligence and maintain greater vigil at all levels to prevent misuse of these schemes.

[English]

South's Share in Export of Handicrafts

3725. SHRI K. PARYMOHAN : Will the Minister of TEXTILES be pleased to state:

(a) whether the share of South in export of handicrafts is mere eight percent of the total export of handicrafts;

(b) if so, the steps taken by the Government to enhance the South's share in the export of handicrafts;

(c) whether the Government are considering to upgrade the Regional Division and Technical Development Centre;

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) Region-wise export data on handicrafts is not maintained. However, it is estimated that the share of South India in handicrafts exports is 8% of total export of handicrafts.

(b) To increase the share of handicrafts exports from Southern India, the steps taken by the Government include: