

(a) whether the bankers have expressed fears on Y2K problem due to which huge customers withdrawals are expected by the end of this year;

(b) if so, whether the RBI has set up a Committee to solve the Y2K problem;

(c) if not, the details of recommendations made by the Committee; and

(d) the concrete steps the Government propose to take to solve the issue?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) As reported by Reserve Bank of India (RBI) banks have not expressed any fear of huge withdrawals on account of developments relatable to Y2K.

(b) to (d) RBI have constituted a Working Group on Y2K issues under one of the Deputy Governors, which includes representatives of Indian Banks' Association, National Institute of Bank Management and some bankers. Officials of Ministry of Finance, Department of Telecommunications and Department of Electronics are also invited to participate at the meetings of the Working Group. This Group reviews on bimonthly basis the progress made in achieving Y2K compliance by banks including RBI. A contingency plan has also been developed to ensure business continuity in case of any failure of computers. The Boards of Directors of the concerned banks also monitor the progress relating to Y2K compliance on a continuing basis.

[English]

#### Illegal Import of Raw Pashmina

3866. SHRI CHAMAN LAL GUPTA: Will the Minister of TEXTILES be pleased to state:

(a) whether a large quantity of unsold pashmina is lying with different Cooperatives/Boards of Jammu & Kashmir;

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

(c) whether the nomadic people of Changthang of Leh district who are wholly dependent on the live stock products i.e. Pashmina, are on the verge of starvation because their Pashmina is not being sold as a large quantity of Pashmina is being imported illegally from China and Nepal; and

(d) if so, the steps taken/proposed to be taken to stop such illegal import and disposal of their unsold Pashmina?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) According to the information received from the State Government of Jammu & Kashmir, nearly 6300 Kg. of raw pashmina is lying with the J&K Sheep & Sheep Products Development Board and one Cooperative Society of Leh. The prevalent market prices of raw pashmina do not warrant disposal of stocks.

(c) and (d) Non-disposal of raw pashmina with the

nomadic people of Changthang region is also because of the non remunerative market prices and this has caused them a little financial hardship. The State Government of Jammu & Kashmir has informed that there are no authentic reports of illegal importation of pashmina in Ladakh region from Nepal and China.

#### Procedural Hurdles in Export

3867. SHRI UTTAMSINGH PAWAR : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have received any suggestions from the Federation of Indian Chamber of Commerce and Industry to adopt three-pronged strategy to remove procedural hurdles to reverse the export slide;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF COMMERCE (SHRI RAMA-KRISHNA HEGDE) : (a) and (b) Yes, Sir. A memorandum was received by the Government on 12th August 1998 from Federation of Indian Chambers of Commerce and Industry containing various suggestions for reversing export slide. Some of the steps suggested in this memorandum were reduction in transaction cost, Revamping of export credit schemes, Remodelling of EPZs, Promoting Service Exports, Extension of DEPB scheme to Deemed exports, Lowering of threshold limit on EPCG scheme, ensuring power supply at competitive rates to manufacturing enterprises, overcoming customs related complexities and optimal utilization of port facilities.

(c) Many of these suggestions have been accepted and incorporated in the Exim Policy announced on 31st March, 1999.

#### Export of Gems and Jewellery

3868. SHRI RANJIB BISWAL : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to increase the processing of diamonds and export of gems and jewellery;

(b) if so, the steps taken in this regard during the last three years and achievements made in this regard so far;

(c) whether the overall export of gems and jewellery has been dismal during 1998-99;

(d) if so, the reasons therefor; and

(e) the steps proposed to be taken to increase the diamond processing and export of gems and jewellery during 1999-2000?

THE MINISTER OF COMMERCE (SHRI RAMA-KRISHNA HEGDE) : (a) Yes, Sir.

(b) The important policy initiatives taken during the last three years to increase the exports of gems and

jewellery are : (i) With a view to facilitate upgradation of the jewellery industry, the threshold limit for zero Custom duty imports under Export Promotion Capital Goods Scheme has been brought down to Rs. 1 crore from the earlier level of Rs. 20 crores. (ii) Export Processing Zones (EPZs)/Export Oriented Units (EOUs) were permitted to receive machine-made gold/silver/platinum jewellery and chains from the Domestic Tariff Area (DTA) against exchange of Gold/Silver/Platinum of same purity, (iii) EOUs/EPZ units were permitted to sell 10% of value of exports of the preceding year in the DTA on payment of concessional duty, (iv) Rationalisation of value addition and wastage norms for Gold/Silver/Platinum jewellery, (v) Value based Replenishment Licence Scheme was extended to silver and platinum jewellery, (vi) Private/Public Bonded Warehouses were permitted in EPZ/DTA for import, supply and re-export of rough diamonds and rough precious and semi-precious stones. Besides the above, import and re-export of cut and polished diamonds and cut and polished gem stones with 5% value addition was also permitted. (vii) Simplification of procedure for import and supply of gold and silver by the Govt. nominated agencies and banks authorised by the Reserve Bank of India, (viii) Personal Carriage of samples of jewellery allowed upto US\$ 1,00,000 has been allowed for export promotion tours. (ix) Export of branded jewellery has been encouraged by permitting display/sale in foreign outlets subject to getting them returned within 45 days if not sold within 180 days. (x) The Govt. of Maharashtra issued orders exempting sales tax on the gold supplied by specified agencies for exports. Many other State Govts. have also reduced the incidence of Sales Tax on the supply of gold for exports.

Exports of gems and jewellery during the last three years are as follows:

Year	Value (Value in US\$ million)
1996-97	4752.84
1997-98	5116.01
1998-99	6152.70

Source : For 1996-97 and 1997-98 Directorate General of Commercial Intelligence and Statistics (DGCI&S), Calcutta. For 1998-99 Gems and Jewellery Export Promotion Council (GJEPC), Mumbai.

(c) No, Sir.

(d) Does not arise.

(e) The Exim Policy as announced on 31st March'99 includes the following policy initiatives for giving a boost to exports of gems and jewellery : (i) Provision for issuance of Diamond Imprest Licence to the status holders upto 5% of the export performance of the preceding year of cut and polished diamonds, for import of cut and polished diamonds for

subsequent exports subject to achieving a value addition of 10%. (ii) Permission to EOU/EPZ units to import plain gold/platinum/silver jewellery for repairs/re-make and subsequent export subject to earning a minimum Net Foreign Exchange percentage of 7.5%. (iii) Permission for personal carriage of gems and jewellery parcels by foreign buyers from all EOU and EPZ units and also from the Domestic Tariff Area (DTA) Units located at Delhi, Mumbai, Calcutta and Chennai, (iv) Permission for export of gems and jewellery items by courier from selected ports upto a value of Rs. 20 lacs per consignment, (v) Duty free import of consumables required by the jewellery and diamond processing industries, are permitted to the extent of 1% of the FOB value of gems and jewellery exports in the preceding year, (vi) Value addition norms for Bangles made by fully mechanised process and Mangalsutra have been rationalised.

Besides the above policy initiatives, the following steps are also proposed to facilitate the growth in the exports of gems and jewellery: (i) Introduction of voluntary Hallmarking of jewellery so as to improve the quality image of Indian jewellery, (ii) Establishment of a Diamond Jewellery Design and Product Development Centre at Mumbai.

#### Development of Textiles Industries

3869. SHRI GORDHANBHAI JADHAVBHAI JAVIYA: Will the Minister of TEXTILES be pleased to state:

(a) whether any Centrally Sponsored Scheme is being implemented for the development of textiles industries in the country;

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

(c) the details of amount spent on these schemes alongwith achievement made by implementing these schemes during the last three years?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) No Centrally Sponsored Scheme is being implemented for the development of textiles industries as such. However, the following schemes are implemented for the development of handloom sector.

(i) Project Package Scheme.

(ii) Development of Exportable Products and their Marketing.

(iii) Thrift Fund Scheme.

(iv) Insurance Scheme.

These Schemes are applicable to all the States including Gujarat.

(c) The details are given in the statement.