

Coming to the question of interest rate, recently the Reserve Bank has also given some reduction in the interest rates and also extended it for longer periods. But the Export Promotion Council has asked us for 90 days at 13 per cent. After that, they should not be taxed at higher rates. The Reserve Bank has approved for 90 days at 13 per cent and also they have given another 90 days at 15 per cent and after 180 days, at bank rate. This has gone out of the way to see that they should be given more support for export purposes. I think they are still examining the possibility to reduce further the interest rate for export in small-scale sector also.

SHRI A.C. JOS : One of our traditional export items is tea. The tea industry in Kerala is in peril and especially many of the tea estates in munnar and Perumedu of Idukki district are on the verge of closure. Many of the estates have not paid wages to their workers. The reason is that our conventional exports were to erstwhile Soviet Union and to the Gulf.

Because of the break down of the Soviet Union and the disappearance of communism, that market has vanished. . . (Interruptions)

SHRI T. GOVINDAN : Communism is still there. . . (Interruptions)

SHRI A.C. JOS : I am addressing the Chair. Coming to my point, as an aftermath of the Gulf war, the export market in respect of the Gulf area has also totally vanished. Adding fuel to the fire, Sri Lanka has come forward with a scheme of one year credit to the European market for tea. My question is whether there is any scheme with the Tea Board to give an impetus and to improve exports of tea, especially the South Indian tea. I would also like to know whether the Minister will consider giving some tax concessions to the tea exporters. Of course, he has mentioned about some banks-facilities, some concessions given to entire exporters. But tea needs a special treatment at the hands of the hon. Minister. Therefore, my question is whether the Government would consider giving some tax and bank credit concessions to the tea exporters. . . (Interruptions)

SHRI T. GOVINDAN : Sir, Shri Jos and his friends were very very jubilant over the fall of the Soviet Union. But I would like to say that communism is still there. . . (Interruptions)

SHRI A.C. JOS : No, not at all, I am very sorry about it.

SHRI BOLLA BULLI RAMAIAH : The hon. Member has very clearly given the reason why tea exports have been affected. In fact, shortly, we are visiting Russia to have some discussions with them to see how far we can improve

our trade with Russia also. But in addition to that, what we are planning now is to encourage some of the packing industry, the tea packing industry in India so that they will be able to export more packed tea also whereby they can export value-added products. We are now evaluating different markets. As the hon. Member must have realised, the tea prices have improved because of our efforts. We are making efforts with other countries. We have started taking efforts with various South American countries also. I am sure that very soon we will be able to capture the other markets also.

[Translation]

#### Loans to unemployed youths

\*393. DR. AMRIT LAL BHARTI : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have taken any decision to simplify the procedure for providing loans to the educated and trained unemployed youths to set up small scale industries; and

(b) if so, the details thereof and the concrete steps taken by the Government for the development of small scale industries ?

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) A Statement is laid on the Table of the House.

#### Statement

(a) and (b) Banks provide loan to educated and trained unemployed youth under various schemes such as Prime Minister's Rozgar Yojana (PMRY). The procedure to sanction loan under PMRY includes receipt of applications from eligible persons by District Industries Centre (DICs), scrutiny by task force and sponsoring to the concerned bank. A managerial training is then provided depending on the trade selected by the beneficiary. Banks have been advised by Reserve Bank of India (RBI) to dispose of such loan applications within a specified time.

Reserve Bank of India (RBI) has reported that based on the recommendations of the Nayak Committee, it has simplified the procedure for providing credit to Small Scale Industries (SSI). All commercial banks have been instructed by RBI to sanction working capital limits of less than Rs. one crore to SSI Units on the basis of 20% of their projected annual turnover. There is a simple application form for borrowers up to Rs. 2 lakhs, which constitute nearly 90% of all SSI borrowers. Banks have also been advised by RBI that all loan applications up to credit limit of Rs. 25,000/- should be disposed of within a fortnight and those over Rs. 25,000/- within 8 to 9 weeks.

Further, RBI have issued following guidelines to all scheduled commercial banks with regard to credit to small scale sector :

- (i) At least 40% of the advances under SSI segment within priority sector should be granted to cottage industries, khadi and village industries, artisans, tiny industries;
- (ii) To operationalise at least 100 specialised SSI branches in 1995-96 and 100 more branches in 1996-97 in 85 identified districts in country (i.e. districts where there are at least 2000 SSI units);
- (iii) To consider requests for increase in limits expeditiously and take prompt decisions; and
- (iv) To ensure that all cases of rejection/curtailment of limit of SSI units are looked into by next higher authority so as to ensure that entrepreneurs are not put to unnecessary hardship.

[Translation]

DR. AMRIT LAL BHARATI : Mr. Chairman, Sir, my question was whether the Government have take any decision to simplify the procedure for providing loans to the educated and trained unemployed youths to set up small scale industries. In reply to this question it has been stated that so and so recommendations have been made by the Nayak Committee Constituted by the RBI but there is no mention as to which recommendation was accepted and from where they were implemented. Even today a large number of unemployed youths are running from pillar to post to get loans and the business of middlemen is flourishing. There is no provision for simplifying the procedure. It has been stated that request was made by RBI for making the procedure simplified and for that purpose Nayak Committee was constituted.

MR. CHAIRMAN : What is your question ? Please ask question.

DR. AMRIT LAL BHARATI : Sir, I would like to know whether the Government have taken any decision to simplify the procedure for providing loans to the educated and trained unemployed youths to set up small scale industries ?

[English]

SHRI P. CHIDAMBARAM : Mr. Chairman, Sir, the principal scheme for providing credit to educated unemployed is the PMRY scheme. I have, in my answer, given the procedure for the PMRY scheme. I have not stopped there. Assuming that the question also relates to the procedure for getting loans for setting up SSI units I have given that procedure also. I understood to mean the hon. Members supplementary is : Will you further simplify

the procedure relating to PMRY scheme ? The answer to that is 'Yes'. I intend to review it myself and further simplify the procedure for granting loans under the PMRY scheme . . . (Interruptions)

[Translation]

SHRI VIJAY GOEL : He asked question whether you have done anything to simplify the procedure for granting loans.

DR. AMRIT LAL BHARATI : I would like to know whether the Government will increase the number of SSI during the year 1997-98 with a view to provide employment opportunities to educate and trained unemployed youths ?

[English]

SHRI P. CHIDAMBARAM : If the question is : "Will I increase the number of SSI units ? The answer is : That is not in my control." That will depend upon the number of people who come forward to set up SSI units. If the question is : "Will we improve the achievement of target under the PMRY ? My answer is yes." That is within my control. I will try to ensure that the target is better achieved in 1997-98 for PMRY.

SHRI N.S.V. CHITTHAN : If any unemployed educated youth applies to the District Industries Centre for a loan under PMRY to start a new industry or a business, the District Industries Centre recommends the case to a nationalised bank after satisfying the necessary norms . . . (Interruptions)

MR. CHAIRMAN : You ask the question.

SHRI P. CHIDAMBARAM : He is asking, Sir, following your example. . . (Interruptions)

SHRI N.S.V. CHITTHAN : I am coming to the point. The pity is that on so many occasions, the nationalised bank is not functioning for disbursing the loan amount. I give you an example. A poor educated man had applied for a loan to purchase a Xerox machine about two years back. The DIC had forwarded the case to Canara Bank, Madurai by suggesting to grant loan at the rate of 80 paise per print. Two years have passed. The unemployed youth has run from pillar to post. This is a case of the PMRY scheme. May I know from the hon. Minister, who is known for his wisdom and quick action, whether he will take steps to simplify the procedure and take immediate action for disbursement of loans ? I also want to know whether he will take stern action against indifferent bank officials who are indifferent for PMRY scheme. I know, they are very liberal to their customers. But they are very indifferent to new-comers. I want a categorical reply from the hon. Minister.

SHRI P. CHIDAMBARAM : I think, the hon. Member is right. . . (Interruptions)

[Translation]

SHRI SHIVRAJ SINGH : Mr. Chairman, Sir.

[English]

SHRI P. CHIDAMBARAM : Do you want to answer him ? . . . (Interruptions) I think, the hon. Member is absolutely right. I have no doubt about it. All the hands that are raised are going to ask me questions on similar lines. Let me tell you my own experience.

MR. CHAIRMAN : If he is able to satisfy all, I think, than there will be no other supplementary.

(Interruptions)

DR. T. SUBBARAMI REDDY : This is a very important subject.

SHRI P. CHIDAMBARAM : I think, this is a serious subject and all of us are interested in it. Please allow me two to three minutes to give a detailed answer. I have sat on the DRDA and the other meetings of my district. I have sat as a Minister, as an MP. I have reviewed this sanction of PMRY and the disbursement under the PMRY. I have found that it is completely unsatisfactory. The mere fact that I have become the Finance Minister will not make it satisfactory overnight. What has happened is that these attitudes have got so deeply entrenched in the banking system that we will have to break this attitude. Let me give you figures which will show how a good project launched by the Government has suffered in the hands of indifferent bankers. This started some time in October 1993. Let us forget about 1993-94 which is the beginning year. In 1994-95, against the target of Rs. 2,20,000, the sanctioned amount of loan was Rs. 1,94,000 and the disbursed amount was only Rs. 1,11,000. In 1995-96, against the target of Rs. 3,21,000, the amount sanctioned was Rs. 2,94,000 and the amount disbursed was Rs. 1,67,000. First of all, against the target, achievement in terms of sanctions is only about 70 per cent or so.

Against sanctions, disbursement is only 55 per cent or so. So, I have asked them why it is so. Between the disbursing authority's letter and the sanction, they allow them eight weeks. Now, I do not see why eight weeks should be allowed. It is the banker who sits as a member of the sponsoring authority. When the sponsoring authority issues a letter, there is no reason why the bank should take eight weeks to issue the sanction letter. I intend to cut down this period. This is the first step.

The second step is, between sanction and disbursement, there has to be six weeks' training in management,

which is correct. But six weeks' training in management and the disbursement should take place within two months or so. They have allowed them six months to disburse the loan, and my friend has stated that even after two years, the loan is not disbursed.

Sir, I intend to look at it. I have made it very plain that I will not accept this. In 1997-98, I intend to achieve the targets better. We need to simplify procedures. This is not the correct way to go about it. We need to achieve our targets. So, I will take action well in time. In 1997-98, I promise you, there will be a considerable improvement.

DR. T. SUBBARAMI REDDY : Sir, I am very happy that the hon. Minister of Finance is already aware of this problem. We should not forget the Prime Minister Rozgar Yojna. It is a very noble scheme for unemployed who are suffering from frustration.

I want to know from the hon. Finance Minister, what action he is proposing to take against the bankers if they fail to achieve their targets. What concrete steps he is going to take in future to see that every banker is afraid if he does not achieve the target and does not keep up the simplified procedures for disbursing the amount within a specified time ?

SHRI P. CHIDAMBARAM : Sir, let me take action and then report to you. There is no point my telling you, what action I will take and then not take any action. Let me take action and then I will come and report . . . (Interruptions)

SHRI SURESH PRABHU : Mr. Chairman, Sir, I also want to speak on this. . . (Interruptions)

MR. CHAIRMAN : Shri Samik Lahiri.

(Interruptions)

[Translation]

SHRI VIJAY GOEL : Mr. Chairman, Sir, there is some scam in it. Poor people are not getting loan . . . (Interruptions)

[English]

SHRI SAMIK LAHIRI : Sir, the hon. Finance Minister has said that he will take action.

My question is this. In the previous eight months, what action has been taken by the Ministry of Finance against the bank authorities who have not been able to disburse the loan ? I want a categorical reply. . . (Interruptions)

MR. CHAIRMAN : He is asking as to what are the action taken during these eight months.

*(Interruptions)*

*[Translation]*

MR. CHAIRMAN : You please take your seat.

*(Interruptions)*

*[English]*

SHRI NITISH KUMAR : Take action against the corrupt bank officials.

*(Interruptions)*

*[Translation]*

SHRI VIJAY GOEL : Sir, the question asked, has not been replied.

MR. CHAIRMAN : He is replying. Please listen, he is telling as to what actions have been taken in eight months.

SHRI VIJAY GOEL : No action has been taken in eight months. . . *(Interruptions)*

*[English]*

SHRI P. CHIDAMBARAM : Sir, if this is the system, what can I say.

MR. CHAIRMAN : Please allow the Minister to answer.

*(Interruptions)*

*[Translation]*

SHRI VIJAY GOEL : You are a Minister and you can go to fields and see that unemployed people are not getting loans *(Interruptions)*

*[English]*

MR. CHAIRMAN : Will you allow the Minister to reply or not ? He is replying. One hon. Member has asked a question. Let him reply to him first.

SHRI VIJAY GOEL : He is not giving any satisfactory reply.

MR. CHAIRMAN : Let him reply first.

*(Interruptions)*

SHRI P. CHIDAMBARAM : I do not see why the hon. Member is agitated. I have myself said that I am not satisfied with it. . . *(Interruptions)* What is the point in his shouting ? Just because he shouts, I am not going to do anything. . . *(Interruptions)* Sir, I refuse to answer if he shouts like that.

MR. CHAIRMAN : Will you allow him to reply or not ? He is replying as to what action he has taken in these eight months. Why are you disturbing ?

SHRI P. CHIDAMBARAM : I am willing to give a reply. But I will not be shouted at by an hon. Member. I am willing to give a reply. . . *(Interruptions)* I may not satisfy you. But I am not hiding anything. This is not a scheme I started. I have given you figures about this scheme for the last three years to show how it is unsatisfactory. I share with you my dissatisfaction. I cannot take action sitting as Minister against an officer. . . *(Interruptions)* If you shout like that I am not going to respond to you. If you shout, I would not respond to you.

MR. CHAIRMAN : You do not respond to him.

*(Interruptions)*

SHRI P. CHIDAMBARAM : He cannot shout like that. I will not respond to him. This is a serious matter. . . *(Interruptions)*

MR. CHAIRMAN : Please sit down. Please take your seat.

*(Interruptions)*

*[Translation]*

MR. CHAIRMAN : Please maintain silence only then there will be silence in the House.

*(Interruptions)*

*[English]*

MR. CHAIRMAN : He is answering to the question of an hon. Member. He has a right to be heard. You should not disturb him.

SHRI P. CHIDAMBARAM : I know the concern of the hon. Member. I am sharing the concern. I am not hiding anything. I have never run away. My friend Shri Ghuman Mal Lodha knows, I will answer every question to the best of my ability.

The point is, this is not satisfactory. You have asked what action I have taken. I cannot take action directly against an officer. I can only ask banks to take action because they are employees of banks. But I have now made it clear in three concrete cases because I am going to take action against the higher officers. I have asked for concrete replies in cases which have been brought to my notice by Shri Chittan. I have to pick up the worst cases and take exemplary action. When I take exemplary action against one General Manager or one Regional Manager, the message will trickle down to the Branch Managers. I cannot take action against 62,000 Branch Managers. That

is why I told my friend Shri. T. Subbarami Reddy what is the point of my saying something and not being able to do it. Let me first take action and then I will come and report to you. I will take action against senior officers whose business is to supervise and not the Branch Managers. It is the duty of the senior officers to supervise, so that the message will trickle down that if you do not act, swift and quick action will follow.

SHRI M.K. PREMCHANDRAN : I appreciate the stand taken by the hon. Finance Minister. I hope the sentiments expressed by the entire House are taken into account by the hon. Finance Minister.

We are also having the same bitter experience with the bank officials. Even requests of hon. Members of Parliament are not being taken into consideration by the bank officials. I would like to ask a specific question pertaining to a suggestion. Would the Government consider forming advisory committees consisting of Members of Parliament or MLAs or people's representatives to review the Programme ? If there is an advisory committee to scrutinise this programme, then, definitely, it will go towards achieving the target. Will the Government consider this proposal ?

SHRI P. CHIDAMBARAM : Sir, I have no objection in principle to forming advisory committees but I have serious doubts about the utility of such committees. The DRDA is an agency which has the Collector, the MP and MLAs in it, but yet, its advice seems to be falling on deaf ears. What is important is to take action.

Now, the Reserve Bank has taken a critical study of the PMRY. I thought, that would be more interesting than some other things which I am saying. The total loan sanctioned so far is Rs. 3366 crore in six lakh cases but disbursement is about one half. As I said, about Rs. 1800 crore has been disbursed so far. Average disbursement against a ceiling of Rs. 1 lakh is about Rs. 58,000. So, it is quite clear that smaller loans are being disbursed while the higher loans are not being disbursed. I know where the problem is.

Secondly, recovery is about fifty per cent, which is much higher than that of IRDP. Therefore, it is quite obvious that these schemes are quite successful if money is given to the unemployed youth.

The average monthly income of the man who takes the loan turns out to be Rs. 2,000 in sixty per cent cases and Rs. 1,000 to Rs. 2,000 in the remaining cases. So, it is quite clear that this scheme is a good scheme because it gives good income. I intend to make a success of this scheme. Give me time. Let me take action and come back and report to you. I will make a success of this scheme.

MR. CHAIRMAN : Next question will be the last supplementary on this. Shri Dhananjaya Kumar.

(Interruptions)

SHRI P. CHIDAMBARAM : Sir, the lady Member must get a chance. Give her a chance.

MR. CHAIRMAN : I will give give her a chance after Shri Dhananjaya Kumar.

SHRI V. DHANANJAYA KUMAR : Sir, now it is amply clear that this Prime Minister's Rozgar Yojana has remained only a decorative programme. Even after mentioning the term 'Prime Minister', if a bank officer cannot positively respond and the hon. Minister is all along pleading helplessness, I cannot help him, but I can only sympathise with him.

MR. CHAIRMAN : Come to the question, Shri Dhananjaya Kumar.

SHRI V. DHANANJAYA KUMAR : Sir, my question is this. Apart from simplifying the procedure, I would like to know from the hon. Minister whether he is seriously considering changing the name of this Programme from PMRY to some other name so that at least disregard to and degradation of the name of the Prime Minister could be avoided.

He has mentioned about three parties. This is a very specific question He has mentioned about giving loans up to Rs. 2 lakh for SSI units. Recently the Reserve Bank has announced that they are removing the conditions imposed on the banks in the matter of charging interest on loans up to Rs. 2 lakh. Is this going to affect the small scale industries also, wherein a loan of up to Rs. 2 lakh is being provided under this scheme for providing employment to the unemployed youth ?

SHRI P. CHIDAMBARAM : Sir, I did not say that the scheme was decorative. I did not plead helplessness. All I said was, 'The scheme is being implemented in an unsatisfactory manner having regard to the targets.' I think, this is a good scheme. This has given income. Rs. 1,740 have been disbursed. We must make a success of this scheme. So, please support me. We will try to make a success of this scheme.

On the second question about SSIs, interest rates are regulated on loans from Rs. 25,000 to Rs. 2 lakh and beyond Rs. 2 lakh, the interest rates are deregulated. But interest rates are regulated on loans up to Rs. 2 lakh.

MR. CHAIRMAN : Next question will be put by the unemployed lady !

SHRIMATI RAJANI PATIL : Sir, I thank you very much for giving a chance to an unemployed youth. The answer

given by the ideal Minister is very ideal. The hon. Minister was talking about guidelines and simplification of procedures in regard to disbursement of loans to the unemployed youth. The unemployed youth who goes to the bank to seek loan are literally harassed by the bank officials. If they do not put weight on the papers, that is bribe, their papers or proposals are not admitted at all, sanctioning of loans is far off. I have received so many complaints from the unemployed youth of my constituency regarding PMRY. I have already told you that I am an unemployed youth and we all have the same experience regarding this. Does the Government have any specific time-bound programme for taking action ?

SHRI P. CHIDAMBARAM : I am willing to concede that she falls within the category of youth, but I am not willing to concede that she is unemployed ! The fact is that in three lakh cases, disbursements have been made to the extent of Rs. 1,740 crore. I am not saying that every one of these cases went through without any kind of 'weight' that you are talking about.

Madam, please try to understand. I did not invent this scheme. This scheme has its element of corruption. I am not denying that. That is one issue. I think, where we are all concerned is that we must ensure that the targets are achieved. Just imagine, instead of Rs. 1,740 crore if Rs. 3,366 crore have been disbursed, the enormous amount of wage that it would have brought to the people. So, we must try to make a success of this scheme. There is some corruption. I am not denying this. I will do my best. But my first task is to ensure that these targets are met. I will do my best to implement this scheme.

SHRI SONTOSH MOHAN DEV : Sir, I am glad that the hon. Minister is positive. I would like to share with him one thing. In my capacity as Chairman, I met all the bank Chairman in Calcutta. I had also met five bank officials of Assam, Meghalaya and West Bengal.

Sir, my request is, when you recast this task force, you also involve other banks apart from the lead banks. It is because, suppose the task force recommends Rs. 1 lakh, when it goes to the individual bank, it becomes Rs. 50,000 or Rs. 60,000 or something like that.

My second request is, an organisation like NABARD should be entrusted the job of identifying the viable projects. It is because everybody is asking loan for setting up a grocery shop or something like that. If too many loans are disbursed, then it is a bad game. I would request him to consider these two points.

SHRI P. CHIDAMBARAM : Sir, this question is very valid. He wants me to ensure that these guidelines are not flouted by the bank concerned taking shelter behind its power to dilute or modify the task force's recommen-

dations. The suggestion is well taken. I am not making a promise. But I am going to do my best to see that revised guidelines with penalties are issued as soon as possible.

SHRI SURESH PRABHU : Sir, I am very happy that the hon. Minister of Finance is considering streamlining of the procedure. One reason why it really failed is due to training which you have already identified. You must involve the NGO of the area in which the loan is going to be sanctioned. In that particular district itself you must identify the NGO which is going to give that guidance and training.

PMRY should be MPRY. You must involve the Members of Parliament at the district level where it is going to be implemented in regard to identification of beneficiaries.

I would like to raise two more important aspects. Small scale sector contributes the maximum towards exports. So, under PMRY, those units which contribute towards exports, directly or indirectly, must be encouraged. You must give special thrust to the backward areas. According to CMP you want to identify 100 districts. So, 80 per cent of the amount must go to the backward districts.

SHRI P. CHIDAMBARAM : Certainly, Sir, Shri Suresh Prabhu's suggestions are all good suggestions and I will keep them in mind.

12.00 hrs.

SHRIMATI KRISHNA BOSE : I almost thought that I was not getting a chance. My question relates to this. . . (Interruptions)

SHRI P. CHIDAMBARAM : Only half-a-minute is left, Madam. . . (Interruptions)

SHRIMATI KRISHNA BOSE : Mr. Chairman, shall I continue ? . . . (Interruptions)

MR. CHAIRMAN : Yes:

SHRIMATI KRISHNA BOSE : Sir, my question is about the unemployed youth. They all come to us because they have to give a certificate to the effect that they are educated and unemployed. . . (Interruptions)

MR. CHAIRMAN : It is a very important questions . . . (Interruptions)

SHRIMATI KRISHNA BOSE (Jadavpur) : I have 15 lakhs of such people in my constituency. . . (Interruptions) I cannot always find out whether they are really unemployed or not. So, I want to know whether they will simplify the procedure so that one can go to the local people and get the necessary certificate from them. . . (Interruptions) Sir, I cannot put my question though. . . (Interruptions).

SHRI P. CHIDAMBARAM : Sir, I have listened to the question. . . (Interruptions)

SHRIMATI KRISHNA BOSE : Sir, I cannot put my question through. . . (Interruptions)

MR. CHAIRMAN : The hon. Minister is replying. (Interruptions)

SHRI P. CHIDAMBARAM : If one produces a certificate to the effect that he is Matric passed or failed, that is enough; no further certificate is required for that. . . (Interruptions)

DR. RAM CHANDRA DOME : Sir, this is a very important question. You may please allow a half-an-hour discussion on this issue . . . (Interruptions)

MR. CHAIRMAN : You may give a notice for half-an-hour discussion.

#### WRITTEN ANSWER TO QUESTIONS

[Translation]

##### Production of Cotton

\*384. SHRI SURENDRA YADAV :  
SHRI NITISH KUMAR :

Will the Minister of TEXTILES be pleased to state :

(a) whether the Government have assessed the production of cotton in the country during 1997-98;

(b) if so, the estimated production thereof;

(c) whether the domestic consumption of cotton in the country has also been assessed;

(d) if so, the details thereof; and

(e) the quantum of cotton proposed to be exported during the above period ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :  
(a) and (b) The crop estimate for 1996-97, as assessed by the Cotton Advisory Board (CAB) at its meeting held on February 24, 1997, is 160 lakh bales. The CAB has so far not assessed the production of cotton in the country during the cotton year 1997-98 (i.e. October 1997-September 1998) since it is too early and the sowings for cotton crop even in the northern states like Punjab begins only from April/May onwards.

(c) and (d) For 1996-97, the total consumption has been assessed by the CAB to be 152.50 lakh bales. The CAB has not assessed so far the domestic consumption of cotton for 1997-98.

(e) The Government has not decided so far about the quantum of cotton to be allowed for export during 1997-98. According to the long term policy, five lakh bales of cotton are generally allowed for export at the beginning of the cotton season, with additional quotes being announced subsequently, if required. Cotton export quotes are released after considering all relevant factors, including estimates of production, availability, consumption, likely exportable surplus, price trend, etc.

[English]

##### Trade Agreement with Pakistan and Bangladesh

\*385. SHRI NITISH BHARADWAJ :  
SHRI K.P. SINGH DEO :

Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have decided to expand trade relations with Pakistan and Bangladesh;

(b) if so, whether any formal proposals have come from the above countries in this regard;

(c) if so, the details thereof;

(d) whether any negotiations for liberalisation of trade with Pakistan and Bangladesh were held with the delegations of these countries recently; and

(e) if so, the details of agreements signed between India, Pakistan and Bangladesh ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (e) It is Government's Policy to expand trade relations with all countries, including neighbouring countries like Pakistan and Bangladesh.

2. Under The aegis of SAARC Preferential Trading Arrangement (SAPTA), the Inter-Governmental Group on Trade Liberalisation held talks to conclude the Second Round of Trade Negotiations. These talks were held in Colombo in March '96, Islamabad in September '96, New Delhi in October '96 and Kathmandu in November, 96 in which India, Pakistan, Bangladesh and other member countries of SAARC participated. Following the negotiations, member countries of SAARC have exchanged tariff concessions with each other on the basis of request lists of products identified for such concessions, and submitted by them.

3. India has granted tariff concessions on 513 tariff lines at 6 digit level to Bangladesh, which include inorganic/organic chemicals, articles, of leather, wood, paper/paper board, textiles, footwear etc. The concessions were granted at two rates;