

prevent their exploitation?

THE DEPUTY MINISTER IN THE MINISTRY OF LABOUR (SHRI PABAN SINGHGHATOWAR): (a) to (c). Information is being collected and will be laid on the table of the House.

[English]

Paper Mills in Orissa

2228. SHRIGOPI NATH GAJAPATHI: Will the PRIME MINISTER be pleased to state:

- (a) the number of paper mills set up in Orissa;
- (b) the location of those paper mills;
- (c) whether most of those paper mills are running at loss;
- (d) whether the production has also declined in those paper mills;
- (e) if so, the reasons for the poor performance of those mills; and
- (f) the steps taken to increase the production in those mills?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P. J. KURIEN): (a) These are seven paper mills in Orissa borne on the mills of DGTD.

- (b) The names and location of these mills are as under:-
 - i) M/s. Orient Paper Mills, Brajrajnagar.
 - ii) M/s. Titagarh Paper Mills Ltd., Chowdhwar.

- li) M/s. Straw Products Ltd., Rayagada.
- iv) M/s. Konark Paper & Ind. Ltd., Mayurbhanj, near Basta.
- v) M/s. Emami Paper Mills Ltd., Balasore.
- vi) M/s. Sewa Paper Ltd., Jaypore, Distt. Koraput.
- Vii) M/s. Spaa Straw Road Ind. Pvt. Ltd. Choramara P.o. Bijapur Balangir.

(c) and (d). Out of the seven mills noted above, M/s. Titagarh Paper Mills Ltd. and M/s. Sewa Paper Ltd. have not been reporting production for some time.

(e) and (f). M/s. Titagarh Paper Mills Ltd. has been lying closed. Deteriorating financial position, scarcity of raw material, obsolete equipment and machinery, labour unrest and management problems etc. are the main reasons for closure of the mill. Board for Industrial and Financial Reconstruction (BIFR) has sanctioned a rehabilitation scheme for the mill by its order dated 21.12.1990.

As regard M/s. Sewa Paper Ltd., it is a sick Industrial company within the meaning of section 3(1) (0) of the Sick Industrial Companies (Special Provisions) Act, 1985. Since the beginning, the operations of the company have been highly unsatisfactory due to faulty execution of the project, resulting in imbalances in certain sections of the plant, marketing problems, managerial deficiencies, etc.

Use of Staff Cars in PSUs.

2229. SHRI J. CHOKKA RAO: Will the PRIME MINISTER be pleased to state:

(a) whether most of the functionaries in Public Sector Undertakings, Corporations and Government Companies are using staff cars besides drawing Conveyance Allowance; and

(b) if so, whether the Government propose to withdraw all staff cars in use at present in Public Sector Undertakings and pay only Conveyance Allowance?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.K. THUNGON): (a) and (b). Chief Executives, part-time Chairman, the full time Functional Directors are eligible for the exclusive use of Staff car including its private use. The key officials like Executive Directors/General Managers in constituent units are entitled to the use to staff car for official purpose only. The other Senior Executives get Conveyance reimbursement/Conveyance Allowance. There is no proposal under consideration of the Government to withdraw staff cars from the entitled executives.

Impact of Entry of Multi-Nationals

2230. SHRI J. CHOKKA RAO: Will the PRIME MINISTER be pleased to state:

(a) whether the impact of the entry of Multi Nationals into the country on the indigenous industries has been evaluated; and

(b) if so, the steps proposed to save the existing indigenous industries and their future growth?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF P.J. KURIEN): (a) and (b). In view of the significant development of India's industrial economy in the last 40 years, the general resilience, size, and level of sophistication achieved, and the significant changes that have also taken place in the world industrial economy, the

relationship between domestic and foreign industry needs to be much more dynamic than it has been in the past in terms of both technology and investment. Foreign investment would bring attendant advantages of technology transfer, marketing expertise, introduction of modern managerial techniques and new possibilities for promotion of exports. This is particularly necessary in the changing global scenario of industrial and economic cooperation marked by mobility of capital. The government's policy is to welcome foreign investment which is in the interest of the country's industrial development.

Accordingly, it has been laid down in the Statement on Industrial policy placed in both Houses of the Parliament on 24.7.1991 that approval will be given for direct foreign investment upto 51% equity in high priority industries without any bottlenecks. Such clearance will be available if foreign equity covers the foreign exchange requirement for imported capital goods. Other foreign equity proposals including proposals involving 51% foreign equity which do not meet the criteria indicated above can also be considered by Government. In order to provide access to international markets, majority foreign equity holding upto 51% equity will also be allowed for trading companies primarily engaged in export activities.

Government are of the view that there is no reason to believe that the Indian industry is incapable of facing competition.

[Translation]

Electronic Parks in Ratnagiri

2231. SHRI GOVINDRAO NIKAM: Will the PRIME MINISTER be pleased to state:

(a) whether the Government propose to set up an Electronic Park in Ratnagiri, Maharashtra;