

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:2599
ANSWERED ON:05.12.2001
SUBSIDIES ON POSTAL ITEMS
VILAS BABURAO MUTTEMWAR

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether Government have decided to set up an independent quasi judicial tariff commission to fix postal tariffs and to phase out subsidies on postal items;
- (b) if so, whether the composition of the commission has been finalised;
- (c) if so, the names and the terms of reference of the commission;
- (d) the extent to which the postal items are being subsidised and its total financial implications; and
- (e) the manner in which the withdrawal of these subsidies are likely to affect the public utility image of the department?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

- (a) No, Sir.
- (b) & (c): Does not arise in view of (a) above.
- (d) The amount of subsidy during 2000-2001 ranged from 12.29% in respect of `Letter` to 97.47% in respect of `Registered Newspaper(Single)` and the total deficit for the year to the tune of Rs. 1550 crores.
- (e) A few of the postal services primarily serve social objectives and therefore justify subsidization. Others are, however, utilized by, among others, business/commercial segments of customers who seek efficient and customized service at appropriate price. Thus, the Department is making efforts to control expenditure and ensure that subsidies are better focussed to serve the required social objectives while on the other hand revenue generation is further strengthened through new and relevant services to provide much-needed resources for the Department.