

WRITTEN ANSWERS TO QUESTIONS

SHRI BIJOY KRISHNA HAN-
DIQUE:[*Translation*]**Prices of Natural Rubber**

*68. SHRI RAM BADAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to increase the prices to natural rubber;

(b) whether it is proposed to fix the administered prices of rubber during July-August each year; and

(c) if so, the details of the proposal?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c). Government has been announcing revision in the Bench Mark Price of Natural Rubber (RMA-4 grade) based on the cost study report of the Cost Accounts Branch of the Ministry of Finance which makes its recommendations taking into account the increases that have taken place in the cost of various inputs for production of natural rubber. The present Bench Mark Price of Rs. 21,450/- per metric tonne was fixed on the basis of the recommendations of the Cost Accounts Branch on 15th January, 1991.

On the advice of the Ministry of Commerce, the Cost Accounts Branch have now conducted a fresh study and submitted their recommendations. These are being processed in consultation with all concerned authorities and it is too early to indicate details in this regard.

[*English*].**Decline Exports**

*69. SHRIMATI BASAVARAJES-
WARI:

Will the Minister of COMMERCE be pleased to state:

(a) whether exports in the first seven months of the current financial year have declined as compared to the corresponding period of the previous financial year;

(b) if so, the percentage of decline in dollar terms and the reason therefor;

(c) the export made to General Currency Areas and Rupee Payment Areas during the current financial year in comparison to the previous financial year;

(d) whether the export targets for 1991-92 have been achieved;

(e) if not, the reasons for shortfall therein; and

(f) the steps proposed to be take to boost exports?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c). India's exports to the General Currency Area amounted to US \$ 8567 million or Rs. 20095 crores during April-October 1991 as compared to US \$ 8118 million or Rs. 14239 crores during April-October 1990 thereby registering a growth of 5.5% in dollar terms and 41.1% in Rupee terms. India's exports to Rupee Payment Areas during April-October 1991 amounted to US \$ 951 million or Rs. 2229 crores as compared to US \$ 1988 million or Rs. 3487 crores during April-October 1990, thereby registering a decline of 52.2% in Dollar terms and 36.1% in Rupee terms.

Government are of the view that exports to GCA countries and RPA countries should be disaggregated and viewed separately.

The correct conclusion would, therefore, be that during April-October 1991 exports to GCA countries showed a modest increase of about 5.5% in Dollar terms while exports to RPA countries showed a decline of about 52% in Dollar terms, as compared to April-October 1990.

The reasons for the decline in exports to RPA countries are mainly external and include the political changes that have taken place in the erstwhile Soviet Union.

Other factors which have affected export growth include a slow-down in the world economy, recession in major developed countries, unavoidable import compression and high rate of export credit.

(d) and (e). Due to uncertainties in the global trading environment, collapse of the erstwhile Soviet Union, a major trading partner of India, and the lag for the far reaching economic reforms to have a real impact on exports, no export targets for 1991-92 have been finalised.

(f) The Government introduced a package of trade policy reforms aimed at strengthening of export incentives, eliminating substantial volume of import licensing and optimal import compression. REP licences have been replaced by Eximscips. These will be the means of obtaining access to certain categories of imports of raw materials, components and spares. The system of advance licensing as an instrument of export promotion has also been strengthened. Government has decided to allow established exporters to open foreign currency accounts in approved banks and allow exporters to raise external credits pay for, export related imports from such accounts, and credit export proceeds to such accounts. Besides, Government have taken other steps which include reducing controls through licensing, simplification of procedures for exports, activation of Board of Trade, bilat-

eral discussion with selected countries, interaction with national organisations of trade and industry etc.

[*Translation*]

Import of Fax Machines

* 70 SHRI LALIT ORAON: Will the Minister of COMMERCE be pleased to state:

(a) whether the Facsimile Automatic Transmission (FAX) Machines have been transferred from Appendix 1-A to Appendix 3-A of the new import policy;

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

(c) whether the production of FAX machines in India is likely to be adversely affected due to import of these machines; and

(d) if so, the steps taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b). Import of Facsimile Automatic Transmission (FAX) machines is allowed as an office machine by eligible Registered Exporters and Government Departments etc. Its import is also allowed against Eximscips.

(c) and (d). No, Sir. The indigenous production of FAX machines is not sufficient to meet the requirements within the country.

[*English*]

Foreign Exchange Reserves

*71. SHRI PAWAN KUMAR BANSAL:
DR. Y.S. RAJASEKHAR REDDY:

Will the Minister of FINANCE be pleased to state: