

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:89
ANSWERED ON:28.07.2000
TOBACCO INDUSTRY
GANTA SRINIVASA RAO;Y.S. VIVEKANANDA REDDY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether multinational corporations have been allowed to enter the Tobacco Industry;
- (b) whether the Tobacco Grower Unions have urged the Government to prevent the entry of multinational corporations;
- (c) whether the Government had held discussions with the Tobacco Growers, traders and manufacturers in June, 2000;
- (d) if so, the main points discussed ;
- (e) whether the Government have agreed to consider the demands of Tobacco Growers etc.; and
- (f) if so, the details of demands and the extent to which they have been considered?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

a) to f) : A statement is laid on the Table of House.

STATEMENT REFERRED TO IN RESPECT OF PARTS (A) TO (F) OF LOK SABHA STARRED QUESTION NO. 89 FOR ANSWER ON 28/7/2000 REGARDING 'TOBACCO INDUSTRY'.

- a) No change is contemplated in the present practice of not permitting FDI in the tobacco sector.
- b) No, Sir.
- c) Yes, Sir. Discussions were held with representatives of tobacco growers, traders and manufacturers on 2nd June, 2000 and with traders and manufacturers on 30th June 2000.
- d) Main points for discussion included increased buyer's participation in tobacco auctions, increased purchase of tobacco by STC and Minimum Support Price (MSP) operations by Tobacco Board in respect of low grade tobacco.
- (e) & (f) In response to the demand for crop holiday, Tobacco Board has suspended the registration activity for growers and crop size fixation in Andhra Pradesh. State Trading Corporation has also responded to the demand for growers by accelerating its operation for procurement of FCV tobacco from all auction platform. Tobacco Board has also commenced minimum support price operation in respect of low grade tobacco in Andhra Pradesh.