

Pricing Formula of HSL and CSL

5939. SHRI RAMA KRISHNA KONATHALA: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government had appointed any High Level Committee for revising and restructuring the pricing formula of Hindustan Shipyard Limited and Cochin Shipyard Limited;

(b) if so, the main recommendations made by the Committee; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) The following three major studies have been completed which, inter alia, related to revising and restructuring the Pricing Formula of ships built by Hindustan Shipyard Limited and Cochin Shipyard Limited:

1. Report of the Bureau of Industrial Costs and Prices.
2. High Powered Committee's Report on functioning of HSL.
3. High Level Committee's Report on functioning of CSL.

(b) The following are the major recommendations made in the above Reports:

1. Enhancement of the Shipbuilding subsidy given to the Shipyards from the present 30% to 40% of the International Parity Price (IPP) in respect of Merchant Ocean-going vessels;

2. The domestic shipyards be allowed to participate in global tendering by

Indian Shipping Lines, with Government treating the domestic Shipbuilding Industry as a 100% export activity and the Shipbuilding Industry be granted the status of 100% export oriented unit;

3. Fixation of IPP in terms of foreign currencies and the shipowners to pay each stage instalment to the Shipyards at the parity rate of foreign exchange prevailing on the date of actual payment;

4. Ships for which the import content is likely to exceed the IPP of the same vessel should not be built indigenously; and

5. Sales Tax on ships may be exempted.

(c) A proposal for revising and restructuring the pricing formula based on the recommendations contained in the above Reports and keeping in view the recent change in the Economic and Industrial Policies, is under consideration.

Cochin Shipyard

5940. PROF. K.V. THOMAS: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) the ways and means loan given to Cochin Shipyard during the last three years;

(b) the order position for the repair of ships; and the construction of the new ships in Cochin Shipyard Limited at present; and

(c) the progress made by Cochin Shipyard Limited in repair work of ships?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) Ways & Means Loan sanctioned to Cochin Shipyard during the last three years is as follows:

1989-90 Nil

1990-91 Nil

1991-92 Rs. 16.35 crores.

(b) Shipping Companies do not place orders for ship repair in advance and the requirement of ship repair arises from time to time. However, according to present indication the Shipyard has estimated that they would be able to perform ship repair work around Rs.36 crores in 1992-93. For ship-building presently there are orders for construction of two 86000 DWT crude oil tankers. Of these, one tanker was launched on 29.2.92 and outfitting in this ship is in progress. For the other tanker, part of steel material has been ordered and the construction is expected to be taken up during 1992.

(c) Ship repair target for 1991-92 was originally fixed at Rs.22 crores and was revised to Rs. 30 crores based on actual performance. The actual performance is expected to exceed even the revised target. The ship repair turnover has shown steady increase from 21.70 crores in 1989-90 and Rs. 22.44 crores in 1990-91 to over Rs. 30 crores in 1991-92. The target fixed for 1992-93 is Rs. 36 crores.

Export Promotion Councils

5941. SHRI ANBARASU ERA: Will the Minister of COMMERCE be pleased to state:

(a) the number and details of Export Promotion Councils set up by the Government for promoting exports;

(b) the role of these councils in promoting exports;

(c) whether there is any proposal to wind up these organisations or stop Govern-

ment grants-in-aid to these organisations;

(d) if so, the reasons therefore;

(e) whether the Government propose to redeploy employees of Export Promotion Councils under one umbrella in order to safeguard the interest of a large number of employees of these Export Promotion Councils; and

(f) if so, the details thereof;

(g) whether the Government also propose to bring all the Export Promotion Councils under one umbrella in order to safeguard the interest of a large number of employees of these Export Promotion Councils; and

(h) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b). A statement is attached

(c) No, Sir.

(d) Does not arise.

(e) No, Sir.

(f) Does not arise.

(g) No, Sir.

(h) Does not arise.

STATEMENT

Number and details of Export Promotion Councils set up by the Government for Promoting Exports

1. Engineering Export Promotion Council, Calcutta.

2. Overseas Construction Council