

[English]

Review of the Advance License Scheme

*327. SHRI SARAT PATTANAİK : Will the Minister of COMMERCE be pleased to state :

- whether the Government propose to review the advance licensing scheme;
- if so, the details thereof; and
- the time by which the above review is likely to be completed?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c). Yes Sir. The Duty Exemption Scheme under which Advance Licences are issued is proposed to be reviewed as part of the overall policy review exercise to formulate a new long term policy which will be effective from 1.4.97, as the current Export and Import Policy 1992-97 would expire on 31.3.97. The review will be done keeping in mind the suggestions received from various Export Promotion Councils, trade and industry and Apex Chambers of Commerce, in consultation with the concerned administrative Ministries and shall be completed by 31.3.97.

[Translation]

Setting up Japanese City

*328. SHRI RAMESHWAR PATIDAR :
SHRI RAVINDRA KUMAR PANDEY :

Will the Minister of INDUSTRY be pleased to state:

- whether the Union Government have asked for assistance from Japan to set up an Industrial Model Town in the country;
- if so, the details thereof;
- whether the Government have also received such proposals from other multinational companies and Non-Resident Indians (N.R.I.); and
- if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Governing of India sought assistance from Japan for setting up Industrial Model Town with quality infrastructure to attract large foreign investment.

(b) Japanese International Cooperation Agency (JICA) was entrusted with the work of conducting a detailed feasibility study for establishing an Industrial Model Town in India. Gurgaon in Haryana State was found to be the most suitable site. The proposal for setting up an Industrial Model Town is under negotiation between the Government of Haryana and the consortium of Japanese companies.

(c) and (d). Yes, Sir. The details of these proposals are given as under :

- An Information Technology Park is being set up

at Bangalore with equity participation of Tatas. Information Technology Park Investment Pte. Ltd., Singapore and Government of Karnataka.

- M/s. Unitech Limited, New Delhi were granted foreign collaboration approval for setting up a joint venture company for development of a Technology Park at Gurgaon with foreign equity participation of M/s. First Capital Property Venture Pte. Ltd., Singapore, a consortium consisting of five companies of Singapore.
- M/s. Modular Industrial Infrastructures Ltd., Calcutta has submitted a proposal for induction of foreign equity from M/s. Lakeland Projects Ltd., U.K. for development of infrastructure for Food Processing Industries. The proposal is under consideration.

[English]

MoUs Signed by STC

*329. DR. LAXMINARAYAN PANDEY : Will the Minister of COMMERCE be pleased to state :

- whether any Memorandum of Understanding (MoU) has been signed between his Ministry and the State Trading Corporation during the last three years;
- if so, the details thereof alongwith the performance in the business in value terms;
- whether the STC has not been able to fulfil its obligations as envisaged in the changing business scenario;
- if so, the details thereof alongwith the reasons therefor and
- the details of the diversification programmes taken up by STC during the last three years and the achievements made so far thereunder?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Yes Sir. An MOU has been signed between the Ministry of Commerce and STC during each of the last three years. Year-wise details of the targets fixed in the MoUs and the performance achieved by STC are given below :

Year	MoU Target	(Rs. in crores)
		Performance achieved
1993-94	1325	1117
1994-95	1132	1861*
1995-96	1302	1685*

* Including canalised imports

(c) to (e). Consequent upon the decanalisation of import and export of a number of items earlier canalised through STC, the Corporation has reoriented its trading

strategies in a manner consistent with the liberalised economy and competitive environment in the international market. As a part of its diversification of trade activities in the changed business scenario, STC is laying greater emphasis on developing non-canalised trade by way of :

- direct buying and selling;
- development of captive supply sources
- through joint ventures and financial assistance;
- sale of edible oils in STC's own brand name;
- strengthening overseas marketing network and warehousing;
- development of Port infrastructure in the country;
- contemplated plan to import gold and export gold jewellery.

As a result of efforts made by STC to increase non-canalised trade, STC's total turnover on its own account has been consistently increasing as per details given below :

	(Rs. in crores)			
	Exports	Imports	Domestic	Total
1993-94	363	68	80	511
1994-95	429	42	90	561
1995-96	548	143	78	769

Delicensing of Electronic Goods

*330. SHRI R. SAMBASIVA RAO : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have approved a proposal to delicense the entertainment electronic goods like Television and VCR etc.;

(b) if so, the details thereof alongwith the items to be delicensed;

(c) the impact on the industrial growth after delicensing the above items;

(d) whether the Governmet has any proposal to delicense other items which are under compulsory licensing in near future; and

(e) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). Yes, Sir. All items of entertainment electronic industry stand delicensed.

(c) Delicensing of any industry implies that the entrepreneur is free to take investment and technology decisions which would contribute to greater industrail growth. However, since industrail growth depends inter-alia on various factors affecting the demand and supply of the industrial sector, the effect of delicensing of any sector can be assessed only with a time lag accounting for the gestation period in putting up an industry.

(d) and (e). Review of delicensing of industries is a continuous process.

[Translation]

Production Cost

*331. SHRI NITISH KUMAR :
SHRIMATI SUSHMA SWARAJ :

Will the Minister of INDUSTRY be pleased to state:

(a) whether attention of the Union Government has been drawn to the newsitem appeared in 'Times of India' dated November 14, 1996 under the caption "Production costs are not low in India";

(b) whether productivity and general production costs in India are high despite the availability of cheaper labour;

(c) if so, the reasons therefor;

(d) whether the cost of raw material and other components are 130% higher in India as compared to the country like Germany; and

(e) if so, the details thereof and the steps being taken by the Government to reduce the cost of production?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir.

(b) to (e). This is not universally true as is borne out by studies conducted by Bureau of Industrial Costs and Prices on a range of products and industries. Even the concerned Report recognises the fact that lower costs obtain in certain industries in India.

Scheme for SSI Units

*332. KUMARI UMA BHARATI :
SHRI PANKAJ CHOWDHARY :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Small Industries Development Bank of India has formulated any comprehensive scheme for the marketing of the goods manufactured in the small scale industrial sector; and

(b) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir.

(b) The Scheme provides for financial assistance in the form of loan to SSI units existing as well as new and corporate entities. The Corporate entities providing infrastructure, support services etc. to SSI units are also eligible for assistance. The amount of loan sanctioned is need based but not normally below Rs. 10 lakhs per borrower. The repayment of loan varies from 3 to 8 years with moratorium of 1 year. The interest is fixed in a broad band upto 4% above the prime lending rate.