

(Amount in Rs. lakh)

Population Group	Deposits		Credit	
	Amount	Percentage share to total	Amount	Percentage share to total
Rural	7251110	14.73	3237155	11.47
Semi-Urban	9665784	19.63	3747817	13.28
Urban	11029230	22.41	5129932	18.17
Metropolitan	21276619	43.23	16108756	57.08
Total	49222743	100.00	28223660	100.00

*[English]***Export of Poor Quality Basmati**

2863. SHRI G. VENKAT SWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have received any complaint from the European Union about the poor quality of basmati parboiled exports;

(b) if so, the details thereof;

(c) whether EU import norms are increasingly being dictated by US Lobbies intent on keeping Indian Exporters out of competition from their EU markets;

(d) if so, whether the Government have taken up the matter with the European Union; and

(e) if so, the results thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) The European Commission has requested the Government of India to ensure that the quality of Indian basmati rice be maintained as some poor quality parboiled rice has been entering the European Union market.

(c) to (e) The European Commission has introduced a cumulative recovery system, for a trial period of 1 year i.e. from 01.07.1997, for determining certain import duties on rice as a consequence of an agreement reached with the Government of United States of America in the form of exchange of letters on cereals and rice. India has made its position known to the European Union through the diplomatic channels.

Increase in Trade and Investment Flow

2864. DR. M. JAGANNATH: Will the Minister of COMMERCE be pleased to state:

(a) the over all Government's strategy to increase trade and investment flow into the country; and

(b) the steps taken to build linkages with major trade

blocks in the world?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) A number of measures have been taken by the Government to create a free environment for trade. The new Exim Policy for 1997-2002 has considerably simplified the policy and procedures; imports are being gradually liberalised to facilitate availability of raw materials and inputs to the export sector besides widening and modernising the indigenous production base; country specific initiatives have been undertaken to promote trade; Export Promotion Industrial Park Scheme has been implemented to support the State Governments in their export promotion effort; an India Brand Equity Fund has been created to create a good image for Indian products abroad; Interactive discussions with Export Promotion Councils, Commodity Boards and trade and industry are held to boost exports; interest rate on export credit has been reduced and an empowered Export Promotion Board to resolve the problems facing exporters expeditiously has been set up.

In order to raise investment flows the investment limits by individual FIs/sub accounts for FIs in the total issued capital of individual companies has been raised from 5% to 10% subject however to investment by all FIs/NRIs/OCB in the aggregate being limited to 24% of the issued capital of the company. The limit of 24% has also been raised to 30% subject to (a) approval by the Board of Directors of the Company and (b) a Special Resolution passed by the General body of the Company to the enhanced limit of 30%. FIs have been broad based through inclusion to university funds, endowment funds, charitable trusts/societies with a track record.

FIs have also been permitted to invest in unlisted companies with a view to attracting such investments in infrastructure sector.

(b) Among others, India has played a constructive role in the Indian Ocean Rim initiative which seeks to promote closer economic cooperation in the Indian Ocean region. Operationalisation of SAPTA (South Asian Preferential Trade Agreement) is another step in this direction and it

is now proposed to achieve a South Asian Free Trade Agreement (SAFTA) by the year 2001. The Bangkok Agreement to which India is a signatory, seeks to promote economic development through a continuous process of trade expansion among the developing member countries of ESCAP. BIST-EC (Bangladesh, India, Srilanka, Thailand-Economic Cooperation) is a new initiative launched in June 1997 which aims at close economic cooperation between these countries by mutual trade concessions and joint projects in this region.

FOREX Reserve

2865. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

- (a) whether the position of foreign exchange (FOREX) reserve at present is satisfactory;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government for increasing the FOREX reserve?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a to (c) India's foreign exchange reserves including gold and SDRs, amounted to US \$ 29.69 billion on July 25, 1997. The level of foreign exchange reserves, which is equivalent to over 8 months of imports, is considered satisfactory. The on-going wide ranging programme of macro-economic and structural reforms is expected to produce results that will sustain the foreign exchange reserves at a comfortable level.

Non-Payment of Loans to SCs

2866. DR. BALIRAM: Will the Minister of FINANCE be pleased to state:

- (a) whether complaints have been received from Scheduled Castes people against Simbhaoli Branch of State Bank of India, District Ghaziabad (U.P.) regarding non-payment of loan granted by Government under various welfare schemes for these people;
- (b) if so, the details thereof;
- (c) whether the loanees have received notices from the concerned departments for repayment of the loan which

was actually not paid to them by the bank;

- (d) if so, the reasons therefor; and
- (e) the steps taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) The information is being collected and will be laid on the Table of the House to the extent available.

Transport Subsidy

2867. SHRI KESHAB MAHANTA:

SHRI SOMJIBHAI DAMOR:

Will the Minister of INDUSTRY be pleased to state:

- (a) the details of Transport subsidy claimed and released to North-Eastern States during each of the last three years, as on June 30, 1997, State-wise, Industry-wise;
- (b) the reasons for delay in releasing the subsidy; and
- (c) the steps being taken by the Government to remedy the situation?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Under the Transport Subsidy Scheme, the subsidy claims are first scrutinised by the State Level Committee and disbursement made to eligible units by the State Governments. Reimbursement thereof is claimed subsequently by the State Governments from the Central Government. The details of transport subsidy released to the State in the North-Eastern region during the last three years and during 1997-98 (upto 30th June, 1997) are given in the attached statement. The industries covered are plywood industry, flour milling, steel fabrication, oil and rice milling etc.

(b) and (c) Subsidy in respect of claims which are found to be in order is released to the State Governments immediately. However, wherever certain deficiencies are noticed, State Governments are requested to rectify the same and the subsidy in such cases is released soon after receipt of requisite details/clarifications.

Statement

Statement showing year-wise releases made by the Central Government under the Transport Subsidy Scheme.

(Rupees in lakhs)

Name of the State	1994-95	1995-96	1996-97	1997-98 upto 30.06.1997
1	2	3	4	5
Assam	2217.90	3861.10	2061.89	1667.50
Manipur	128.70	—	—	—