

12.57 hrs.

**(i) Re: the problems being faced by the domestic
Vanaspati Industry in the Eastern Region due to
free import under Indo-Nepal Treaty**

Title: Problems being faced by the domestic vanaspati industry in the eastern region due to improper implementation of the Government's import policy by the State Trading Corporation.

SHRI RUPCHAND PAL (HOOGHLY): Mr. Speaker, Sir, since the renewal of the Indo-Nepal Treaty on 3rd December, 1996, the domestic vanaspati industry has been suffering and very recently, on 4th October, 2004, the Director-General of Foreign Trade has issued a public notice allowing the State Trading Corporation, which has been authorised to import vanaspati from Nepal, to appoint associates who can also distribute vanaspati. As a result, we find that the domestic vanaspati producers, particularly those who are located in the eastern part of India, are suffering.

So, I demand that the State Trading Corporation should import material by itself and not through any associates as has been notified recently in the notice issued by the DGFT. Against the quota of one lakh metric tonnes, the import should be done on a pro-rata monthly basis and the domestic industry should be protected as there is no limit of import.

13.00 hrs.

The Government should see to it that this Indo-Nepal Treaty for duty free import of Vanaspati does not seriously make the domestic Vanaspati industry to suffer. The hon. Minister is here. He has agreed to respond.

MR. SPEAKER: I cannot compel him. It is for him to respond.

THE MINISTER OF COMMERCE & INDUSTRY (SHRI KAMAL NATH): Sir, the hon. Member has raised a very valid point that the import under duty-free treaty with Nepal must be evenly spread so that the localised effect of it coming from Nepal is not a threat.

The STC cannot import it itself. There is a court case in the Kolkata High Court. There were one or two court cases where they have imposed large duty amounting to crores of rupees. This had to be done in deference to keep that side all right. But I think, a new scheme will have to be introduced. We are conscious of the fact that it cannot be localised to one area and it has to be spread as much across the country as much as periodical. We will ensure this...*(Interruptions)*

SHRI RUPCHAND PAL : The associates should be done away with.

SHRI KAMAL NATH: Doing away with associates may not be the only answer. Lets us look at the best answer to see that that objective is met.

—————