

The remaining six months' engineering course will be completed after they have been commissioned. Therefore, I believe, that this is a scheme which will take care of the point that you have raised, namely, seeing that people do get training in the requisite branch for which they are being detailed.

In so far as the other question of incentives is concerned, I do not believe that it is the lack of incentives or it is the pay that alone is responsible if we are not getting adequate recruits. There is an ethos. In so far as Defence Services are concerned, there has to be a certain ethos. And that ethos is not to be confined only to the men in uniform. But it has to be some kind of a national ethos where a sense of taking risks, etc., has to be encouraged as a part of our overall national ethos.

In the last few years, the thrust has been on higher pay, jobs where one can have the best things of life and so on and so forth. I am aware of the fact when you mention IITs and so on and so forth. Today, you have multinationals which stand at the gates of these institutions of higher learning in the country and recruit people—even before they have passed out by judging their records through direct deals with those who are running those institutions. Now, I do not believe that the Indian Government or the Indian Defence Forces can afford to compete with that kind of a culture. Therefore, the question of ethos comes. A sense of patriotism and a sense of sacrifice also has to be instilled among the people.

I believe that when we are now making this effort straight at the ten plus two stage or the university stage or the college stage to encourage the young people, to get into the Defence Services, we shall be rewarded. We shall overcome the shortage that is present today.

I do not believe that it is only a question of incentives. The incentives are there. I believe, the salary scales is not the issue which anybody has complained about.

Commercialisation of Ordnance Factories

*324. SHRIMATI SHEELA GAUTAM : Will the Minister of DEFENCE be pleased to state :

(a) whether the Ordnance Factories which were hitherto catering exclusively to the needs of defence forces have decided to enter the commercial market in the country and abroad;

(b) if so, the details thereof; and

(c) the details of countries to which the arms and ammunition are likely to be exported ?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES) : (a) to (c) A Statement is laid on the Table of the House.

Statement

Ordnance Factories primarily cater to Defence demands. On fulfilling these they meet the requirements of the Ministry of Home Affairs and also exploit commercial opportunities within the country and outside.

The quantum of issues made by the ordnance factories during the period 1993-94 to 1997-98 is furnished below :

Year	Total Issues	Commercial Sales	
		Domestic	Export
1993-94	1915	78	9.5
1994-95	1986	106	7.1
1995-96	2307	134	19.0
1996-97	2561	132	9.6
1997-98	3043	168	14.6

Export opportunities for Arms & Ammunition exist in AUSTRIA, BELGIUM, BOTSWANA, CYPRUS, GERMANY, GREECE, KENYA, MALAYSIA, MAURITIUS, MYANMAR, NEPAL, SINGAPORE, SWEDEN, THAILAND, TURKEY, ZIMBABWE etc.

[Translation]

SHRIMATI SHEELA GAUTAM : Mr. Speaker Sir, I thank the Hon'ble Minister for providing detailed reply to my question. Alongwith it, I thank Hon'ble Prime Minister and all those scientists and army men who are responsible for making Pokhran nuclear test a reality with their hard work. The goods manufactured in our country's ordnance factories are great achievement. Today, we are proud of our self-reliance in the field of defence....(Interruptions) Please tell what is your problem ? When you deliver the speech, we people listen peacefully, now you should also try to listen.

MR. SPEAKER : Please ask the question.

SHRIMATI SHEELA GAUTAM : I am asking the question only. I would like to know from the Hon'ble Minister as to how much foreign exchange has been earned from the export of goods manufactured in the ordnance factories to cater to the needs of country's defence forces ? Alongwith this, I would also like to ask about the steps being taken by your department, under Ninth Five Year Plan, for commercialisation of ordnance factories.

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, as far as the question of earning foreign exchange is concerned, our export is negligible. Last year, the total export was worth Rs. 14.6 crore only. The maximum export of Rs. 19 crore was registered in 1995-96. I feel that due to our policies in the past, we have not been able to pay adequate attention towards the exports. We do agree that this policy is not right because we do pay thousands of crores rupees to the foreign countries for the purchase of weapons

essential for our defence forces, and they are not manufactured in our country, or are manufactured in small quantity. We have not taken initiatives in the direction of exporting small items which are manufactured in our country and are having great demands in the world market. That's why our export has been so low. If you see the average then you will find, probably, in last 5-6 years we have been able to export worth of Rs. 10-12 crore per year. Recently, a meeting was held between Defence Ministry and Confederation of Indian Industries in which many decisions were taken. It was also decided that wherever possible, we should be prepared to sell weapons, manufactured in our ordnance factories and Public Undertakings in the world market. A proposal to set up an agency for this purpose was also considered in this meeting. This decision was taken in the meeting held between Confederation of Indian Industries and our Ministry where the officials of the Departments of three Defence Forces were also present. I am sure that they would be able to manufacture weapons in large quantity.

SHRIMATI SHEELA GAUTAM : Mr. Speaker, Sir, I would like to ask the hon'ble Minister whether an Indian delegation had gone to Russia in June, 1998 for comprehensive discussion on defences cooperation ? Has Russia agreed to import goods manufactured in our ordnance factories and whether in future, the government will encourage export of goods to other countries ? If so, when and details thereof ? Just now, hon'ble Minister has mentioned the names of 16 countries. I would like to know about it in detail.

SHRI GEORGE FERNANDES : This effort will continue. According to our agreement with Russia, if we see in broader terms we need technical transfer. We will do it. For this, the immediate purchase of some items is required, and we will buy them. For this purpose only, our delegation had gone there and we had also accomplished that task. We are sure that good manufactured with the Russian technology would be easy to export to some other countries. But at present it is not possible to the names of those countries. It is also difficult to state, how much we would be able to sell.

SHRI DATTA MEGHE : Mr. Speaker, Sir, Ordnance Factories are located in Vidarbha, Nagpur, Bhandara and Chandrapur regions of Maharashtra. These factories are using 50% of their installed capacity. The employees of those factories are not having work. Is hon'ble Minister aware of this fact. Even today, we are importing sophisticated weapons. I want to ask whether we are going to use the capacity of these factories for the production of sophisticated weapons ?

SHRI GEORGE FERNANDES : There are total 39 ordnance factories in the country out of which 10 are in the Maharashtra. I do agree with the Hon'ble Member that the installed capacity is not being utilised not only in the factories situated in Maharashtra but in all the factories in the country. The main reason behind it is that they manu-

facture goods which are used in battlefield. If the produced goods are not used, then how can the production in these factories be according to their capacity ? This is because if a situation is created tomorrow for the use of weapons and we reduce the capacity of production and work force in anyway, then the country would face a great loss. Therefore, you have to bear this loss. We with that the present situation may continue we may not reach a situation where full capacity of these factories is utilised.

SHRI DATTA MEGHE : There is no work for more than half of the employees there.

SHRI GEORGE FERNANDES : Sir, I told that this was true. The same situation prevails in many ordnance factories of the world. This is because you have to remain prepared. When need arises, work will be got done.

[English]

SHRI V.V. RAGHAVAN : Mr. Speaker, Sir, I would like to know from the hon. Minister, is there any proposal to allow private participation in the existing ordnance factories ? If there is any such proposal, would it be good for the security of our country ?

[Translation]

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, among the ordnance factories there are factories which produce cloth and Jonga vehicle, today Jonga vehicle is manufactured in Jabalpur ordnance factory. General opinion in the country is that there is no vehicle which is better than Jonga in the country.

[English]

SHRI V.V. RAGHAVAN : Sir, my question was in English. The hon. Minister may give the reply in English.

SHRI GEORGE FERNANDES : I am sorry, Sir. I apologise for it.

There are various things that we produce in our ordnance factories, including cloths. In certain areas there are ordnance factories where we are producing vehicles also. For instance, Jonga which we produce today is the best type of vehicle in the market, both in terms of its capacity as well as fuel efficiency. In fact, it is the best in everything except in its looks. There will always, therefore, be areas where interaction and cooperation, perhaps also collaboration with the corporate sector will be possible. For instance, as of today, the corporate sector does give us a whole lot of material which finally goes into the end product in the ordnance factories or in the various undertakings that we have. Therefore, if we formalise what is there at an informal level and in the process have technology sharing, technology, improvement, more effective marketing and more effective production, I think we should welcome it. And, this was a part of the Agenda of the

conference that we had between the Confederation of the Indian Industries and the Defence Ministry. We are waiting for the Reports. We will take a decision as soon as those reports come.

[Translation]

SHRI CHETAN CHAUHAN : Mr. Speaker, Sir, demand for weapons is increasing in the country, especially for small weapons. In comparison to weapons made in our country, people prefer foreign make weapons, even if they are old and banned ones. Through you, I would like to know from the hon. Minister as to what the Government is doing to improve the quality of such weapons in our ordnance factories? As has been stated, talks are going on to induct foreign technology in this field. If so, what is the progress in this regard and the time by which improvement is expected? The situation in the country is that market of weapons is increasing because of extremism and deterioration in law and order situation in many parts of the country. People buy weapons because of security reasons but the difficulty is that these weapons are not of good quality. I want the hon. Minister to reply to these two points.

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, adequate technology needed to improve the quality of small weapons is available in the country itself. Moreover wherever there is a possibility to improve, work in defence laboratories is going on. I do not think that we need foreign technology to improve the quality of small weapons. But if need is felt, we will certainly take steps in that direction.

[English]

SHRI PRITHVIRAJ D. CHAVAN : Mr. Speaker, Sir, the Minister has made a very important policy announcement today that he intends to give export orientation to our ordnance factories. I welcome the announcement and thank him for that. It is a fact that most of the forty and odd ordnance factories are working below capacity. They are working on the principle of cost-plus-manufacture which itself cannot produce efficiently and, therefore, exports are virtually ruled out. I would like to know from the Minister whether he will consider to completely overhaul the structure of ordnance factories and corporatise them on the lines of the public sector enterprises operating in the field of defence.

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, we are working on the ideas that the hon. Member has just now enunciated. As and when the proposals are formalised, I shall come before the House or make an announcement.

[Translation]

SHRI DIGVIJAY SINGH : Mr. Speaker, Sir, sport of shooting is associated with the Defence Ministry. For the sport of shooting, rifles, air rifles, pistols etc. are needed for participating in international competitions. For this sport we need imported goods. During the last fifty years we

have not been able to bring the level of our ordnance factories to international mark. This is the only sport which has brought gold medals many times for the country in international tournaments. This country has produced great international shooters from Karani Singh to Jaspal Rana. I want to know from the hon. Minister whether steps would be taken to ensure that guns, rifles, revolvers, air-rifles, air pistols are provided for the international shooting competitions at lower rates? Besides, there is shortage of cartridges and this item is also imported. I want to know whether arrangement for this would also be made in the country so that Indian shooters could earn a name for the country.

SHRI GEORGE FERNANDES : Mr. Speaker, Sir, we have already taken initiative in this direction and this matter will be decided shortly.

[English]

SHRI P. UPENDRA : Mr. Speaker, Sir, the Minister is talking about exports, commercialisation and all that but the immediate problem of the ordnance factories is that of modernisation and also replacement of obsolete machinery. Whereas ordnance factories demanded a lot of money for replacement of obsolete machinery, the current Budget has not provided that and there is a grievance on that count. Will the Minister consider giving the funds asked for modernisation of ordnance factories?

Secondly, as Mr. Minister has himself admitted, they are making so many things which are not supposed to be made by them, for which there is enough competition or enough units in the country. Will the Minister consider curtailing these products which are made by the Ordnance factories and confine them to the Defence sector?

SHRI GEORGE FERNANDES : Sir, the point that has been made by the hon. Member in his supplementary has been under consideration of the Ministry for a while. A Report on the possibility of modernizing and at the same time divesting oneself of some areas where one need not be, like for instance, in producing garments, etc. have been subjects of that Report. That Report is under consideration and soon we will take a decision on this.

So far as providing adequate funds are concerned, I do not think there will be any problem in providing funds as far as the needs of the Ordnance factories or the Defences Forces are concerned.

Duty Free Shops at International Airports

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*325. SHRI K.S. RAO :
SHRI ANNASAHEB M.K. PATIL :

Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether the Airports Authority of India (AAI)