

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The growth in non-food credit by banks during 1997-98 was higher at 14.2 per cent than that at 10.9 per cent in 1996-97. The total flow of funds comprising both non-food credit and investment by banks in Commercial papers and Bonds/Debentures and Shares issued by industrial units in both public and private sectors increased by 17.9 per cent in 1997-98 as against 11.9 per cent in 1996-97. Similarly, sanctions by All-India Financial Institutions registered a growth of 48.8 per cent in 1997-98 as against a decline of 14.7 per cent in 1996-97 whereas disbursement by them increased by 28.5 per cent in 1997-98 as against a lower increase of 8.4 per cent in 1996-97. Thus, the figures do not support the view that despite comfortable liquidity and lower lending rates there have been no takers of credit in 1997-98. However, the increase in non-food credit in 1997-98 was much lower than that in 1995-96 and 1994-95. The sluggishness in credit off-take in 1997-98 has to be viewed against the modest industrial growth (1993-94 base) of 6.6 per cent in 1997-98 and 5.6 per cent in 1996-97 in contrast to 12.7 per cent in 1995-96 and 8.4 per cent in 1994-95. Besides, the overall economic growth declined to 5 per cent in 1997-98 from 7.5 per cent in 1996-97.

(c) Both the monetary and credit policy announced by the Reserve Bank of India for the first half of 1998-99 and the Union Budget for 1998-99 have spelled out a number of measures to infuse vigour and vibrancy in the economy. These include reduction in Bank Rate to 9 per cent, improvement in credit delivery mechanisms, particularly for agriculture and medium and small-scale industries, higher plan allocation for development of rainfed areas on watershed Development basis and Accelerated Irrigation Benefit Programme, stimulus to infrastructure sector through larger private and public investment, creation of investor friendly environment for boosting private investment including foreign investment, in industry and steps aimed at making the financial system more effective in promoting savings and channelling investment into the most productive activities.

Handloom Weavers

*256. SHRI VAIKO:
SHRI SUSHIL CHANDRA VARMA:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are aware of the misery of handloom/textile weavers, particularly of the Southern States, leading to suicide due to extreme poverty;

(b) if so, the number of suicides of weavers reported during the last three years across the country, state-wise;

(c) whether the Government have any concrete plan to mitigate the sufferings of the handloom weavers in the country; and

(d) whether 68,000 workers have been rendered jobless in the textiles industry last year and about 35 lakh weavers have been pushed to starvation due to implementation of new economic policy?

THE MINISTER OF TEXTILES (SHRI KASHI RAM RANA) : (a) to (d) As per the available information received from most of the States, including Southern States, there have been no reports of starvation nor suicides of weavers due to extreme poverty during the last 3 years. The Government has been extending assistance for the development of Handloom sector through various schemes which support input supplies, training, design input, marketing etc. In addition, welfare schemes like Health Package Scheme, Thrift Fund Scheme, Group Insurance Scheme, Workshed-cum-Housing Scheme and Insurance Scheme (New) for the handloom weavers are in operation.

According to available information, 170 Textile Mills were lying temporarily closed primarily on account of financial difficulties, labour problems, strikes and lockouts while 50 mills were closed under liquidation. The number of workers affected due to closure is more than two lakhs.

Promotion of Indigenous Industries

*257. SHRI MADHAVRAO SCINDIA : Will the Minister of INDUSTRY be pleased to state:

(a) whether the new industrial policy announced by the Government is aimed at promoting indigenous entrepreneurship and providing level playing field to indigenous entrepreneurs while promoting liberalisation;

(b) whether various chambers of industry have expressed their concern about its impact on the flow of Foreign Direct Investment;

(c) if so, the details thereof; and

(d) the reaction of the Government thereto?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) Government is committed to a policy of boosting private investment, including Foreign Direct Investment (FDI), for increased industrial growth. For this purpose, steps have been taken to make the Indian industry internationally competitive through induction of technology and to promote indigenous entrepreneurship. Providing level playing field for the domestic industries is one of the objectives of Government. Suggestions for improvement in policy and procedures are received from various sources, including Industry Associations. These are considered while reviewing the policies and procedures as an on-going exercise to minimize bureaucratic and procedural hurdles so as to provide an investor friendly environment.

Loans to Exporters

*258. SHRI ASHOK PRADHAN : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have received any requests from Punjab, Haryana and Delhi Chambers of Commerce and Industry for reviewing the loan facility