

### Export of Leather Footwear

2595. SHRI S.S. OWAISI : Will the Minister of COMMERCE be pleased to state

(a) whether the leather footwear exports have slumped by more than 12% during 1997-98, as compared to 1996-97;

(b) if so, the details thereof and main reasons for dismal performance;

(c) whether the Government propose to frame new policy in regard to leather footwear export keeping in view the stiff competition from European suppliers like Romania, Poland, Slovakia and Czech Republic; and

(d) if so, the details thereof and further steps taken to boost the leather footwear exports ?

THE MINISTER OF COMMERCE (SHRI RAMKRISHNA HEGDE) : (a) Yes Sir. Estimated exports of leather and leather products during April-March 1997-98 vis-a-vis the actual exports during the previous year shows a negative growth of 12.5% (approx.) in Rupee terms.

(b) The following factors are mainly responsible for dismal performance in leather sector :

#### External:

- Continuing recession in European market.
- emergence of new manufacturing facilities in East European countries which are able to produce footwear at a much lower cost due to their wages being one-fifth of the wages prevalent in West European countries.
- market proximity enabling the East European countries to meet the demands of European buyers in time.
- increased production in countries with the European Union and the market accessibility enjoyed without trade barriers adding to the cost advantage available to them.

#### Internal:

- lack of modernisation and supporting indigenous Footwear Components Industry.
- environmental problems faced by the industry.
- high content of imported inputs with high import duty rates and delays in clearance.

(c) and d) The Government has already identified Leather footwear as an Extreme-Focus Item for achieving incremental growth in exports. In the Budget for 1998-99

some provisions have been announced for the Leather industry like-

- General reduction in basic custom duty on machinery used by the industry 20% to 5%.
- Inclusion of twelve newer version of machineries in the List 6 of the Customs Notification No.23/98 qualifying for 5% basic customs duty with exemption from Countervailing Duty [CVD].
- Basic customs duty on moulds for leather footwear have been reduced from 20% to 5% with exemption from CVD of 13%.

These budgetary concessions would help expansion of production base in footwear sector. Some long term and short term measures are listed below for assisting the leather sector:

#### Long Term Measures:

- Modernisation of Tanning industry.
- Dereservation of Footwear Industry.
- Development of Footwear Components industry.
- Attracting fresh investments in Tanning Sector.

#### Short Term Measures:

- Removal of inputs value restriction under Quantity Based Advance Licence [QBAL] scheme.
- Enhancement of Credit Rates under Duty Entitlement Passbook Scheme [DEPB] Scheme.
- Removal of ceiling on Duty Drawback.
- Brand Promotion under Market Development Assistance Programme.

These measures are expected to provide support for sustained growth in the Leather industry and enhanced competitiveness of Indian Leather and Leather products.

#### Insurance Regulatory Authority

2596. SHRI TATHAGATA SATPATHY :  
SHRI BHERU LAL MEENA :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have a proposal to set up an Insurance Regulatory Authority;

(b) if so, the main objectives behind setting up of such an authority; and

(c) the time by which it is likely to be set up?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCE AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF

FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) An Interim non-statutory Insurance Regulatory Authority was set up in January 1996 with the objective to prepare a comprehensive legislation to establish an autonomous Insurance Regulatory Authority, conceptually similar to SEBI. In the Budget Speech 1998-99 it has been announced that the insurance sector would be open to competition from private Indian companies and the Insurance Regulatory Authority will also be converted into a Statutory Body. Necessary legislation will be introduced later in the year.

#### ATM System in Banks

2597. SHRI MOHAN RAWALE : Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India has introduced the ATM system in the various branches of Delhi and other parts of the country;

(b) if so, the details thereof;

(c) whether some annual charges are realised from customers for availing of this ATM facility;

(d) if so, the details thereof and the reasons therefor;

(e) whether various types of ATM card are issued by the State Bank of India to its customers; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCE AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) As reported by the State Bank of India (SBI) 23 ATMs have been installed at its various branches spread all over the country. Out of these 23 ATMs three are in Delhi (Sansadiya Soudh, Special Personal Banking Branch on Sansad Marg and Kamla Nagar), 8 in Mumbai and one each at Ahmedabad, Bangalore, Bhilai, Bhopal, Bhubaneshwar, Calcutta, Chandigarh, Chennai, Hyderabad, Jamshedpur, Lucknow and Patna.

(c) No Sir.

(d) Does not arise.

(e) and (f) SBI has issued three types of ATM Cards to its customers with daily withdrawal limits of Rs. 3,000/-, Rs. 5,000/- and Rs. 9,900/- respectively.

#### Export of Iron Ore by MMTC

2598. SHRI A.C. JOS : Will the Minister of COMMERCE be pleased to state:

(a) whether the Minerals and Metals Trading Corporation Limited has secured iron ore export order from Japan of Rs. 650 crores recently; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMKRISHNA HEGDE) : (a) Yes, Sir.

(b) The break-up of the quantity to be supplied to Japan during 1998-99 will be as follows:-

(i) Baladilla mines of National Minerals Development Corporation in M.P. : 2.4 million tonnes of lumps and 1 million tonne of fines.

(ii) Bellary-Hospet Sector in Kamataka: 2 to 2.3 million tonnes of iron ore lumps and fines.

(iii) Mines in Bihar, Orissa Sector: 3 to 5 lakh tonnes of iron ore lumps.

(iv) Kudremukh Iron Ore Company: 1 million tonne of iron ore concentrate inclusive of 2,50,000 tonnes of silicious concentrate.

#### Garment Export Quota

2599. SHRI C.P. RADHAKRISHNAN : Will the Minister of COMMERCE be pleased to state:

(a) the steps taken by the Government to increase the garment export quota to European Union and United States; and

(b) the new policy regarding anti-dumping duty taxes being imposed by European Union and United States?

THE MINISTER OF COMMERCE (SHRI RAMKRISHNA HEGDE) : (a) The garment export quota are agreed to in bilateral textiles agreement with the European Union and the United States. These agreements are regulated under the provision of the Agreement on Textiles and Clothing. Neither in bilateral agreement nor in WTO Agreement on Textiles and clothing there is a provision for increase in quota.

(b) European Union and United States conduct anti-dumping investigations and impose duties as per their national legislation. The Government of India is assisting the Indian exporters in defending their anti-dumping cases in European Union and United States.

#### Open-Ended Debt Fund of UTI

2600. SHRI K.S. RAO :  
SHRI MAGANTI BABU :

Will the Minister of FINANCE be pleased to state:

(a) whether the Unit Trust of India has recently launched its first open-ended 100 per cent debt fund;