1	2	3
29.	Daman & Diu	0.02
30.	Delhi	1.11
31.	Lakshadweep	0.01
32.	Pondicherry	0.09
	Total	100

Renovation of FCI Godowns, Kerala

2111. SHRI A.C. JOS: Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state:

(a) whether the Government have any plan to renovate all the godowns of Food Corporation of India in Kerala;

(b) if so, the details thereof, godowns-wise;

(c) whether the Government have any proposal to bring the FCI workers at Mavelikkara, Chalakkudu and West Hill under direct payment system;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CONSUMER AFFAIRS (SHRI SATYA PAL SINGH YADAV) : (a) No, Sir.

(b) Does not arise.

(c) to (e) No, Sir. Change of mode of engagement of labour from contract labour system, which is permissible under the law, depends on a number of factors, like issuance of notification by the appropriate Government, i.e. the Ministry of Labour, prohibiting employment of contract Labour in the godowns/depots of FCI under the Contract labour (Regulation & Abolition) Act, 1970. That Ministry has not yet notified these depots for this purpose.

New Health Policy

2112. SHRI K.S. RAO: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether the Government have received suggestions to increase the health Care expenditure from the existing 3% of the GDP to 6% of the GDP as per recommended norms of the World Health Organisation with a view to achieving Government's statutory commitments of 'Health for All';

(b) if so, the details thereof and the Government's reaction thereto;

(c) whether the Government propose to declare 'Health Care Sector' as a core sector to receive associated incentives and benefits;

(d) whether the Health Association of India has requested the Government for a review of the present Health Policy;

(e) if so, the details thereof;

(f) whether the Government propose to formulate a new Health Policy incorporating the suggestions received from the Health experts and other social organisations in the country; and

(g) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI DALIT EZHILMALAI) : (a) and (b) In 1981 during the World Health Assembly among the global indicators adopted by WHO the number of countries in which atleast 5% of the Gross National Product is spent on health was agreed upon. According to the World Development Report 1993 India spends 6% of its GNP on Health which represents both the public sector expenditure as well as private expenditure on health.

(c) There is no such proposal at this stage.

(d) and (e) The Voluntary Health Association of India has *inter-alia* recommended review of the National Health Policy, a realistic evaluation of performance and adoption of an integrated approach to the health problems of the country.

(f) and (g) The review of the health policy and the achievement of the goals set out under the policy is an on-going process and the views of health experts and social organisations are taken on a regular basis.

[Translation]

Hanumantha Rao Committee

2113. DR. CHINTA MOHAN :
PROF. P.J. KURIEN :
PROF. PREM SINGH CHANDUMAJRA :
SHRI LAKSHMAN CHANDRA SETH :
SHRI R. SAMBASIVA RAO :
SHRI N.K. PREMCHANDRAN :
SHRIMATI JAYANTI PATNAIK :
SHRI S.S. OWAISI :

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the total fertilizer subsidy bill at present;

(b) whether the Hanumantha Rao Committee on Fertilizer pricing has submitted its report;

(c) if so, the main recommendations of the Committee.

(d) whether any time bound programme has been set up to implement the recommendations of the said committee;

(e) if so, the time by which the said recommendations are likely to be implemented;

(f) whether the report on fertilizer pricing submitted to the Central Government has been criticised by the economists and disinvestment Commission;

(g) if so, whether according to them high level committee have strictly gone by the terms of reference and consequently did not take into account the entire agricultural system;

(h) whether the fertilizer manufacturers have cautioned the Government that they should consult the industry before revamping subsidies; and

(i) if so, the details of main objections made by them?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A.K. PATEL) : (a) During 1997-98, the expenditure on subsidy on controlled fertilizers was Rs. 7426 crore and the disbursement under the scheme of special concession on decontrolled phosphatic and potassic fertilizers amounted to Rs. 2595.85 crore.

(b) Yes, Sir.

(c) The recommendations of the High Powered Fertilizer Pricing Policy Committee have been summarised in the Statement enclosed.

(d) to (i) Divergent opinions have been expressed in regard to the recommendations of the Committee. The Disinvestment Commission has, however, not made any observations in this regard. Government decisions on the recommendations of the Committee will be taken having regard to the conclusions of the ongoing process of inter-ministerial consultation and dialogue with the industry as well as the viewpoints of informed analysts.

Statement

Summary of the recommendations of the High Powered Fertilizer Pricing Policy Review Committee

1. Unitwise Retention Price Scheme for urea units should be discontinued.

2. Promotion of balanced fertilization should be a major objective before Government and that the relative pricing of fertilizers should reflect the desirable NPK ratio.

3. In the light of the current relative pricing of different feedstocks, future fertilizer production should be appropriately based on domestic nature gas and LNG and that existing plants based on naphtha, FO and coal should be encouraged to restructure themselves to move over to more energy efficient feedstock.

4. The fertilizer industry should be deregulated and the units allowed to fix their retail prices, subject to ceiling farmgate prices (FGP) which may be notified annually having regard to the paying capacity of the farmers.

5. Local taxes such as Turnover taxes, Purchase tax and Additional Sales tax should be over and above the maximum farmgate price.

6. A normative referral price (NRP) may be determined for the existing units based on the Long Run Marginal Cost (LRMC) method for arriving at the subsidy to be paid on the sale of fertilizers within the notified ceiling FGP.

7. Subsidy be given through the manufacturers uniformaly PMT of fertilizer sold to the extent of the gap between NRP plus dealers; margin and average freight, and FGP.

8. The ex-factory NRP for urea be fixed at Rs. 6050 PMT and for DAP at Rs. 11900 PMT as on 1.1.1998, and prices for delivery at farmgate be fixed at Rs. 6500 PMT and Rs. 12800 PMT respectively after including dealers margin and average freight.

9. The feedstock differential cost reimbursement (FDCR) to the tune of Rs. 1750 PMT and Rs. 1300 PMT of urea sold, as on 1.1.1998, be given to fertilizer units using naphtha/ coal and FO/LSHS respectively for a period of five years.

10. The normative referral price and subsidy should be suitably revised periodically.

11. The import of urea may continue to be canalised for a period of five years.

12. Distribution of fertilizers be deregulated from Rabi 1998-99.

13. Additional freight and inventory cost be reimbursed to units in respect of fertilizers distributed in remote and inaccessible places to be notified for this purpose.

14. Output from new urea units set up on strategic consideration be given an additional subsidy to cover their higher cost of production based on LRMC.

15. Relative farmgate prices of fertilizers other than N be derived from the price of N in urea with reference to their relative productivities.

16. Gap between FGP of MOP, which is fully imported, and its border price be bridged in stages.

17. Subsidy on complex fertilizers, low analysis fertilizers and SSP be derived on the above basis with reference to their nutrient continents.

18. Increases and rationalisation in farmgate prices in the near future need to be regulated by a two fold approach to pass on further input price increases (including the increase in October, 1997) to the consumer keeping in view the product price ratio and rationalising prices through the system of relative pricing.

19. Government should evolve a system of compensating small and marginal farmers for any future increases in farmgate price. Credit availability for fertilizer for small and marginal farmers should be enhanced.

20. Any savings in subsidy should be utilised for agricultural research irrigation projects etc.

21. Units should concentrate on developing adjacent compact areas to increase fertilizer use through a comprehensive package of services.

22. With the involvement of the units, there should be creation of an adequate bufferstocking system specially to serve scarcity areas.

23. Greater use of coastal shipping for movement of fertilisers should be encouraged.

24. There should be increasing use of bulk warehousing at ports to enable long term purchases to be made and to enable rational movement of fertilizers.

25. Allocations under the Essential Commodities Act for movement of fertilizers and equated freight scheme may be discontinued from Rabi, 1998-99. ECA allocation may be made only for notified scarcity and remote areas and in other emergent situations.

26. Industry should assume a more dynamic role in propagating use of improved kinds of fertilizers like super granulated urea, NPK pellet, liquid fertilizers etc. for which there was no incentive under the RPS system.

27. For the phosphatic industry grainfield projects be set up in the form of joint ventures abroad at the source of rock phosphate. Government should step up exploration and R&D efforts for the bringing down import dependence in this segment over a period of time.

28. Government should set up a mechanism for not merely setting aside additional revenues accruing to the sick units, but making matching contribution to finance the modernisation and revamp of the older units. Simultaneously, steps should be taken to bring about managerial reforms and to rationalise work force.

29. Debt Equity ratio of the industry should be determined by market forces and not on a normative basis.

30. Imports should not be viewed merely as a residuary element to bridge the gap between requirement and indigenous production but can be used to serve deficit areas, and to build bufferstocks.

31. Joint ventures abroad near sources of abundant availability of feedstock be encouraged as a matter of policy in the coming years, given gas shortages in India and growing demand of fertilizers.

32. The Committee has observed that import parity prices do not serve as a dependable guide for domestic investment decisions because of the high degree of volatility observed for them. Any policy framework recommended for the urea industry should prove stable and recognise its strategic nature in the context of food security. The Committee has accordingly called for a positive policy to attract new investment and thereby ensure that over a period of time the level of self sufficiency already reached is not eroded to unacceptable levels. Policy prescriptions for the future should take note of what is the minimum level of self sufficiency that the country should adhere to over the years in respect of this critical input for agriculture.

33. A guaranteed price for a period of fifteen years of production of new units be announced by the Government well in advance, related to the LRMC principle for projects based on the most efficient feedstock and operating on attainable efficient norms.

34. Existing industry may be protected from dumping of fertilizers, if any, at costs below realistic estimates of production costs, so that the industry is not crippled.

35. There is a need for increasing the cohesiveness of policies in the fertilizer sector. A Fertilizer Policy Planning Board headed by an eminent economist/expert should be set up to prepare policy options for the Government in order to provide a long term perspective for the industry. The Board may be serviced by the existing FICC which should be suitably strengthened and upgraded.

[English]

Setting up of Sugar Mills

2114. SHRI A. VENKATESH NAIK:
SHRI ASHOK NAMDEORAO MOHOL:
SHRI SADASHIVRAO DADOBA MANDLIK:
SHRI MADHAV RAO PATIL:
SHRI RAJVEER SINGH:

Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state:

(a) the number of proposals received for setting up of sugar mills in the country during the last three years till March, 1998, State-wise, location-wise;

(b) the number of letter of intent have been cleared/ pending out of them, State-wise;

(c) the reasons for delay in according approval to the remaining cases;

(d) whether representations have been received for setting up of new sugar mills during the Ninth Plan period;

(e) if so, the details thereof, State-wise; and

(f) the number of sugar mills likely to be set up during the Ninth Plan period, State-wise, location-wise?