

Corruption in Customs

5570. SHRI MADHAVRAO SCINDIA:

PROF. AJIT KUMAR MEHTA:

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news item captioned "Speed Money is the custom here" appearing in the Times of India dated November 12, 1997, depicting the state of corruption in the Customs Department, leading many exporter to quit their business; and

(b) if so, the facts of the matter and the steps taken by Government to look into the State of affairs in that Department and to reform the functioning of the Department?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) The Government of India are aware of the report captioned "Speed Money is the Custom here" appearing in the "Times of India" dated the 12th November, 1997.

2. After the Publication of the news report, a team of officers led by the Director General of Vigilance made surprise visits to the Custom Houses at Mumbai and Nhava Sheva Ports on 25.11.97 and 26.11.97. Different teams were detailed for conducting checks in sensitive areas such as docks, unaccompanied baggage centres and Nhava Sheva Port.

3. Several steps have been taken by the Customs Department in the recent past to simplify the procedures and combat undesirable practices. More important of these steps are:

- (i) Introduction of Fast Track Clearance Scheme for identified importers and commodities.
- (ii) Streamlining of the procedure relating to clearance of unaccompanied baggage and processing of shipping documents.
- (iii) Streamlining of all the existing procedures relating to cargo clearance with a view to making them more transparent.
- (iv) Setting up of Public Grievance Cells for prompt action on complaints of delay and harassment.
- (v) Tightening up of in-house vigilance activity by surprise checks and inspections.

Besides, the automated Customs clearance system presently in operation at Delhi Air Cargo and 6 other locations is being extended to all customs locations. This system would cut down delays and minimise interface and thus reduce scope for the alleged undesirable practices.

Uruguay Found

5571. SHRI GINGEE N. RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) the number of agreements, understandings and decisions have been reached after the Uruguay round of talks and Markesh declarations;

(b) the details thereof, category-wise; and

(c) the manner in which it will be useful to India?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) to (b) Since the signing of the Marrakesh Declaration, the major agreements, understandings and decisions reached between WTO Members have been in the context of the two Conferences of WTO Trade Ministers held till date, at Singapore between 9-13 December, 1996 and recently at Geneva between 18-20 May, 1998.

Singapore Ministerial Conference (SMC)

Major decisions taken at the SMC/pursuant thereto comprise the following areas:

- Trade and Environment—It was decided to undertake further work to examine the scope of complementarities between trade liberalization, economic development and environmental protection.
- Textiles and clothing—The importance of integrating the regime governing textile and clothing products with the provisions of GATT was highlighted; it was decided that the Textiles Monitoring Body would achieve transparency in its recommendations and that the Council for Trade in Goods would oversee the functioning of the Agreement on Textiles and Clothing.
- Investment and Competition Policy—It was agreed to establish Working Groups to examine the relationship between these subjects and trade.
- Government Procurement—Discussions relating to the transparency aspect were mandated and a Working Group set up.
- General Agreement on Trade and Services (GATS)—It was agreed to conclude ongoing negotiations and resume stalled negotiations in several sectors. Negotiations pursuant to this decision have resulted in the Second protocol to GATS on Financial Services, Third Protocol to GATS on Movement of Natural Persons and Fourth Protocol to GATS on Basic Telecommunication Services. There have been subsequent further negotiations on Financial Services which were concluded on 12.12.97 and the Fifth Protocol to GATS incorporating results of these negotiations is now open for signature/ratification. In addition, the Working Party on Professional Services has also finalized non-binding Guidelines for Mutual Recognition Agreements or Arrangements in the accountancy sector.
- Trade facilitation—It was decided that the Council for

Trade in Goods would undertake exploratory work on the simplification of trade procedure to assess the scope for WTO rules in this area.

- * Labour standards—It was decided to “reject the use of labour standards for protectionist purposes” and it was “agreed that the comparative advantage of countries, particularly low wage developing countries, must, in no way, be put into question.”
- * Information Technology Agreement—The SMC welcomed the initiative taken by a number of WTO Members and other States who had applied for WTO accession, who agreed to tariff elimination for trade in information technology products on an MFN basis. After extensive discussions with its Industry and its trading partners, India filed its final Schedule of Concessions with regard to information technology products on 25.3.97 in Geneva and India's schedule has been approved by consensus by the Participants of the ITA.

Geneva Ministerial Conference (GMC)

The GMC, through its Ministerial Declaration of 20th May, 1998.

- * decided to reject the use of protectionist measures and underlined that “keeping all markets open must be a key element” in the functioning of world trade;
- * stressed that “full and faithful implementation of the WTO Agreement and Ministerial Decisions is imperative for the credibility of the multilateral trading system”;
- * adopted a separate Declaration on Electronic Commerce, non-binding in nature, which agreed on the need for a work programme on this important subject, which would take into account the economic, financial and development needs of developing countries and also decided on continuation of the current standstill on import duties on electronic transmissions, to be reviewed and extended, if necessary, only on the basis of consensus, at the next Ministerial Conference;
- * culminated with a Ministerial Declaration which has established a process under the direction of the General Council to ensure full and faithful implementation of existing WTO Agreements, and to prepare for the Third Session of the Ministerial Conference. This process shall enable the General Council, through its work programme, to arrive at recommendations concerning implementation issues of existing agreements, negotiations/future work already mandated, future work as recommended in the First Ministerial Conference held at Singapore, recommendations on the follow up of the high level meeting on Least Developed Countries and recommendations arising from consideration of “other matters proposed and agreed to by Members concerning their multilateral trade relations”.

- (c) As the agreements negotiated are on Most Favoured

Nations basis, the commitments undertaken by other WTO members provide increased market access opportunities for our exports of goods and services. The principles highlighted in the Ministerial Declarations aim to make the WTO system more equitable and transparent, and hence are beneficial for WTO Members in general, including India.

Carpet Industry

5572. SHRI K.L. SHARMA: Will the Minister of TEXTILES be pleased to state:

(a) whether the hand made carpet industry of the country is on downside due to high cost of its raw material and stiff competition in the world market; and

(b) if so, the measures taken/proposed to be taken by the Government in this regard?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA):
(a) and (b) The hand made carpet industry is facing a threat of down-slide due to reasons which may include increasing cost of its raw materials and stiff competition in the world market. The measures taken by the Government to check the high cost of raw material for the Indian Carpet Industry and make it more competitive in the international market inter-alia include: lower import duty on carpet grade wool; reimbursement of duty draw back; import of raw wool under Open General Licensing Scheme and import of spun silk yarn under the Advance Licensing Scheme by the exporters; sponsoring of sales-cum-study teams abroad; participation in international fairs/festivals; overseas publicity; organising the buyer-sellers meets; conducting of workshops and seminars and organising the Carpet Expo annually.

Funds for Externally Aided Projects

5573. SHRI SAMAR CHOUDHURY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government provide assistance to the N.E. States under externally aided projects with 90% grant and 10% loan component;

(b) if so, the details thereof;

(c) whether assistance so arranged is treated as additionality to the State plan;

(d) if so, the details thereof; and

(e) the details of projects sanctioned in the N.E. States during the last five years; State-wise?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA):
(a) Yes, Sir.

(b) During the current year, Assam and Manipur have so far received Rs. 6.42 crores and Rs. 4.48 crores respectively as external aid.

(c) No, Sir.

(d) Does not arise.

(e) A Statement is enclosed.