

(1) Review by the Government on the working of the National Handloom Development Corporation Limited, Lucknow, for the period from 22nd February, 1983 to 30th June, 1984.

(2) Annual Report of the National Handloom Development Corporation Limited, Lucknow, for the period from 22nd February, 1983 to 30th June, 1984 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.

12.09 hrs.

ASSENT TO BILLS

[English]

SECRETARY GENERAL : Sir, I lay on the Table the following twelve Bills passed by the Houses of Parliament during the current session and assented to since a report was last made to the House on the 14th March, 1985 :

1. The Appropriation (Vote on Account) Bill, 1985.
2. The Appropriation (No. 3) Bill, 1985.
3. The Appropriation (Railways) No. 3 Bill, 1985.
4. The Appropriation (Railways) No. 4 Bill, 1985.
5. The Punjab Appropriation (Note on Account) Bill, 1985.
6. The Punjab Appropriation (No. 2) Bill, 1985.
7. The Requisitioning and Acquisition of Immovable Property (Amendment) Bill, 1985.
8. The Bhopal Gas Leak Disaster (Processing of Claims) Bill, 1985.
9. The Handlooms (Reservation of Articles for Production Bill, 1985.
10. The Compulsory Deposit Scheme (Income-tax) Payers Amendment Bill, 1985.
11. The Union Duties of Excise (Distribution) Amendment Bill, 1985.
12. The Additional Duties of Excise (Goods of Special Importance) Amendment Bill. 1985.

12.10 hrs.

STATEMENT RE : EMPORT-EXPORT POLICY FOR 1985-88

[English]

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) : Sir, I am happy to place on the Table of the House the Import and Export Policy for 1985-88.

2. The objective of the Government is to provide a stable regime of economic policies, which would minimise year to year uncertainties and thus help industry to plan their economic activities in a longer term perspective. In pursuit of this objective, the Import and Export Policy is being announced for a period of three years.

3. The major objectives of the policy are :

- (i) to impart continuity and stability in Import-Export Policy;
- (ii) to facilitate increased production through easier and quicker access to inputs that need to be imported;
- (iii) to strengthen the base for export production and strive for a major thrust in exports;
- (iv) to make all possible savings in imports, to support indigenous production, and to promote efficient import substitution;
- (v) to facilitate technological upgradation and modernisation in production; and
- (vi) to reduce licencing, to streamline procedures and to de-centralise decision-making, which should reduce costs in terms of time and resources.

4. The broad structure of the Import and Export Policy, which has evolved in recent years, has been maintained in the new policy. In order to save the valuable time of the House. I would highlight only some of the import features.

5. This policy attempts to provide easier and quicker access to inputs that need to be imported. For this purpose, the area of specific licencing has been sought to be

reduced by abolition of the category of automatic licensing. The reduction in licensing would save both time and resources, which should eliminate avoidable delays and particularly benefit the small scale sector.

6. The list of items, imports of which were canalised, has been reviewed, to bring it in conformity with the basic objectives of canalisation namely purchases in bulk and thereby securing better terms of trade, development of long term sources of supply etc., which are undoubtedly sound and in the overall national interest. Consequently, imports of 53 items which did not meet the criteria have been decanalised. The procedure for supply of imported inputs to actual users by the canalising agencies has also been streamlined, so that avoidable delays are eliminated.

7. A new scheme known as the Import Export Pass Book Scheme has been introduced for manufacturer exporters to provide duty free access to imported inputs for export production. This scheme which is wider in its scope and more flexible in its operation than the present advance licensing scheme shall come into effect from 1st October, 1985. This would also eliminate possible delays in getting licences under duty exemption scheme every time an export order has to be executed.

8. For meeting the requirement of machinery for modernisation of export production, 201 items of industrial machinery have been included in the list of Capital Goods allowed for import under Open General Licence. The major sectors to benefit from this liberalisation are automobiles, leather, electronics, jute manufacturers, garment/hoisery/made-up, pen manufacturing, oil field services, etc.

9. The value limit per unit to cover foreign exchange requirements for import of balancing equipment having impact on quality and/or quantity of output, acquisition of technical know-how, foreign consultancy service etc. under Technical Development Fund has been enhanced from US \$ 5 lakhs to US dollar equivalent of Rs. 100 lakhs.

10. Trading Houses, and Export Houses with prescribed minimum level of exports have been allowed to import technical designs, drawings and other documentation required for their supporting manufacturers to the

extent of Rs. 25 lakhs and Rs. 10 lakhs respectively against their own REP/Additional licences.

11. The concept of eligibility for additional licences based on the net realisation of foreign exchange, which was first introduced in the last year's policy, has been extended to the growth rate prescribed for the renewal of Export/Trading House Certificate. This provision shall particularly benefit those Export/Trading Houses which are diversifying and progressively exporting products with higher net foreign exchange earnings.

12. Flexibility for utilisation of REP licences by manufacturer-exporters has been enlarged.

13. Import policy for computer systems has been liberalised. Imports of computer systems costing less than Rs. 10 lakhs (c.i.f.) has been allowed under Open General Licence by all persons for their own use. In this case higher Customs duty is leviable. Otherwise, if the importer takes prior clearance of the Department of Electronics lower rate of Customs duty would apply.

14. The scope of computer software export scheme has been extended to cover satellite communication also.

15. To provide protection to the indigenous industry, 67 items of raw-materials, components etc. from Open General Licence and Automatic Permissible List have been shifted to Limited Permissible List; 7 items from the Limited Permissible List have been shifted to the Restricted List; 20 items from the Canalised List have been shifted to the Limited Permissible List and 16 items to the Restricted List. Similarly, 4 items of Capital Goods have been taken out from the list of Capital Goods on Open General Licence.

16. In keeping with the objective of quicker decision-making through decentralisation, larger powers have been delegated at various levels both for import of capital goods and for import of raw materials, components etc.

17. There can be little doubt that if we have to reconcile a manageable balance of payments situation with a tolerable debt profile, we have to manage our balance of

trade situation through rational export promotion and efficient import substitution. Towards this objective, the framework of trade policies set out in this document seeks to strike a balance between export promotion on the one hand and import substitution on the other. It needs to be stressed, however, that any significant improvement in the foreign trade situation cannot take place in isolation from the improvement in the overall economic situation. We must, therefore, strive to improve the performance of the economy as a whole. The new Import-Export Policy is a step in that direction.

SHRI G. G. SWELL (Shillong) : This should be circulated to Members.

PROF. MADHU DANDAVATE (Rajapur) : Sir, I suggest that on a very important policy statement like this, let there be discussion.

MR. SPEAKER : You can give notice for it, there is no problem.

SHRI S. M. BHATTAM (Visakhapatnam) : Sir, the Minister just now announced a very important policy decision.

(Interruptions)

MR. SPEAKER : You can give notice, we can discuss.

(Interruptions)

SHRI S.M. BHATTAM : Sir, this should be subjected to discussion. That is the request I am making.

(Interruptions)

MR. SPEAKER : That is what I am saying. You are free to give notice for a discussion on this very subject.

12.16 hrs.

STATEMENT RE : DECISION TRI-PARTITE COMMITTEE'S REPORT FOR REVIEW OF INDUSTRIAL DEARNESS ALLOWANCE FORMULA FOR EMPLOYEES OF THE CENTRAL PUBLIC ENTERPRISES

[English]

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) : Mr. Speaker Sir Government of India set up a Tripartite

Committee in May, 1983 under the Chairmanship of the Labour Minister, consisting of representatives of the Government of India, Central Trade Union Organisations and Public Enterprises, to review the existing Industrial Dearness Allowance Formula for employees of the Central Public Enterprises. The Government, after receiving the Committee's Report, had further consultations with the representatives of the Central Trade Union Organisations and has taken the following decisions :

- (i) The existing Industrial Dearness Allowance rate would be raised from Rs. 1.30 per point Shift in AICPI (Simla Series, 1960-100) to Rs. 1.65 per point Shift. This will be effective from 1st April, 1983 and will apply to all increases in AICPI beyond 492 points.
- (ii) The revised rate would be payable from the current period i.e. from the 1st April, 1985. The arrears for the period from 1st April, 1983 to 31st March, 1985 would be calculated and one half of it would also be disbursed in cash. The other half would be retained with the Public Enterprises concerned and would be disbursed after one year along with interest at the rate of 25% per annum.
- (iii) The frequency of revision of the Dearness Allowance would continue to be quarterly.

PROF. MADHU DANDAVATE (Rajapur) : The representatives of the AICPI—that gives a wrong impression.

DR. DATTA SAMANT (Bombay South Central) : Some of the undertakings are paying more than this. So, will it be reduced ? (Interruptions). Sir, some of the undertakings are paying more than what you have declared.

(Interruptions)

SHRI VISHWANATH PRATAP SINGH : This is by consensus that we have agreed to with the trade union leaders. We had a discussion with them and we had agreed to it.

(Interruptions)