

Representation from MITCO Employees Association

5896. SHRI A.K. ROY: Will the Minister of COMMERCE be pleased to state:

(a) whether a representation from the Mica Trading Corporation Employees Association has been received stating 10 point action plan for the organisation: and

(b) if so, Government's reaction thereto and the steps taken thereon?

THE MINISTER OF ENERGY AND MINISTER OF CIVIL AVIATION (SHRI ARIF MOHAMMAD KHAN): (a) and (b). The Mica Trading Corporation Employees Association submitted a representation dated 9th March, 1990 giving certain suggestions. Most of the suggestions were earlier considered by the Committee appointed by the Government to review mica trade, which has submitted its report. The basic suggestion in the representation (to which the other suggestions are also inter-related) that MITCO, should not be merged with MTC, has not been accepted by the Government.

Embargo on STC by Syria

5897. SHRISANAT KUMAR MANDAL: Will the Minister of COMMERCE be pleased to state:

(a) whether his attention has been invited to the news item captioned "STC earns Syria's ire for no fault of own" appearing in the 'Financial Express', New Delhi dated the 7th March, 1990;

(b) if so, the facts of the case: and

(c) its fall-out on STC's participating in

any Syrian call for tenders either on its own or in cooperation with third parties and the lessons learnt by the STC from this deal?

THE MINISTER OF ENERGY AND MINISTER OF CIVIL AVIATION (SHRI ARIF MOHAMMAD KHAN): (a) Yes, Sir.

(b) During March-May, 1989, three off-shore contract were concluded for supply of 36,000 tonnes (12,000 tonnes each) of Thai Rice to Foreign Trade organisation for Food-stuffs and Chemicals (GEZA), Syria. For two contracts of 12,000 tonnes each M/s European Tea and Commodities (S) Private Limited, (ETC) Singapore was the supplier to GEZA and STC was in turn the supplier to ETC. For the third supply of 12,000 tonnes, STC was the principal supplier to GEZA. M/s Friendship Agro Industries and Trading Pte. Limited., (FAIT) Thailand was the source of supply for the entire quantity. Payments against the three contracts were to be made by confirmed irrevocable letters of credit, to be established directly by GEZA in favour of Thai Exporter or to be transferred in their favour. 10% Performance Bond against each of the contracts was furnished by the Thai Exporter directly to GEZA, which was accepted, thereby recognising that the Thai Exporter was the ultimate supplier. Thai Exporter (FAIT) did not comply with the contract terms due to an unexpected spurt in prices of Thai Rice. GEZA never opened any L/C in favour of STC for the 12,000 MT. direct contract at any point of time, which was an essential requirement of the contract and shipment. Despite this, GEZA invoked all the three performance guarantees furnished by the Thai Exporter in their favour.

(c) STC was unilaterally debarred from dealings in Syria for a period of three years with effect from 1.1. 1990. The Indian Embassy, Damascus has been requested to take up the matter with Syrian Government to lift the embargo.