

Rs. 100 crores. Sir, this is in a wrong direction.

My submission is that the natural river course should not be altered or the water should not be diverted. That is the main thing here. Supposing you are allowing sub-surface dams. They will be stagnating and impounding water in almost all the dams and the water may not reach the lower riparian States like Tamil Nadu from Kerala.

Hon. Member Shri Mullappally Ramachandran has stated that the water is already going waste into the Arabian Sea. Almost all the Chief Ministers in Kerala used to say in one way : Not even a single drop of water to waste. That's what they were always saying. (*Interruptions*)

MR. DEPUTY SPEAKER : You put the question.

SHRI P. KOLANDAIVELU : I would like to know whether Government of India will come forward to stop all the sub-surface dams in Kerala as the natural course of water has to reach Tamil Nadu. What can you do ?

PROF. MADHU DANDAVATE : The question is about Kerala, not about Tamil Nadu.

SHRI P. KOLANDAIVELU : The water is going to Tamil Nadu from Kerala.

SHRI DINESH SINGH : We shall certainly bear in mind the suggestions made by the hon. Member.

[*Translation*]

**Foreign Exchange Earned from Exports
and Trade Deficit**

*251. SHRI BALWANT SINGH RAMOOWALIA : Will the Minister of COMMERCE be pleased to state :

(a) whether the foreign exchange earned during the first six months of the year is more in comparison to the amount earned during the corresponding period last year;

(b) if so, the amount thereof;

(c) the amount of deficit likely to accrue in 1987; and

(d) the amount given by Government in the form of subsidy to foreign trade last year ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) to (d). A Statement is given below.

Statement

(a) and (b). According to the provisional trade statistics, India's exports during the first six months of the current financial year *i.e.* April-september 1987 amounted to Rs. 7411.26 crores as compared to Rs. 5857.44 crores during April-September 1986, thereby showing an increase of 26.5 per cent.

(c) It is difficult to precisely estimate the trade deficit with which we are likely to end the current financial year 1987-88 at this stage.

(d) The amount disbursed under the Market Development Assistance during 1986-87 amounted to Rs. 785.23 crores.

[*English*]

SHRI BALWANT SINGH RAMOOWALIA : Sir, it is reported that despite, the subsidies, there has been a heavy depletion in foreign currency assets during the first seven weeks of the year. Was it only due to repayment of IMF amount or some other reason was also there ?

SHRI P.R. DAS MUNSI : I would like to make the point clear to the hon. Member that the question though refers to the term called 'subsidy', there is no conceptual term in our Ministry of Commerce to provide any subsidy to the exporter but we give him what is called the CCS. This CCS is not a subsidy. It is just to neutralise the tax and some other things for which in the international price competition the exporter faces difficulty. It is not a subsidy. The subsidy part is only when the banks give them the loans, on that basis the bank credits interest which was given on some interest concession at the rate of 3 per cent,

is provided by the bank and that part only is given. Therefore, it will be unwise to consider that the Ministry of Commerce provided subsidy to that tune and as I have stated in the statement, it is a deficit. We are only concerned with the trade figure and the exporters are only entitled to get the CCS and it is to neutralise the prices and nothing more than that. I would like to inform the hon. Member that in addition to the statement, while I was replying to a question 15 or 20 days back, the latest figure was not given in the statement and now the latest export figure is Rs. 12603.27 crores for April 1987 to January 1988 against the target of this year of Rs. 13000 crores. A little over Rs. 13,800 crores will be ended up to 31st March and we are confident in exceeding the target. It is 25.1 per cent higher than the corresponding year of 1986-87, *i.e.*, from April to January. This is in addition to the statement because the current figure is now available with me and that amounts the deficit decline of Rs. 408.65 crores in comparison with the last year April-January.

SHRI BALWANT SINGH RAMOO-WALIA : A part of my question is not answered and that was whether the depletion is due to the repayments of the IMF or not. Anyhow, he will take into consideration.

SHRI P.R. DAS MUNSI) : He can address to the Finance Minister and the Finance Ministry and not to me.

SHRI BALWANT SINGH RAMOO-WALIA : He is also the Commerce Minister. I am one of the happy people because the targets of export are being achieved out of Rs. 13800 crores target as told by the hon. Minister, Shri Das Munsu, and the achievement is growing but the point is, the import bill in the coming five months is to shoot up. Has the Government already made its intention clear about the substantial import of edible oils, petroleum products, sugar, fertilisers, etc. ? Will it not annul the achievement made on export front ? Are the Government taking any steps to reconsider this heavy import question.

SHRI P.R. DAS MUNSI : In so far

as the imports are concerned, the hon. Member would appreciate that based on the requirements of the various sectors, whether it is fertiliser or food or other industries, the concerned department of the Ministry, as per the requirements of the country in a particular period of year, or sometimes to maintain the buffer stocks to neutralise the domestic price in some cases, the imports are made. But our Ministry for the last three months are very actively reviewing the aspects not only as to how we can cut down imports how to balance it but also regarding the price stability. I would like to inform the hon. Member that the visit of our Finance Minister to Malaysia in January created a very substantial gain for the country in the sense that the entire purchase to import the edible oil has been stabilised in such a form that they have been able to take the benefit of a huge price reduction for our own policy approach after his visit. This is the way we are trying to reduce the burden of import price but so far as import quantity is concerned, those are not exclusively in the hands of the Ministry of Commerce. We can only review but these are done for specific requirements by the departments of the concerned Ministries.

SHRI K.S. RAO : While the statistics that have been given by the Minister indicate that there is a constant increase in the exports, but when we look at the average world trade, information about which is given in another question, it is found that it is decreasing year after year. There is a general impression among the farmers that they are not getting remunerative prices for cotton, tobacco and such other items and, therefore, the farmers are not going in for those crops. In the meantime, the importers are making hey by importing and selling such items at a higher price. Will the Minister think in terms of paying remunerative prices or advising the Ministry of Agriculture for this and in arranging, if necessary, storage of such items, commercial products, like cotton, tobacco etc. as they have been doing for rice, wheat etc. and save foreign exchange and cover the trade deficit in another three years ?

SHRI P.R. DAS MUNSI : In so far as incentives to the farmers are concerned, these are not within my competence and

jurisdiction. This specific aspect can be addressed to the Agriculture Minister.

In so far as the export of agricultural produces is concerned, first of all, if we examine the overall world situation in the last two years, the export of basic agricultural commodities itself is in decline in various countries, not only in our country. There are certain areas where the import of such commodities is advantageous to the country instead of heavily depending on the domestic things for certain reasons. For example, we are not self-sufficient in oil-seeds and the domestic oilseed price is much more higher than the international price. Therefore, in order to keep the market steady and keep the requirements in mind, we have to maintain some buffer to neutralize the domestic price not at the cost of farmers. Their incentive is different, but it not to allow the speculators in the trade to speculate and fluctuate the prices.

In so far as our overall strategy for export of agricultural commodities is concerned, we are having a constant review and whenever we find that there is a loop-hole, we take definite steps in that direction.

SHRI C. MADHAV REDDI : The Minister told us that the exports had gone up by about 25 per cent. That is the figure given by the Minister of Finance in his Budget speech. I would like to know whether these exports are in relation to rupee. If that is so, since the rupee value has been depreciated, what is the exact value of the exports? The rupee value today as against pounds has depreciated by 12.6 per cent and similarly against several other currencies, the rupee value has been depreciated. What is the actual physical value of the exports of our country.

SHRI P.R. DAS MUNSI : As the hon. Member pointed out, whenever we draw the export figure, we do maintain two figures, one in rupee terms and the other in dollar terms. In so far as the dollar figures are concerned, our calculations have not yet been made, and hopefully, we are thinking to do it by the end of the financial year. However, the figure in respect of growth of export last year is available to us from the actual statistics published by UNO bulletin; that gives an aunthetic report every month. They have carried the figure of trade

growth in dollar terms and according to that 21.6 per cent trade growth in export was achieved by India in January-June. Possibly, the hon. Member is quite right that in actual and real terms, when we calculate in dollar terms may not be that advantageous. But nevertheless, the growth in terms of GNP, though remained stagnant, when compared to figures from 1950 onwards, shows that the domestic market capacity has been so expanded that whatever export surplus you may think to generate, firstly a part of it is absorbed by the domestic market. Secondly, whatever you like to export might not get the international competitive prices and create a block. We are examining this matter also on the territory to territory basis and wherever we will get an opportunity we will push it up.

PROF. MADHU DANDAVATE : Sir, in continuation of the last question, I would like to be more specific. The Economic Survey has said that our export has increased by 24.7 per cent and just now the Minister has said that it has increased by 25 per cent. Picking up the same thread, I would like to know whether it is not a fact that because our currency has been linked to a number of European currencies and since there is a gradual devaluation as a result of that apparently in terms of rupee value it appears as if our export has gone up and again the dollar has gone down. Is it not a fact that in a commensurate manner we have not exactly adjusted the exchange rate and, therefore, apparently it appears that our export to America has been increased. But that does not give the correct picture. This is one aspect of the question. This was continuation of the previous question and so you can treat it as Shri Madhav Reddi's question.

I would like to know whether it is not a fact that even on the basis of the figures that are given in the Budget that has been presented by the Finance Minister for the year 1988-89, as far as our repayment, the interest payments are concerned, actually 68 per cent of the entire external borrowings as well as market borrowings will be utilised for paying the old interest and, therefore, very little capital will be available for those industries which can export commodities over here. Therefore, it

appears that we borrow from the foreign market only to repay. Will you try to change this position so that whenever we borrow, at least that is made available for the manufacture of exportable commodities so that we can reduce the trade deficit ?

SHRI P.R. DAS MUNSI : Sir, in so far as the last part of Hon. Member's question is concerned, it should have been addressed to the Finance Ministry. As far as the first two parts of his questions are concerned, I may only inform the Member that a developing country who do not possess a very strong currency faces the same situation, with regard to the foreign trade. It is not restricted to India alone. It is applicable to the entire globe. However, the most enlightening feature of the Indian export is that it has not expanded in terms of rupee. In terms of quantity it has gone up to a great extent. The specific question is asked about the commodities and manufactured items. . .

PROF. MADHU DANDAVATE : That is not correct because these figures which you have given (24.7 and 25.00 per cent) are in terms of the increase in the rupee value export. It is not in terms of export.

SHRI P. R. DAS MUNSI : In some cases the value of some of the commodities has gone down and while in some other cases it has gone up. My job is to examine whether quantity-wise I am gaining some ground or not. To push my material more in the market and for value addition also whether I am gaining grounds. In these two aspects India is maintaining a better trade as compared to other developing countries. That is why I can say that so far as currency is concerned, it is not a problem in India. As per the April-January figures supplied by the Director General of Commercial Intelligence, the growth of imports in terms of dollar is 11.4% and the export is 23 per cent.

DR. G. S. RAJHANS : Sir, besides what has been mentioned in the Union Budget for the year 1988-89, May I know what other efforts are being made by the Government of India to boost the export and earn more foreign exchange.

SHRI P. R. DAS MUNSI : Sir the

larger aspect of the new proposal to improve the export will be known to this House by the 1st of April, 1988 when the new export-import policy will be made available. I cannot disclose it at the movement. However, I would like to tell the House that so far as the commodities and the manufactured items are concerned, our review is over and we have provided all the necessary inputs and equipments. I can only say that we are having a very close vigil on the engineering goods. We are trying our best to intensify the study on engineering goods.

MR. DEPUTY SPEAKER : Next Question. Q. No. 252. Shri Sarfraz Ahmad. No Shri Tulsi Ram. Not here. Q. No. 253. Shri Manik Reddy. Not here. Shri Prakash Chandra. No. Q. No. 254. Shri Ram Samujhawan. Not here. Q. No. 255. Shri Banatwalla. No. Q. No. 256. Dr. Chandra Shekhar Tripathi.

[*Translation*]

Utilisation of Water Resources

*256. **DR. CHANDRA SHEKHAR TRIPATHI :** Will the Minister of WATER RESOURCES be pleased to state :

(a) whether water resources in the country are not being utilised properly;

(b) if so whether Union Government propose to take any strong measures in this direction to ensure optimum utilisation of water resources;

(c) if so, the details thereof; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) The development of water resources has been progressively increasing during the Plan period. Upto the end of Sixth Plan about 67.5 m. ha. of irrigation potential was created against the ultimate potential of about 113 m. ha.

(b) to (d). Water resources development schemes are planned, funded and implemented by the State Governments. The Centre has taken up schemes and programmes for supplementing the efforts of the