

exported sufficient quantity to travel abroad, to establish contacts and to negotiate with the other parties. So, a series of measures have been introduced to encourage those who have the capability to export as well as to generate the capability to export.

SHRI H.N. NANJE GOWDA : Sir, one of the problems that we face in the world market is that our rates of products are much higher compared to the rates of similar items in other countries like Japan, South Korea, etc. Is it not a fact that the import of capital goods for the manufacture of these products are taxed heavily, which ultimately results in higher cost of production? As a result of this, ultimately in the world market we have to sell the products at a higher rate, and because of that we are not in a position to compete in the world market. That is why, there is no enough demand for our electronic goods in the world market. Therefore, I would like to know whether the Government is going to take measures for cost reduction and whether one such measure would be to reduce taxes on the import of capital goods for this purpose. I would also like to know whether the Study Report submitted to the Government also suggested reduction of cost and what other measures are suggested by the Study Report so that we can compete in the world market.

SHRI K.R. NARAYANAN : We have not yet been able to compete very efficiently in the world market largely because electronics is a new industry in our country. It is an industry which is now coming up. Nevertheless, we have been able to export to countries like Germany, Middle East, Africa and other places like that. And we have exported sophisticated system to them. For example, we have exported tele-communications system to the Middle East. In fact, we have explored some turnkey projects in these areas, even though we are operating in a new field of industry.

As far as duties and taxes are concerned, we have brought down the rates considerably. I think, earlier the duty was around 150 per cent; we have brought it down to 75 per cent. Particularly for software, we are following a very liberal policy and there is very large reduction of

import duties for components. India is an exporter of software and it is more or less an intellectual commodity, and we have an advantage; our software is picking up markets abroad.

SHRI ANANDA GAJAPATHI RAJU : Mr. Speaker Sir, in view of the fact that the yen has appreciated in the market and in view of the fact that the Japanese are thinking in terms of exporting capital and starting industries in third-world countries, will the Government take this opportunity; and if so, what are the operational plans they have prepared to take hold of the Japanese technology and capital to start industries either in India or in the third-world countries and increase export earnings thereof?

SHRI K.R. NARAYANAN : The appreciation of the yen has partly affected our exports and cost of production to some extent because we have to import from Japan some of the crucial components. As regards collaboration, of course, there are certain areas which Japan is leaving out in exports and we are trying to explore those areas and trying to project our exports in that direction. We have not yet, if I am right, concluded any arrangement with third countries, but we have been thinking of other methods like storing up or having warehouses in some strategic countries of the world where we can collect our electronic goods and sell from that place easily when demand arises.

Restrictions on Government Servants on Contribution to Provident Fund

***431. SHRI KAMLA PRASAD SINGH :** Will the PRIME MINISTER be pleased to state :

(a) whether there are any restrictions on a Government servant to the effect that he cannot contribute towards provident fund, the bonus and/or arrears of pay and allowances in full or in part;

(b) if so, the reasons therefor;

(c) if not, whether such requests by Government servants for depositing their dues in provident fund have been denied; and

(d) if so, the reasons therefor and whether Government have clarified the position to the departments in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). A statement is given below.

(c) The Government are not aware of any requests made by Government servants for depositing their dues in Provident Fund which has been denied.

(d) Does not arise.

Statement

In terms of the provisions made in the General Provident Fund (Central Services) Rules, 1960, an employee can subscribe an amount which is not less than 6% of the emoluments and not more than his total emoluments :

Provided that in the case of a subscriber who has previously been subscribing to a Government Contributory Provident Fund at the higher rate of 8½%, the amount of subscription has to be not less than 8½% of his emoluments and not more than his total emoluments. The amount of subscription can be reduced once at any time during the course of the year or enhanced twice during the course of the year. The arrears of pay form part of total emoluments and are governed by the general provisions of the rules as above. The bonus does not form part of emoluments and is governed by specific orders issued by Government. The arrears of pay and allowances and payment of bonus are required to be deposited into the provident fund in the interest of the national economy to stem the inflationary trends.

[Translation]

SHRI KAMALA PRASAD SINGH : Mr. Speaker, Sir, the employees are not inclined to make deposits in the Provident Funds, because the rate of interest is less than what is offered by the Banks. I want to ask the hon. Minister whether the

Government is considering the enhancement of the rate of interest.

[English]

SHRI P. CHIDAMBARAM : Sir, that would not be correct. The rate of interest is quite attractive and I think a large number of employees do avail of this option, to deposit in the Provident Fund. But the question, whether the rate of interest should be enhanced or not is a question which is under review by the Finance Ministry from time to time and the orders are issued by the Finance Ministry about the rate of interest.

DR. DATTA SAMANT : Sir, in this scheme, the maximum that we can make an employee to deposit may go upto his full salary. In the private sector, upto 10 per cent of their salary, the employers contribute towards their Provident Fund. But, I think, the Central Government servant does not contribute more than 6 per cent or 8 per cent towards the Provident Fund. I think it is 6 per cent. In the private sector, if a worker deposits 10 per cent in the Provident Fund, an equal contribution is made by the employer. It is a matching contribution. I want to know from you, whether the Government is going to accept the same conditions for the Central Government employees also.

SHRI P. CHIDAMBARAM : This is a General Provident Fund, this is not a Contributory Provident Fund and I do not think there is any proposal to convert this into a Contributory Provident Fund.

Pollution in National Lake

*432. SHRI JITENDRA PRASADA : Will the Minister of ENVIRONMENT AND FORESTS be pleased to state :

(a) whether the attention of Union Government has been drawn to the growing pollution in the lake water of Nainital which is a health resort as also tourists attraction; and

(b) if so, the steps taken by Union Government including chalking out any special scheme or giving financial assistance for a scheme drawn up by the State