

LOK SABHA

Wednesday, May 15, 1985/Vaisakha 25,
1907 (Saka)

The Lok Sabha met at Eleven of
the Clock.

[MR. SPEAKER in the Chair]

[English]

MR. SPEAKER : Mr. Ajay Mushran.
He is not present. Prof. Madhu Dandavate.

SHRI KAMAL NATH : He has two
Questions.

PROF. MADHU DANDAVATE : One
has been transferred.

SHRI KAMAL NATH : Every time
his name figures. There is some manipula-
tion.

MR. SPEAKER : He thinks that one
might be transferred; so, he keeps another
so that it will come, it is a standby.

SHRI KAMAL NATH : Is there any
astrological thing which has something to
do with this ?

PROF. MADHU DANDAVATE : It is
duly transferred. It is not like transfer of
judges.

ORAL ANSWERS TO QUESTIONS

[English]

Import of Electronic Equipment
and Technology

*855. PROF. MADHU DANDAVATE :
Will the PRIME MINISTER be pleased to
state :

(a) whether it is a fact that following the
statement in the House on the electronic

policy of Government, sophisticated electronic
equipment and technology is to be imported
on a big scale;

(b) if so, what will be the extent of
foreign exchange needed for these imports;
and

(c) whether it will adversely affect the
foreign exchange reserves ?

THE MINISTER OF STATE IN THE
MINISTRY OF SCIENCE AND TECHNO-
LOGY AND IN THE DEPARTMENTS OF
OCEAN DEVELOPMENT, ATOMIC
ENERGY, SPACE AND ELECTRONICS
(SHRI SHIVRAJ V. PATIL) : (a) No, Sir.
The new electronics policy does not envisage
large scale import of sophisticated electronic
equipment and technology.

(b) and (c). Do not arise.

PROF. MADHU DANDAVATE : I
think, the Minister does not want to exert
himself much. The answer that he has given
to part (a) of my question is 'No, Sir' and
to parts (b) and (c) 'Do not arise'. Really
speaking, the answer seems to be based on a
wrong understanding of the statement that
the hon. Minister has made on the
21st March, he made a statement in Parli-
ament on the 'Integrated Policy Measures on
Electronics'. I am asking my supplementary
on the basis of what he has said in that
statement. He has stated :

"...Government have decided that
there is a need to accelerate the use of
electronic equipment such as communica-
tion equipment, including mass communi-
cation, computerised control equipment,
data communication and data processing
equipment. A large country such as ours
cannot afford to continue to import such
equipment. As such, it is proposed to
set a target of local production of
Rs. 10,000 crores in the year 1989-90."

Then in the same statement on page 4,
para 10, it is said :

"Import of technology would be permitted freely to develop an appropriate electronics base in the country."

So, it is obvious that, if you want to have this indigenous production of the order of Rs. 10,000 crores by 1989-90, you would require a proper electronic base. And you have admitted in para 10 that, for that, you will require import of technology; you will be required to place orders for import of technology. Firstly, I do not understand on what basis you have given this reply to my question. Will you kindly revise your reply in the light of the information that I have given to you ?

SHRI SHIVRAJ V. PATIL : After all, large is a relative term. The question is that of free import of technology in an appropriate manner and in appropriate quantities. The actual question is whether it is large—import of technology. We are saying that it is not large, it is appropriate.

PROF. MADHU DANDAVATE : It is very clear that, when we want to go in for Rs. 10,000 crores worth of production, the equipment that will be required to create an electronic base will be quite large. You can have the jumble of words, whether it is actually large or not, but it will be large enough.

SHRI SHIVRAJ V. PATIL : If the question is put, I will answer with data and figures.

PROF. MADHU DANDAVATE : The second part of my question is this. It is already admitted in the statement that certain components will have to be imported. I do not want to read out that paragraph again. He has already carefully gone through the statement since he has presented to the House. If these components are going to be imported, I may point out that there are a number of places where some of the components are being manufactured. For instance, in Orissa, the capacitor that is required is already manufactured by some manufacturers. All of them are now under the impression that since there is going to be an import of components, the indigenous production is likely to suffer and their licences are going to be withdrawn. Therefore, I want an assurance from the hon. Minister. Even if you are going to import the components and since now in the budget the duty on these compo-

nents is already exempted, probably there will be more attraction for electronic manufacturers who require these components to import them rather than take them from the indigenous manufacturers. Will you make some arrangement to see that the indigenous manufacturers of these components in India do not suffer at the ends of the imported components ?

SHRI SHIVRAJ V. PATIL : The basic philosophy and the policy adopted is to give all encouragement to the electronic industry. First of all we have to understand that electronics is a knowledge-intensive area characterised by rapid innovations and obsolescence. So it is necessary for us to keep pace with the development of the technology in electronics in other parts of the world. So in the policy we have provided that if the technology is indigenously available, we will make use of that technology. If it can be developed within an acceptable span of time, we will develop it and use it. If it is not possible to develop the technology within the acceptable period of time, then it becomes necessary for us to get the technology from wherever it is available and to give encouragement to the electronic industry in our country. That is our basis philosophy. Here we shall have to provide materials. We shall have to provide components. We shall have to provide capital goods for the development of the electronic industry in the country and so we are trying to create the infra-structure necessary for the development of materials, components and the capital goods and also if necessary, to provide these things. For the time being, if the material is not available, we will import. If the components also are not available, we shall have to import them and provide them to the industry. But it is our intention to see that the indigenous development of the components does not suffer. We are aiming at a production in the vicinity of Rs. 10,000 crores by 1990 and for that purpose, whatever is necessary will be done. But at the same time we want to see that the indigenous technology, indigenous industry developing materials and components does not suffer. That is our policy.

PROF. MADHU DANDAVATE : Only one suggestion to the Minister—that is should not happen like Maruti where only 28% is indigenous and everything—else is actually imported. Even the tyres and tubes are imported. Only the air inside is not imported. That is what has happened in Maruti.

SHRI SHIVRAJ V. PATIL : I would like to bring to the hon. Member's notice that what is exempted in the Budget is the excise duty on the component.

SHRI SAIFUDDIN CHOWDHURY : As per the policy on electronics placed in this House free import of technology will be undertaken for the base to be prepared. Now in another clause it is said that indigenous research will also be encouraged. In view of that I want to know. A large sum of money is going to be invested in this field. Have you earmarked a certain percentage of that which will go to encourage indigenous research in this field? Then when you are going in for imports, how the decision will be taken? If it is left in the hands of the private sector or the bureaucrats, I have every doubt that indigenous research will suffer. There are organisations of scientists working in different fields. Will they be consulted and their opinion given due weight before going in for import of technology?

SHRI SHIVRAJ V. PATIL : It is estimated that in the Seventh Five Year Plan the outflow of foreign exchange for import of technology will be in the neighbourhood of Rs. 110 crores. But for the kind information of the hon. Member I would like to say that in the Fifth Five Year Plan Rs. 154 crores were spent on R and D. In the Sixth Five Year Plan, the amount which was spent on electronic R and D was to the tune of Rs. 469 crores. Rs. 110 crores, we are going to spend on import of technology in the Seventh Five Year Plan. These are the figures which I am giving of the Sixth Five Year Plan. The Seventh Plan has not yet been finalised and it is not possible to give the final figures. But even in the Seventh Five Year Plan equipment will be necessary for giving sinews to the laboratories for the development of technology in the electronic field; we are going to spend an amount in the vicinity of Rs. 400 crores for giving equipment for the development of technology in our laboratories. That itself will go to show how much importance we are attaching to the indigenous development of technology. There are certain organisations which have been set up for the development of technology. One of the organisations is the Centre for Development of Telematics; we call it CEDOT. Then there are organisations which are Technology Development Councils,

Then there is the National Radar Development Council; there is the National Micro-Electronic Council; there is the Centre for Development of Material Electronics. These organisations are meant to develop the systems, are meant to develop the components, are meant to develop the materials, are meant to develop the manpower necessary for the indigenous development of technology. So, we are looking at the problem from all angles and we are trying to see that we do not suffer on that count. If we go on continuing with imports, it is not good. So, we are giving all attention, providing all the money that is necessary for all the infrastructure that is necessary for the purpose.

THE PRIME MINISTER (SHRI RAJIV GANDHI) : If I may add a little bit to that because it is on the policy, what has happened in the past is that we have tried to develop everything right across the board from small components to large finished units, and invariably we have lagged behind what is happening in some other countries. Except for very few areas, we have not been able to keep up with the frontline technology. And as we go further, technology is advancing very, very rapidly and it is going to be more and more difficult for us to keep up this race. What happens is this. First we want to buy something. They do not sell it to us. You cannot buy it, you cannot buy it. So, we try to develop it. The minute we develop it and we are on the verge of getting into production, they suddenly say, "You can buy it". Then our own development cost is wasted. Our production costs are higher because it is a new development and they have making it for some years. So, it frustrates our own process. We have changed the basic policy slightly. What we have said is that we must look ahead, may be ten years, may be 15 years, and we must think today of what the frontline technology will be at that time. It might be something which is not even available today or not even on the drawing boards today. But we must think ahead of that. We must identify certain, what we are going to call, 'machine areas' and thrust along those areas. We want to improve the technology. When we talk of technology, I am talking on a broader concept, not only of electronics but we might want to improve, for example, the seed of rice, we might want to improve fertiliser, we might want to improve some-

thing else; and We concentrate on these 'machine areas' so that ten years from now, we are the most advanced country in that area irrespective of anything else. Because we will have to concentrate along these lines, we will have to reduce our efforts on some of the other lines. This is the basic change. I thought I would just explain that.

SHRI S. KRISHNA KUMAR : In the electronic policy statement made on 21st March, a balance is admitted to be struck between the vitally needed imported technology and development of indigenous technology. A certain apprehension has been voiced by scientists in so far as import of technology is freely allowed, especially to build up in-house technology in industries. Sir, the industries will take the easier course to import technology rather than invest in R and D in the country. With reference to hon. Prime Minister's statement just now there was recently a report in the Hindustan Times that though the hon. Prime Minister gave stringent instructions that silica for the National Silicon Factory be attempted to be manufactured in the country, *viz.* indigenous technology should be given a chance but before it can be manufactured simultaneously the foreign lobbies or those who are interested in import are pushing their own project. As the Prime Minister said the very indigenous technology can be frustrated. When it comes to implementation the power of the foreign lobbies cannot be underestimated. I would like to know whether detailed operational guidelines have been issued the concerned department like the Ministry of Industrial Development ?

SHRI SHIVRAJ V. PATIL : It is a very important question and detailed policy guidelines have been formulated by the Government and they are available in the technology statement issued by the Government of India in 1983. There are two-three issues involved here—the import of goods and import of technology, technology developed indigenously and procurement of technology from outside. Now, the interests here conflict. Should we continue to import the goods from outside and not the technology ? That is a question. If we are asked to import the goods we would say if it is necessary we will do that but if we can satisfy the local demand by importing the technology and importing goods we will not

import goods but we will import the technology.

The second question relates to the interests to develop indigenous technology and interests of those who would like to have technology from outside. Rightly it is put before the House by the hon. Prime Minister that when we try to develop something it becomes available from outside and it becomes meaningless to develop it as well as not to get it. We are going to have a perspective planning. We are planning for 15 or 20 years hence and we will be developing those technologies—mission-oriented technologies. All these aspects are clearly understood and clearly mentioned in the Technology statement which is issued by the Government.

As far as silica is concerned it is the policy of the Government to develop the technology in the laboratory; to develop the technology in the industry also and only after we come to the conclusion not to have it or have it the decision can be taken in this respect.

[Translation]

Facilities to Sportsmen

*856. **PROF. NIRMALA KUMARI SHAKTAWAT :** Will the Minister of YOUTH AFFAIRS AND SPORTS be pleased to state :

(a) whether the Indian Olympic Association has submitted a report to Government recommending facilities for the sportsmen and if so, whether this report has been accepted;

(b) the main recommendations made in this report; and

(c) the time by which Government propose to give special concessions to the sportsmen by accepting those recommendations ?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL AND TRAINING, ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES AND PENSIONS AND IN THE DEPARTMENT OF CULTURE (SHRI K.P. SINGH DEO) : (a) No such report has been received.

(b) and (c). Do not arise.