

the Consortium members on a mutually agreed basis in case of discounted sales to meet the fierce competition from neighbouring countries.

3. The main reason for the fall in the India's Jute hag export is the mounting competition from neighbouring countries as well as the increased cost of money as reflected in high interest rates in the consuming countries which is forcing the consumers to limit their purchases to the barest minimum level. Besides these factors, there is also a trend in the developed countries to attain self sufficiency in packaging material by the encouragement of locally produced synthetic substitutes.

4. Government have taken various measures for stepping up export of jute goods which include:—

(i) Continuation of cash compensatory support on almost all exportable items of jute goods and cash subsidy on export of sacking against bulk tenders for sales through STC.

(ii) Greater involvement of the STC to capture markets for traditional items.

(iii) Diversification of product range through research and development efforts.

(iv) International level consultations are held under the auspices of UNCTAD, ESCAP, FAO, etc., aimed at joint action programme to stabilise prices of jute products *visa-a-vis* synthetics. Regional level consultations at Government level amongst Jute Producing Countries to promote a joint marketing strategy is also being pursued at the periodic ESAC sponsored discussions.

(v) Participation in Trade Fairs/Exhibitions abroad and sponsoring of market oriented delegations to selected countries abroad.

Export of Powerloom Fabrics as Handloom Goods

*388. SHRI JAGDISH TYTLER: Will the Minister of COMMERCE be pleased to state:

(a) what steps are being considered by Government to eliminate the problem of unscrupulous exporters who were exporting powerloom fabrics as handloom goods;

(b) what action is being proposed to be taken against such exporters; and

(c) how Government propose to take steps to eradicate this image tarnishing by such unscrupulous exporters?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI SHIVRAJ V. PATIL): (a) Whenever specific instances of malpractices come to light, appropriate action under the law is taken. Apart from action under the relevant provisions of Import and Export, (Control) Act-1947 and Orders thereunder, (as amended from time to time) such action may also include criminal proceedings depending upon the facts and nature of each case. The Textiles Committee has been instructed to carry out inspection according to rules and regulations laying down objective and verifiable criteria.

(b) Action has already been initiated against certain exporters and officials of the Textiles Committee in specific cases relating to Benelux and U.K. where non-handloom items had been exported certified as handloom items.

(c) Prompt action under law against delinquent exporters and officials as well as tightening of certification system are expected to minimise recurrence of such malpractices. Preemptive vigilance in the Textiles Committee has also been intensified.