

SHRI PRANAB MUKHERJEE: So far as this item is concerned, it is the administrative Ministry, viz. the Ministry of Agriculture which thought that we should not export it, as a result of which we have put a ban. But we are taking it up with them, i.e. to enquire whether they are in a position to supply them. Sometimes it happens that in order to meet the domestic demand, we put a ban on export.

Setting up of Integrated Port Based Steel Plant

*191. **SHRI LAKSHMAN MALLICK:** Will the Minister of STEEL AND MINES be pleased to state:

(a) whether there is any proposal under Government's consideration to set up an integrated port-based steel plant in the country other than at Paradeep; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). With a view to augmenting the steel making capacity in the country, Government have been exploring the possibilities of setting up a new port-based steel plant with technical and financial assistance from some of the developed countries. As a result, concrete proposals have been received from certain parties in West Germany, U.K. etc. These proposals including the question of final location as well as other terms and conditions are presently in various stages of detailed technical and financial evaluation and will have to be negotiated further with the parties concerned before a final decision can be taken.

SHRI LAKSHMAN MALLICK: Is it a fact that West Germany and U.K. firms have offered to set up a steel plant at Paradeep on turn-key basis?

SHRI PRANAB MUKHERJEE: It is more or less on the turn-key basis.

but we are not using that term. But all the formalities are not to be complied with, but substantially it is on the turn-key basis.

SHRI CHINTAMANI PANIGRAHI: The people of Orissa were very glad when the hon. Minister had been recently on tour to Orissa and categorically assured that there would be a shore-bound Steel Plant at Paradeep. It had already come out in the papers that West Germany and other countries sent their team to India, they also visited Paradeep and almost selected the site and that land has already been allotted, so far as this is concerned. I would like to know by what time all the decisions are going to be taken, say, within two months or three months to set up the steel plant at Paradeep.

SHRI PRANAB MUKHERJEE: We are trying to expedite the matter and it is known to the hon. member that it is a project of more than Rs. 1500 crores. I have already explained that it will be financed 100 per cent by the foreign parties including on-shore parties. In view of that, it is taking some time, but we are in the process of negotiations with both the parties. We are trying to evaluate which will be more favourable to us; and after arriving at a decision, we will take the final decision.

Foreign Exchange Reserves

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193. **SHRI P. J. KURIEN:**

SHRI P. K. KODIYAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the foreign exchange reserves have been steadily declining for the last one year;

(b) if so, the facts and reasons therefor; and

(c) what measures have been taken by Government to boost exports, particularly to Gulf and African countries?

THE MINISTER OF FINANCE
(SHRI R. VENKATARAMAN): (a) to (c). A statement is laid on the Table of the House.

Statement

The foreign exchange reserves (excluding gold and Special Drawing Rights) declined by Rs. 56.20 crores during the fiscal year 1979-80 as compared to the increase of Rs. 720.11 crores in 1978-79. The foreign exchange reserves (excluding gold and Special Drawing Rights) have further gone down by Rs. 360.64 crores during the current financial year so far.

2. The changes in foreign exchange reserves are the net outcome of India's transactions with other countries, the details of which would become available only with the compilation of balance of payments statistics by the Reserve Bank of India.

3. The broad indications, however, are that the decline in foreign exchange reserves (excluding Gold and SDRs) during 1979-80 and thereafter was due mainly to the larger trade deficit brought about, on the one hand, by the sluggish growth in exports and, on the other, by the substantial increase in the import bill as a result of large imports of intermediates and raw materials, items of mass consumption like edible oils and increase in the international prices of crude oil and petroleum products, fertilizers, ferrous and non-ferrous metals etc.

4. The Government is, *inter alia*, taking the following steps to boost exports during the current year.

- (1) To identify and remove the various constraints on production, such as, shortage of power, basic raw materials etc., with a view to ensure fuller utilisation of industrial capacity. -
- (2) To lay stress on production of items having export potential

so that larger export surpluses are available.

- (3) To take fuller advantage of managerial talent and advanced technology available in the country.
- (4) To encourage export of value-added items particularly finished and semi-finished goods.
- (5) To solve problems of shipping and port congestion.
- (6) To coordinate and strengthen marketing intelligence abroad.

The Import Policy for the current financial year 1980-81 has accordingly given due weightage to export effort as above.

The Government has been taking a number of measures to promote exports to Gulf and African countries. These include exchange of trade delegations, participation in international exhibitions/fairs held in various African countries, organising exclusive Indian trade exhibitions in the Gulf countries, opening of offices of public sector firms and branches of Indian banks, and agency arrangements with nationalised banks of these countries to facilitate trade exchanges. Other steps taken in this direction include improvement of shipping facilities to various African countries, increasing the frequency of Air India operations to various Gulf countries, increasing project exports to these areas and holding official level trade talks with various countries of this region periodically to explore possibilities of further increasing the bilateral trade.

SHRI P. J. KURIEN: Is it not a fact that our foreign reserves are there because of the remittances by Indians working abroad and the decline of the foreign remittances is due to their deportation and coming back due to severe labour laws? If it is so, what steps he would take to give encouragement to the Indians abroad and also to give protection to them

in order to increase the remittances from them?

SHRI R. VENKATARAMAN: In the year 1979-80, remittances have not gone down. But we know it for a fact that some of these countries are now imposing restrictions on our labour. The Government has taken up this matter wherever it is necessary and we shall see that the interests of our labour are protected.

MR. SPEAKER: The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Air Taxi by Private Operators

*185. **SHRI AHMED M. PATEL:** Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) what is the progress in the proposal to allowing private aircraft operators to run air taxi and helicopter service outside the Indian Air-lines net-work; and

(b) when the final decision is likely to be taken?

THE MINISTER OF TRANSPORT AND SHIPPING AND TOURISM AND CIVIL AVIATION (SHRI A. P. SHARMA): (a) and (b). The question of allowing private operators to run air taxi and helicopter service is under consideration of the Government. Applicants who have sought permission for operation of air taxi services have been advised to await the decision of the Government in the matter. None of these applicants possesses his own aircraft.

However, a non-scheduled operator, namely, Sarya Aviation, who has a three-seater aircraft, applied for a single party charter on Delhi-Agra and Delhi-Jaipur routes and was permitted to operate for six months effective from 1st February, 1980.

Import of Tyres

*186. **SHRI K. T. KOSALRAM:** Will the Minister of COMMERCE be pleased to state:

(a) whether import of tyre permitted under open general licence by the former Janata Government has affected the indigenous tyre companies; and

(b) if so, the steps proposed to be taken by Government for helping the indigenous tyre companies?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) The present Import Policy has not adversely affected the indigenous tyre industry.

(b) Does not arise.

Take over of Sick Tea Gardens

*187. **SHRI SUBODH SEN:** Will the Minister of COMMERCE be pleased to state:

(a) whether the Government of West Bengal requested the Central Government for taking over five sick tea gardens in West Bengal; and

(b) if so, steps taken by Government thereon?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) In April, 1980 the Minister-in-Charge, Departments of Commerce and Industries, Public Undertakings and Closed and Sick Industries, West Bengal had requested the Central Government to consider the take-over of some tea gardens in that State.

(b) The provisions of sections 16B to 16E of the Tea (Amendment) Act, 1976, enumerate the circumstances under which the Government can cause investigation, assume management or control or take over a tea undertaking even without investigation.