

LOK SABHA DEBATES

LOK SABHA

Friday, May 4, 1979/Vaisakha 14,
1901 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

STC's New Export Strategy

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*990. SHRI NIHAR LASKAR:
SHRI P. M. SAYEED:

Will the Minister of COMMERCE,
CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether State Trading Corporation plans big thrust in new markets;

(b) if so, whether any scheme has been prepared in this regard;

(c) if so, what are the details of the same; and

(d) whether new export strategy of 1979-80 will lay greater emphasis on improved trade exchanges with East European countries which has been on decline during the last financial year?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BAIG): (a) Yes, Sir.

(b) Yes, Sir.

(c) and (d). A statement is placed on the Table of the House.

Statement

(c) STC's new export strategy includes the following:—

—select areas of major thrust to achieve socio-economic objectives;

—plan to move progressively towards increased direct trade;

—modify the functional structure of the organisation and re-group the items handled by the Corporation in terms of internal procurement and international marketing;

—re-organise Indian and foreign branches to make the STC's operations more efficient and effective.

—promote the exports of the small scale sector through consortium approach, supply of critical inputs and extension of financial support.

—ensure better coordination with State Government organisations in export development efforts.

—redefine the policies and procedures to suit new activities.

—assistance in strengthening the export production base particularly of the small scale sector.

(d) The main strategy for improving exports to East European countries is through providing adequate bargaining strength for the Indian exporters against the buying strength of the monopoly importing organisations in those countries. For this purpose STC has generally organised consortia of suppliers for different products. This approach eliminates unhealthy *inter-se* competition.

—Since exports to this region showed a decline last year because of paucity of rupee funds, STC is planning to import more items and in larger quantities to generate more rupee funds subject to quality and price being satisfactory.

SHRI NIHAR LASKAR: Sir, of course the Minister has given us a long list of measures he wants to

take to improve the condition of STC, but he does not realise that the STC has failed completely to develop the infra-structure to bring up the quality of Indian goods for the international markets and also to supply the products in time. In this direction I do not know whether the Government have taken any measures to improve the conditions and if so, what are the measures?

SHRI ARIF BAIG: Sir, that is not true. As far as the performance of the STC is concerned, for your information I should say that in the last year, in 1978, the total business of STC was to the tune of Rs. 1,070 crores. Last year the exports were of the value of Rs. 557 crores and this year, Rs. 608 crores.

MR. SPEAKER: He has said, quality of goods. What have you done about it?

(Interruptions)

THE MINISTER OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): Sir, in the reply it has been stated what are the steps that were taken, and naturally quality is one of the aspects here, it is not only for the STG, but for the whole of the country and for all exporters who have been insisting on quality, a Bill has also been drafted, it is being examined at the final stages by the Law Ministry and we would like to take care of our quality. Not only that. At one end we would introduce a system of self-certification where the importers are equally happy, and if they say that they have no objection, then we shall allow these exports of quality to be made. Along with that there will be periodical or surprise inspections also. But any moment if it is found that the exporter has not behaved, if he has not delivered the goods according to the specifications and quality, we shall see that there are penal provisions in this Bill itself. I am sure the Parliament will give all its support, but

I do share the concern of the hon. Member that we must observe good quality, and so far STC and all organisations coming under my Ministry or under the Government are concerned, we are very much conscious of it and all efforts are being made.

MR. SPEAKER: The second aspect of it is delivery in time.

SHRI MOHAN DHARIA: Sir, when I say quality and also the maintenance of schedule, I am saying that both shall have to be done.

SHRI NIHAR LASKAR: Another field which I would like to bring to the notice of the hon. Minister is the field in which we have failed and that is market intelligence. Here also we find in the recent past that crores of rupees have been lost because of this factor. In this regard also, I would like to know what is your aim and what are you doing to improve the conditions.

SHRI MOHAN DHARIA: At one end we are strengthening all our Embassies and High Commissions so far as the market intelligence is concerned. Besides, we have formulated several groups of the world and specific officers will be in charge of those regions and with a view to have better marketing abroad we are trying to have direct contract bilaterally with all these countries. We are sending out delegations, we are inviting their delegations, we are making all possible efforts to publicise our goods. But again, it is not enough. It is in this context that with a view to have better market intelligence, to have a better perspective, I have taken a decision to constitute a group under the leadership of Mr. Prakash Tandon and that group will examine the prospects of the whole foreign trade for the eighties. Eminent persons will be involved in this group, and I am sure that on the basis of their guidelines and recommendations, it should be possible for our country to take all possible care including

the market intelligence, the production base and all other facilities that are required for better exports.

बीधरी बलबीर सिंह : क्या मंत्री महोदय की नोटिस में इस किस्म के कॅसिज भी धार्ये हैं कि घस बाहर के मूलकों वाले भी कई बार गड़बड़ करते हैं, घाड़र प्लेंस कर देते हैं, माल पहुंच जाता है, फिर वह कहते हैं, कि यह माल हमें नहीं लेना है, उस के बाव उनको कहते हैं कि इसको इतने भाव पर दें तो हम लेने को तयार हैं। एक्सपोर्टर जो हैं उसका झालरेडी पैसा ब्लाक हो चुका है, माल वहाँ पहुंच चुका है और इधर बैंक वाले तंग करते हैं कि उन को पैसा दिया जाय। उनको बाव दफा इतने बाटे पर माल देना पड़ता है कि उन का सत्यानास हो जाता है। सरकार इस किस्म के कॅसिज में उन एक्सपोर्टर्स को जिन का माल क्वालिटी के मूताबिक है और उनके घाड़र के मूताबिक है...

अध्यक्ष महोदय : सवाल बहुत लम्बा हो गया।

बीधरी बलबीर सिंह : मैं इनकी नोटिस में कॅसिज ला सकता हूँ...

MR. SPEAKER: You are putting the reverse of it. This is about export. You are speaking about the import.

बीधरी बलबीर सिंह : यह एक्सपोर्ट का सवाल है और एक्सपोर्ट की क्वालिटी का सवाल है। हमारा सवाल है कि एक्सपोर्टर अगर ठीक क्वालिटी का माल भेजता है और उसे कोई रक़ावट होती है तो सरकार क्या मदद करेगी ?

श्री मोहन धारिया : ऐसी भी कुछ शिकायतें जरूर आती हैं और इसीलिए एक तो जिस देश से यह काम होता है उसके साथ हम बात करते हैं। दूसरी बात यह है कि जो हमारा ईसी जो सी है, जो एक्सपोर्ट का एग्रीमेंट गारंटी करना है उसके माध्यम से हम ने इन्फोरेंस का भी इंतजाम किया है और अगर कोई ऐसा माग भेजता है जिस को पैस बड़ा से नहीं मिलते हैं तो वे पैने उसको यहां से देने का इंतजाम करते हैं। इस से काफी सुविधा मिल गई है।

SHRI P. VENKATASUBBAIAH: The greatest asset of the STC is its Minister. May I ask him whether the STC will be entrusted with the monopoly export of tobacco, which is now being done by various private traders? Some foreign countries are exploiting the situation and their money is now being used for political purposes also. I would like to know whether that day is not far off when the Virginia tobacco, which is available for export in this country will be routed through

the STC. While replying the Minister said that such of those exports who have defaulted, sufficient penal action will be taken against them. I would like to know whether a case has been brought to his notice against an exporter, who has violated and who has not given good quality, no action has been taken, but he has been rewarded by putting him on the Tobacco Board as member. In that case, how does the Minister say that proper action is being taken in respect of those people who have violated the conditions and who have also exported the inferior variety.

SHRI MOHAN DHARIA: So far as the first question is concerned, the House may be aware that tobacco is not a crop where we can have any monopoly operations because it is available all over the world. If we introduce monopoly or canalise the export of tobacco, it is likely that we may lose our buyers also.

SHRI JYOTIRMOY BOSU: That is a matter of opinion.

SHRI MOHAN DHARIA: Under the circumstances, the best course is to see that our tobacco growers get remunerative prices. It is in this context that the hon. Member will also remember of the Tobacco Board. He is well aware of it. We have introduced a system whereby we do not allow tobacco to be grown in more areas than what is required by the country and for our export purposes, here we are taking care so that our producers get a remunerative price. Here we are looking after the interests of the producers and the hon. Member may be aware that we have introduced several measures including our direct intervention into the market. So far as other supplementaries are concerned, the complaint has been received, but it is absolutely vague. If I could get some concrete evidence from the hon. Member, I can assure him today that we shall take care and see that he does not continue as a Member of the Tobacco Board.