

increase by Nepal in custom duties on certain items of imports and the imposition of surcharge on some other items of imports by Nepal after the devaluation of the Indian rupee.

(b) Government of India have all along been taking steps to expand the quantum of trade between India and Nepal. Such steps include periodical discussions between the representatives of two countries; encouragement to Indian industrialists for individual or joint adventures; grant of credit, and arranging extensive commercial publicity of Indian goods in Nepal. There are no quantitative restrictions on the import into India of goods originating in Nepal.

EXPORTS OF ENGINEERING GOODS

*292. SHRI S. C. SAMANTA : Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether any study has been made as to why machinery, equipments and other goods manufactured in India are dearer than their counterparts of even better quality in several foreign countries;

(b) the attempts which have been made or are likely to be made for reducing the manufacturing costs and bettering their quality in order to make Indian goods more and more foreign exchange earners; and

(c) the difficulties in adopting more or less similar manufacturing ideas and schemes, as are prevalent in Japan or other countries ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) : (a) Yes, Sir. Indigenously produced machinery and equipment is in many cases dearer than the comparable machinery and equipment of imported origin, mainly because of the initial stages of development, higher costs of raw material, low volume of output, low productivity of labour. This is also a feature of industry in the developing stages of any economy.

(b) As the industry gets established efforts are being made to reduce the manufacturing cost of indigenously manufactured equipment as well as other products. Steps

have also been taken to boost up their export, which include drawback on excise and customs duties, provision of additional incentives by way of cash assistance, import replenishment, provision of steel at international prices in certain cases, reduction in the rail and ocean freights and rigorous compulsory pre-shipment inspection and quality control.

(c) The conditions required for the development of various industries differ from country to country, and it is not always possible to adopt the same pattern as in Japan or other developed country in the absence of supporting conditions. There is, however, already a sizeable measure of technical collaboration with foreign countries including Japan in the various sectors of our industry.

CUTS IN IMPORT TARIFFS

*293. SHRI GADILINGANA GOWD : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to hold discussion with Pakistan and other neighbouring countries to cut import tariffs with a view to develop trade between these countries; and

(b) if so, the action taken in the matter and results thereof ?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) and (b). There is no such proposal at present. Ways and means of augmenting trade exchanges with developing countries are however being explored both bilaterally and in one of the Working Groups appointed by the U.N. Conference on Trade and Development.

RUPEE PAYMENT AGREEMENT

*294. SHRI S. R. DAMANI : Will the Minister of COMMERCE be pleased to state :

(a) the names of the countries with which India has entered into rupee payment arrangements; and

(b) the special features thereof ?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) Bulgaria, Czechoslovakia, East Germany, Hungary,