

(Interruptions)

MR. SPEAKER: Shri K. Pradhani...Absent Shri E. Ayyapu Reddy.

ORAL ANSWERS TO QUESTIONS

[*English*]

Production of Bus and Truck Tyres

*371. SHRI E. AYYAPU REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether there has been a steep rise in the production of bus and truck tyres in 1988 as compared to 1987; and

(b) whether due to the increase in production the availability of tyres has become easy and cheap?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b). There has been a significant increase in production of bus and truck tyres from 39.8 lakhs in 1987 to 48.7 lakhs in 1988. The availability of tyres is adequate to meet domestic demand and export commitments. However, the prices of tyres have shown an increase primarily due to the increases in the cost of raw materials and inputs.

SHRI E. AYYAPU REDDY: Mr. Speaker Sir, the increase in the prices of tyres of trucks and buses has a cascading effect on the consumer. Everyday the cost of transport is going up. In some cases, the price of the goods is less than the cost of transport. And in no case the cost of transport is less than twenty five per cent of the price of the goods. This has got an effect on the consumer. The transport operators are complaining that the prices of tyres have gone up very steeply and without any reason. This matter has been agitating the

consumers and it was assured that the Cost Index Price will be fixed. But so far no prices have been fixed. Will the Government think of fixing price under the Essential Commodities Act so that the prices are regulated and the prices of these tyres are within the reasonable limits?

SHRI M. ARUNACHALAM: Sir, the Government is not in favour of introduction of any statutory control over prices and distribution of tyres. But we have allowed the import of tyres under OGL. We have permitted some associations to import tyres. We hope that the prices will stabilise and come down.

SHRI E. AYYAPU REDDY: Sir, I do not think he has properly answered. Has any exercise been done in trying to ascertain the reasonable prices. Which these tyre manufactures can charge? Has any exercise been done at the Secretariat level?

SHRI M. ARUNACHALAM: Yes Sir; BICP has gone into it. They have submitted that the input cost has gone up. Therefore, the price has gone up.

SHRI E. AYYAPU REDDY: Sir, it is not correct to say that the input prices have gone up. As a matter of fact, the producers of rubber have been complaining that they are not getting reasonable prices. As a matter of fact, the MODVAT has been made applicable and the excise duty on the input has been cut down. The manufacturers have got the benefit of the MODVAT. Therefore, there is no substance in the claim that the input prices have gone up. The increase in the prices of inputs has no relationship whatsoever with the final price of the tyres of trucks and buses. Has this been examined?

My next supplementary is, how much of these goods are being exported and why is it that you are allowing export while the prices of tyres are not within the reasonable limit in the domestic market.

THE MINISTER OF INDUSTRY (SHRI J. VENGALA RAO): Sir, our production has

gone up this year upto 48.7 lakhs, from 39 lakhs to 48.7 lakhs. Since we are having extra production, we are encouraging exports. Last year, the export was worth Rs. 70 crores. But according to the hon. Member, the rates are very high. That is why, we allowed the import of these items to road transport corporations and some other organisations under OGL in order to control the domestic prices. We are not going to impose any restrictions. We are lifting all production controls on tyre industry. They can manufacture any number of tyres. Actually only two houses i.e. Modis and Goenkas, are controlling 50 to 60 per cent of the domestic production of tyres. That is why, we gave letters of intent to nearly 13 to 14 new companies. When the production in these companies starts, the prices of tyres will come down. In the meanwhile, we have allowed imports under OGL.

DR. DATTA SAMANT: Tyre is not a luxury item but it is a consumer items which is needed by buses and taxis used by the average people of this country. I am dealing with some of these big houses as a union. These big companies—Modis, Goenkas, MRF—are controlling about 75 per cent of the production of tyres in the country. I know that they are manipulating prices by keeping one of the factories closed on one pretext or the other. This is discussed in this House many times. What the hon. Minister has said is not correct because the input cost has not gone up that much as the cost of tyres. It is the duty of the Government to give details to this House. We do not want theoretical answers that this has gone up or that has gone up. Government had appointed one Pradhan Committee to fix prices and give suggestions to the Government. One of the important suggestions given to the Government is that like DTC and Delhi Administration they must have their own tyre factories in their units because their demand is fantastic. 7 or 8 suggestions have been given by this Committee to the Government. Have those suggestions been accepted by the Government? If so, are they going to act accordingly or not?

SHRI M. ARUNACHALAM: The prices of nylon tyre cord, carbon black and rubber have gone up both internationally as well as domestically. If you want the prices of these items, I will place a statement on the Table of the House.

DR. DATTA SAMANT: What about Committee's report?

Meeting of State Electricity Boards in Delhi

*372. SHRI RAM PYARE PANIKA: Will the Minister of ENERGY be pleased to state:

(a) whether the State Electricity Boards held a meeting in Delhi recently;

(b) if so, whether the problem of power shortage in the country was considered at the meeting and any suggestions for improving the power position and devising steps to economise the consumption of energy were made; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRI KALPNATH RAI):

(a) to (c). a statement is given below.

STATEMENT

(a) The National Council of Power Utilities, a Society of State Electricity Boards, had organised a Seminar on the 22nd December, 1988, at New Delhi, on the Power Development in the Eight Plan—Strategies, Issues and Options.

(b) and (c). Some of the important suggestions relating to improvement of power position and management of demand, made in the Seminar were:—

(1) Reversal of the preset trend of according higher priority to thermal power development at the cost of hydel power.