

else mentioned it first. What has happened is this: 2 or 3 years ago, there was an export consignment sent to China, which was rejected, and because of that, China did not buy next year. What action has been taken regarding those people who had sent these sub-standard consignment? Are the Government contemplating doing anything in this regard, to safeguard that such things do not happen in future?

**PROF MADHU DANDAVATE:** He has made the allegation.

**SHRI P. R. DAS MUNSI:** First of all, I would like to inform the hon. Member that the answer was not vague, because the question was put exclusively for the tobacco export. There are two categories in tobacco export: unmanufactured, and manufactured. So far as manufactured tobacco is concerned, some valuations are made. If the hon. Member puts a separate question precisely, I can give all the details as to how we have improved the position, especially with regard to cigarette, and how we have improved the position, with regard especially to chewing tobacco. All these details I can certainly supply, without taking the time of the House (*Interruptions*)

I have got all the answers to the question. I would only say that the hon. Member's question was straight and simple. It said,

"whether recent trends indicate that the tobacco exports are looking up;

If so, the steps being taken....

I only stated what steps we have taken. Nothing more. If you want information regarding export of manufactured tobacco, and the value addition, I can certainly send you the information. But one thing I would like to inform the hon. Member is that anti-smoking campaign is there not only for unmanufactured tobacco; it is there against manufactured tobacco also, i.e. on cigarettes and every-

thing else, throughout the world. That is also a problem.

**DR. CHINTA MOHAN:** Is it a fact that instead of exporting tobacco, you have allowed the export of plantain leaves?

**SHRI P. R. DAS MUNSI:** That matter has been answered twice in this House. A complaint had been there. It was investigated; and finally it went to the court and the court disposed it of in favour of the party; and finally the Chinese buyers came here. They had to send a report. They are satisfied with the buyers. In so far as penal action is concerned, we restricted them to enter into the market till they were not cleared from the court of law had they gone to the court and till they were not cleared from the buyers who buy it from them. If you insist on it, we do not mind if there is a majority of the sellers from Andhra Pradesh.

#### **Garment Export Policy.**

\*379 **SHRI CHINTAMANI JENA:** Will the Minister of TEXTILES be pleased to state:

(a) the quota allotted to small exporters for export of garments,

(b) whether Government have received any representation from small exporters of garments for an increase in their quota; and

(c) if so, the reaction of Government thereon?

**THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR):** (a) to (c). A Statement is given below:

#### **STATEMENT**

(a) The allocation of quota for garments is governed by the Export Entitlement Distribution Policy announced every year. For the year 1987, the Policy provides for the follow-

ing Systems. The levels of allocation of the total quota are also indicated below:-

Systems	Percentage of Annual level
Past Performance	65
FCFS Small Order	25
Manufacture Exporters	7
Central/State Corporations.	2
Non-quota exporters	1

Small exporters are eligible for receiving quota under all the above Systems except Central/State Corporations System, if they fulfil the stipulated conditions.

(b) Yes, Sir.

(c) Taking into account all the suggestions including the above, the Government will announce the future Export Entitlement Distribution Policy shortly

SHRI CHINTAMANI JENA: I am very grateful to the hon. Minister for assuring in this House to announce a new future export entitlement distribution policy very shortly, which is overdue in my humble opinion. When did he receive the representation of small exporters of garments? What action has been taken or propose to be taken very soon on each of their demand and grievance?

SHRI S. KRISHNA KUMAR: The export entitlement policy for garments is announced early October every year and therefore it is not overdue. Several representations have been received from manufacturers/exporters of different categories for changes in the current garment export entitlement policy. This is a process which we undertake every year before the announcement of the new policy. The Small Exporters' Association of Delhi have given a representation to the government last week. Their main demand is that small exporters should be given a greater share in the garment export market by increasing the quota reserved for small exporters.

There is a fundamental disability in the representation since in this policy we do not distinguish between small exporters and big exporters as such. The Delhi Association is confusing between small exporters and the small order segment of the policy. We would like to tell the hon. Member that small exporters are entitled to get their export quota in all the segments of the export policy namely, the manufacturers' segment past performance segment, small order segment and non-quota export except 2 per cent reserved for Centre State Corporations. I would also like to assure the hon. Member and the Small Export Association that perhaps we shall certainly take their representations into consideration. There are other representations in which diametrically opposite demands have been made to the effect that small order segments should be abolished. We shall take all this into consideration. A task force has been specifically entrusted with this task and they have been having a dialogue with all interests throughout the country. Their report is awaited this month and we will be announcing the policy next month. In view of stable export climate and in view of the fact that multifibre agreement has already been concluded, bilateral agreement has also been concluded with the importing countries, my Minister is considering whether we will be able to have a three year export policy instead of announcing the policy from year to year.

SHRI CHINTAMANI JENA: When these garments are gaining the ground day by day in foreign countries and also according to the reply given by the hon. Minister in this House on 27th March, 1987, to an unstarred Q.No. 4537. Sir, may I know from the hon. Minister whether there is a great demand for our garments in West Asian countries and other countries too? Whether the Government is making any attempt to tap the foreign markets for export of these garments since this is a very good foreign exchange earner. Side by side, may I know from the hon. Minister whether it is a fact that the Garment Exporters' Association are urging on the Government to allow easy availability of hundred

per cent bank finance at concessional rate of interest for modernisation and also for introduction of International Price Reimbursement Scheme as provided for Engineering goods. If so, what are the action of the Government on these three issues?

**SHRI S. KRISHNA KUMAR:** Sir, Garment exports represents one of the brightest segments of India's exports scene, and it has been rising more than twenty five per cent every year. When you compare the first six months exports this year with that of the last year, the exports have gone up by more than fifty per cent in terms of value and about thirty eight per cent in terms of volume. We are likely to exceed Rupees One thousand five hundred crores target fixed for this year and reach Rs. 1,600 or Rs 1700 crores this year.

As I already mentioned, we have been able to conclude highly satisfactory bilateral agreement with all the quota countries. Our access to these markets have enhanced. The restraint level has been made higher. Special dispensation has been obtained for handloom.

As regards the individual aspects in the representation of the Delhi Exporters' Association, Sir, we will examine them and do our best. I have here a list of fourteen specific concessions given to Garment exporters, which acting together had helped to boost up the garment export industry in the last three years.

**SHRI C. MADHAV REDDI:** Is it a fact that the big exporters take the export quota of the small exporters? The small exporters who are given the export quotas, sell their export permits to big exporters and ultimately the big exporters are being benefited.

**SHRI S. KRISHNA KUMAR:** Sir, as a part of the Export Entitlement Policy, there are five systems or segments of exports. It is true that transferability of licence is allowed on the analogy of the replenishment scheme of the Commerce Ministry. This has been allowed deliberately so that

the quotas given to the individual exporters on the basis of the policy are fulfilled. In the event of any exporter not being able to fulfil his quota, he is entitled to transfer it so that another exporter may fulfil it within the same schedule. Because of this policy, we have been able to achieve almost one hundred per cent in the fulfilment of the quota. As I said, the transfer is allowed for this reason. The main objective of the policy is enhancement of exports. The small exporters are also entitled to get the quotas transferred to them. There is no distinction between the small exporter and the big exporter and this transfer is allowed subject to certain strict restrictions. They have to produce the bank guarantee. They have to export within sixty days, etc.

**MR. SPEAKER:** Do they pay premium for that?

**SHRI S. KRISHNA KUMAR:** It is true, and complaints are received, that when the transfers take place, some sort of premium is paid. But that is part of the game in the market place. They have got the licence on the basis of their past performance. And you may treat transferability as some sort of promotional measure. They are allowed to transfer. But we do not recognise the premiums not can we do anything about it as it is a transaction between private individuals.

**SHRI THAMPAN THOMAS:** Handloom garments are very much needed in foreign countries. That is what the hon. Minister has said. And also certain developed countries have started garment factories in Taiwan and other areas. But in India the situation is that wherever handloom industries are developed, there workers are put to difficulties. Handlooms garments are very much in need and they are very much accepted by foreign countries. I would like to know whether the Government will take steps to promote making handloom garments and send them over to foreign countries through cooperative societies and other governmental agencies.

**SHRI S. KRISHNA KUMAR:** Handloom

garments constitute a very sizeable portion of our total garment export. In the new bilateral agreements that we have concluded, special dispensations have been obtained for handloom products in almost all the quota countries. It is part of Government policy to give maximum thrust to the development of handloom including exports.

MR. SPEAKER: Next question - Shri Patil - not there. Shri Ramaiah - not there. Shri Basavaraju not there.

PROF. K. K. TEWARY: This is a very important question.

MR. SPEAKER: What can I do? I am helpless. (*Interruptions*)

PROF. N. G. RANGA: This deals with the External Affairs. With your permission, let me say, we wish a happy new year to our Prime Minister whose birthday was celebrated yesterday. We wish him all the best for this year and many years to come.

#### **Earnings from Frog Legs**

\*383. PROF. K. V. THOMAS: Will the Minister of COMMERCE be pleased to state:

(a) the foreign exchange earnings from frog legs before its export was banned;

(b) the number of varieties of frog existing in India;

(c) how many of these were used for export; and

(d) whether there is any proposal to lift the ban?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) The foreign exchange earnings from export of frog legs were of the order of about Rs. 7 crores per annum during the three years preceding the ban.

(b) The number of varieties of frogs

existing in India is reported to be 116 which belong to 27 species.

(c) Three species of frogs were used for exports.

(d) No, Sir.

PROF. K. V. THOMAS: The export of frog legs was banned due to an objection by environmental experts. They say that frogs being killed means ecology is being killed. The answer of the hon. Minister clearly says that out of 27 species we make use of only three species for exports. So, on the basis of this fact that only three species are being used for export, will the Government re-consider lifting the ban?

SHRI P. R. DAS MUNSI: There is no proposal to re-consider lifting the ban which is already in operation. I would like to inform the hon. Member that the decision was taken after careful consideration on the aspect of ecology with the opinion of environmental experts.

PROF. P. J. KURIEN: Sir, I am thankful to the Minister for saying that export of frog legs is banned because it has been scientifically proved that the killing of frog legs will affect the environment. Because of this ban, I am told that some one lakh persons have become unemployed I would like to know....(*Interruptions*).

AN HON. MEMBER: Is it in your constituency? .... (*Interruptions*).

PROF. P. J. KURIEN: Not at all in my constituency...(*Interruptions*). What is this, Sir? Everybody is asking questions. You allowed me only, Sir.

While I fully agree with the Minister in banning the export of frog legs, and thank the Minister for that, I would like to know whether he has some schemes for providing alternate employment to those people who have lost their jobs because of banning of export of frog legs.