

they will be cautious in catching shrimps. The Government monitors their activities and calls for their reports to see whether they have caught any shrimps because it is not possible to control fish in the river. Hence even if they catch shrimps at any time, they are not allowed to export not more than 3 per cent in terms of weight. Now they have also become cautious about catching shrimps and make efforts to catch fishes of other kinds. The Government is watching it.

SHRI V. TULSIRAM : I would like to urge the hon. Minister to make arrangements to supply some shrimps to Shri Vyajji as and when they are caught.

THE MINISTER OF FINANCE AND COMMERCE (SHRI NARAYAN DATT TIWARI) : Mr. Deputy-Speaker, Sir, in addition to what my hon. colleague has said I would like to inform that the Department of Agriculture has recently constituted a working group on 2-11-1987. The group is looking into the extent of territorial waters, the quantum of shrimps available there, the kinds of trawlers which can be used for catching shrimps and other kinds of fish, the action to be taken to regulate and control fishing and the definition of multi-purpose vessels engaged in fishing.

[English]

SHRI THAMPAN THOMAS : Sir, deep fishing of shrimps and prawns is mainly in the coastal areas of Mangalore, and Cochin, in Kerala, Karnataka and Andhra Pradesh. In those areas, shrimps are not available as they are available earlier. There are certain areas where they are available. Has the Government made any study of where it is available, to grow it, to catch it and then to export it? Some other problems which are concerning the fishermen in that area came to the Supreme Court recently, about the fishing areas in which they have to fish, demarcation, and other things. Has the Government made any concrete study of these problems or did anything to encourage the fishing of shrimps and prawns, to culture it and grow it?

SHRI P.R. DAS MUNSI : Sir, it is a fact that landing of shrimps in the nearby shores is really poor and declining for the last two years. Therefore, to increase the potentiality of the shrimps and the concrete

interest of the market for its availability in terms of size and quality, the Government has taken steps and I have replied in the House on many occasions. Many places have been selected for prawn farming programme, sweet water prawn farming programme and for a few hatcheries. One hatchery in Gopalpur is about to be completed and another coming up in Andhra Pradesh. We have asked the State Governments to find out the new areas for the brackish water prawn farming. I am very confident and I am saying this because in the last three months, the responses from the respective State Governments have been very encouraging. The area for shrimp landing is very poor and I hope we would be able to compensate it by new farms which are coming up.

Gems and Jewellery Export

*211. **SHRI HARIHAR SOREN :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to double the gems and jewellery export during the Seventh Plan ;

(b) if so, the different kinds of gems and jewellery being exported ;

(c) whether any formal proposal has been submitted by the Export Promotion Council to increase the export of gems and jewellery ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (d). A statement is given below.

Statement

(a) At the end of the 6th Five Year Plan, namely, 1984-85, exports of gem and jewellery amounted to about Rs. 1305 crores. At the end of 7th Five Year Plan, exports in this sector are expected to exceed twice the exports at the end of the Sixth Plan.

(b) The gems and jewellery items exported from India include diamonds, precious and semi-precious stones, pearls, gold jewellery, non-gold jewellery, synthetic stones.

(c) and (d). The Gem and Jewellery

Export Promotion Council is in constant dialogue with the Government for evolving measures to promote exports of gems and jewellery exports. Some of the specific proposals made by the Council in this regard include simplification of procedures, duty-free import of capital goods, relaxation in gold control provisions, increase in the level of bank finance, removal of Actual User condition in respect of diamond import licences.

SHRI HARIHAR SOREN : Sir, I congratulate the Government for the remarkable performance in gems and jewellery. In the Seventh Five Year Plan, the export of gems and jewellery is expected to double the target. In this respect, I would like to know from the Government the steps proposed to be taken to give greater publicity insisting on designers from abroad, market survey, training of gems and jewellery manufacturers in this country so as to make more export in gems and jewellery.

SHRI P.R. DAS MUNSI : I am thankful to the hon. Member for his appreciation of the performance in the Gem and Jewellery Sector.

In so far as the designs, styles and fashion are concerned, these are changing quite frequently and in order to keep pace with the changing trends, the Gem and Jewellery Export Promotion Council has been very actively working on it and has been taking expert help also from abroad. Whatever assistance they are asking for this programme, we are trying to cooperate within our limits.

As regards training of people in this sector, our Indian Diamond Institute in Surat is training a number of youngsters in this field under many support programmes. They are quite active in this regard.

SHRI HARIHAR SOREN : It has been stated that gems and jewellery includes non-gold jewellery also. If so, we have in Cuttack a number of silver filigree works. That filigree has got a great demand in our country as well as abroad. Will the Minister be pleased to state whether he has taken any steps to develop and encourage that kind of jewellery in Cuttack, mainly the silver filigree for export purposes ?

SHRI P.R. DAS MUNSI : In so far

as export of silver jewellery is concerned, the wider scope that we have is in the United States of America. As regards hon. Member's particular reference for export of Cuttack filigree items, I am not making any specific commitment on that, but I will refer the matter to the Gem and Jewellery Export Promotion Council to find out if they have already explored this and if not, they can go into it now.

SHRI AMAL DATTA : The figure given here is one of gross export. The country is really not interested in how much export is made if the import made for the purpose of making that export is higher than the export itself. What really is of interest is the value addition. Much of the input of the gems and jewellery industry consists of imported items. You said that you are expected to double the export of gems and jewellery item in the course of five years. What does it envisage in terms of value addition, that is increase of net export earnings.

Secondly, so far as input is concerned, much of it consists of diamonds, ninety percent of which comes from South Africa. Our increased export will mean our increased dependence on South Africa. I would like to know whether it is correct and whether it is not contrary to our protestations of boycotting South Africa.

SHRI P.R. DAS MUNSI : In so far as value addition is concerned, the hon. Member has rightly stated that in this sector, we are much more dependent on import and unless the value addition is substantial—the gross is not the important figure, the net is the important figure—it will not be of much advantage.

I would like to inform the hon. Member that in the year 1985-86, the actual gross export was Rs. 1507.94 crores, in which import was Rs. 1138.08 crores and the value addition was Rs. 369.86 crores. You will be glad to know that the figure of 1986-87 substantially improved in the sense that the export figure went up to Rs. 2132.27 crores, the import was Rs. 1525.35 crores and the value addition was Rs. 607 crores roughly. In the terminal year of the 7th Plan, we expect to exceed the target, double the 6th Plan terminal year target.

We feel that with the trend as it is now,

the value addition will be substantially higher than the present rate of the value addition growth. Now, so far as the dependence is concerned, we are importing raw diamonds which come from various countries, especially from the African countries and some of the third world countries. It is not correct that we are solely depending on one particular block or a group. So far as our policy towards South Africa is concerned, our stand is very clear and this has been vindicated many times by the Government the Prime Minister and the nation as a whole. We will not deviate from our stand so far as the trade and economic relations including in Gem and Jewellery market are concerned.

SHRI AMAL DATTA : But the 90 per cent of the world raw diamond is coming from South Africa.

SHRI P.R. DAS MUNSI : The share of South Africa in total productions of rough diamond has declined substantially. I am sorry the figures of the actual production in the respective countries is not with me. I can send it to the hon. Member and he can go through it. But it is true that there is a substantial decline in the percentage share of South Africa

SHRI K. RAMAMURTHY : Sir, I am glad to know that our jewellery export during the Seventh Plan period will be doubled. Government has recognised that the labour is also contributing equal part particularly in the Export Promotion Council. Yesterday the Finance Minister announced the DA instalment to the Government employees. I am sorry to point out that the Export Promotion Council including the Gem and Jewellery Export Promotion Council employees are denied of their DA instalment which is due from 1-7-86. So, I would like to know whether the Minister will direct this Council to pay the DA instalment to the employees which is due to them since 1-7-86 ?

SHRI P.R. DAS MUNSI : The hon. Member's question is not very much related to the main question. The main question was regarding the jewellery. The Member has already discussed the matter with me. I am examining the matter with my Department.

With regard to Shri Amal Datta's ques-

tion, I would like to make one point clear. I have just now checked up that as far as the South Africa is concerned Government of India is not having any transaction with them. There is a company in London where the actual diamond selling is conducted and the Indian diamond sight holders participate in it, including the Hindustan Diamond Company. So, this is not concerned with a particular country.

[Translation]

SHRI SHANTI DHARIWAL : Sir, with a view to raising export of gems and jewellery, the India Diamond Bourse was set up in Opera House Area of Bombay in the year 1983. A monthly expenditure of Rs. 2 lakhs is being incurred on it since then. It has the facilities of trading hall. Custom and banking are also provided there. In spite of all these, neither a foreign buyer nor any Indian seller has so far entered that building. Mr. Deputy-Speaker, Sir, through you I would like to know from the hon. Minister what is the utility of this building when the objective of increasing export through it has not been fulfilled ?

SHRI P.R. DAS MUNSI : Full information in this regard will be collected and furnished to the hon. Deputy-Speaker.

[English]

SHRIMATI VYJAYANTHIMALA BALI : Sir, the recent crash in the Share and Stock market in Western countries, particularly the USA, has a chain reaction on the exporting countries. Perhaps our main export market of gem and jewellery items, both real and artificial, is in the United States.

The U.S. Government have already taken steps to curb import of certain items of goods to avoid recession in their economy. According to a recent report, the gem and jewellery industry in the country has been facing difficulties. Especially in Tamil Nadu, this industry has been thriving. But now, this industry may face a lot of difficulties because of these conditions. Therefore, I would like to know from the hon. Minister whether the Government will consider giving cash assistance, more concessions and other such facilities to boost this industry and to attract other countries of the world.

SHRI P.R. DAS MUNSI : No C.C.S. is

given to gem and jewellery export and the reasons are very obvious. So far as the gems and jewellery export is concerned, we have not faced any problems in the United States of America. If the hon. Member has in mind any specific item of gems and jewellery like gold, silver, diamonds or semi-precious stones, if she refers to any particular case like the one in Tamil Nadu, I can look into it.

Sir, I would also like to inform the House through you that raw diamonds are imported from London and Antwerp and no import takes place from South Africa. South Africa accounts only to the extent of 10 to 12 per cent of the total diamond production in the world. These are processed in the country and are mostly higher carat diamonds which are not processed in India. Diamonds are purchased through the Diamond Trading Company in London which is registered in the United Kingdom.

[Translation]

Rate of Inflation by 1988

* 213. †SHRI JITENDRA PRASADA :

SHRI MOHANBHAI PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether the attention of Government has been drawn to the news-item appearing in the Hindustan Times of 7 October, 1987 under the caption "Two digit inflation by 1988 feared" ;

(b) if so, the reaction of Government thereto ;

(c) whether Government propose to take any concrete steps for containing inflation by fixing the prices of industrial agricultural production at source ; and

(d) if so, the details thereof ?

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (d). A-Statement is given below.

Statement

(a) Yes, Sir.

(b) to (d). The severe drought in the country has put pressure on prices of some important agricultural commodities during the current financial year. However, it is not feasible to precisely predict the inflation rate by 1988 as the future outlook depends, inter-alia, on the state of the Rabi crop. Meanwhile a number of measures have been taken to minimise the effect of drought on prices. These include allocation of additional stock of foodgrains to drought affected and other areas, augmenting domestic availability of essential commodities particularly pulses and edible oils, through imports and mopping up of excess liquidity in the banking system. In regard to important agricultural commodities, the support prices and procurement prices are fixed every year. Some important items such as petroleum products, coal, steel, and fertilizers etc., are also subject to administered prices. The prices and list of administered commodities are reviewed from time to time, keeping in view the over-all interests of the economy. Efforts to provide remunerative prices also affect the process.

[Translation]

SHRI JITENDRA PRASADA : Mr. Deputy-Speaker, Sir, the hon. Minister has mentioned in his statement that the Government has taken some measures to contain inflation, but we find that the prices of oil-seeds, edible oils and pulses are on the increase. Through you I would like to know from the hon. Minister the rate of inflation based on the wholesale price index till 31-10-1987, the rate of inflation based on the consumer price index till 31-10-1987, whether there is any likelihood of any increase in the Budget deficit due to drought, Sri Lanka and other such difficulties, the extent upto which this increase will affect the prices and the measures being taken by Government to bring down the budget deficit ?

SHRI B.K. GADHVI : It is true that there are several such factors which have put pressure on inflation and prices. These include famine and other factors also. But so far as the question of the rate of inflation is concerned, prices of some of the commodities, particularly edible oils, condiments and spices and pulses have increased during 1987-88. As stated in the statement, Government is making lots of efforts to