

[English]

MR. DEPUTY SPEAKER : No, no. It relates to Rajasthan.

Foreign Collaboration for manufacture of Passenger Cars

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*662 SHRI SURESH KURUP :
SHRIMATI D.K. THARA DEVI
SIDDHARTHA :

Will the Minister of INDUSTRY be pleased to state :

(a) Whether Government intend to allow new foreign collaborations in the manufacture of passenger cars; and

(b) If so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : (a) and (b) The matter is under consideration as part of the new automobile policy being evolved by the Government.

SHRI SURESH KURUP : The answer gives the impression that the Government is contemplating to allow new foreign collaboration in the manufacture of passenger cars. There is already one in the public sector. In this connection, I would like to know the number of passenger cars manufactured annually and also whether the Government has made any assessment about the demands of passenger cars in our country and the demand projection for the next decade and whether the Government has held any discussion with any foreign firms regarding this collaboration or has allowed any private sector companies to enter into collaboration with any of the foreign firms.

SHRI M. ARUNACHALAM : In India, there are five car manufacturers. They are Standard Motors, Hindustan Motors, Premier Automobiles, Maruti Udyog and Sipani Automobiles.

The demand projected by the consultants is 1, 20,000 for 1989-90, the Development Council for Automobile Sector has projected a demand of 1,54,000 and the 7th Plan working group has projected a demand of 1,40,000 for 1989-90. We have not consulted any foreign company for collaboration or anything.

SHRI SURESH KURUP : Have you

allowed any private firm to enter into collaboration ?

SHRI M. ARUNACHALAM : No, we have not allowed any private company.

SHRI SURESH KURUP : Sometime back, the newspapers reported that because of indiscriminate manufacturing of passenger cars, the Government is forced to import huge quantity of petrol resulting in larger outflow of foreign exchange. Do the Government intend to regulate the manufacturing of passenger cars so as to cut down the needless import of petrol ?

SHRI M. ARUNACHALAM : The new automobile policy is on the way. When we decide that, we will consider this aspect also.

SHRIMATI D. K. THARA DEVI SIDDHARTHA : The diesel being cheaper, will the Government consider allowing the manufacture of more diesel cars, jeeps etc. in collaboration with foreign companies ? It would be more useful and economical in the rural areas.

SHRI M. ARUNACHALAM : We have some applications for foreign collaboration for manufacturing new cars. But as I said, the new automobile policy has yet to be announced.

SHRI V. KISHORE CHANDRA S. DEO : This question pertains to the manufacture of passenger cars and the answer is that the matter is under consideration because the new automobile policy is being evolved.

I would to mention that earlier, whenever foreign collaborations were allowed, there were three reasons that were given by the Government. One was to update technology; second was for ensuring better fuel consumption, and the third was that the car would be made cheaper so that it would be acceptable to the pockets of the middlemen. But all the collaboration that have taken place have proved contrary to these purposes. Even in the case of Maruti cars, the collaboration was not upto-date. It was a decade old technology. In the case of Standard 2000 the consumption is very very high and the cost of the car is not acceptable even to the upper middle class. The impression that the common man today gets is that the automobile policy is guided by two factors; first, to

protect the interest of Maruti and the second that the collaborations are given based on the connections that those collaborators have with the higher ups in the Government. Therefore, I would like to know while evolving the new automobile policy under consideration by the Government, what are the basic guidelines that the Government is following for the new policy that is supposed to come in the course of time.

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) : The question pertains to allowing new foreign collaborators for the manufacture of passenger cars. The answer is that we have not yet finalised the new automobile policy for the manufacture of these cars... *(Interruptions)*

MR. DEPUTY SPEAKER : No *(Interruptions)*

SHRI J. VENGAL RAO : The main guideline for the manufacture of previous cars by Maruti, New Premier and Standard was fuel efficiency. They must undergo a test and they must get a certificate. Then only we will allow these cars.

SHRI A. CHARLES : It is an accepted fact that there has been a considerable imbalance in the location of industry both in the public, private and joint sector. Kerala is the most backward industrial State in the country. I understand that there are applications from Kerala with foreign collaboration for the manufacture of Diesel Economy Passengers Car. May I know from the Hon. Minister whether when the new automobile policy is evolved, the priority will be given to the industrially backward State in case the applications are otherwise valid for the manufacture of Diesel Economy Passengers Car ?

SHRI J. VENGAL RAO : For the present, we are not considering any proposal to manufacture new cars with the foreign collaboration. You know, Standard Car is there in Madras which is very near to Kerala. *(Interruptions)*

SHRI A. CHARLES : I have a strong objection, Sir. Kerala is Kerala, Tamil Nadu is Tamil Nadu and Andhra is Andhra. We are discriminated, Sir.

SHRI C. MADHAV REDDI : Is it a fact that the application of Maruti Udyog

Limited for manufacturing new model of of car is pending with the Government for a long time ? Is it because of the fact that the new automobile policy has not been finalised and hence the application is being pending ?

SHRI J. VENGAL RAO : That is not a new Automobile policy. It is the existing policy. Now, the Maruti Udyog Ltd. are manufacturing 800 CC only. Their proposal is to manufacture 1000 CC. It is not a new policy. They want to manufacture 1000 CC only. That is under the consideration of the Government.

[Translation]

Autonomy to public sector enterprises

*663. **PROF. CHANDRA BHANU DEVI :** Will the Minister of INDUSTRY be pleased to state :

(a) whether Government propose to give financial and administrative autonomy to the public sector enterprises; and

(b) if so, the time by which it will materialise and the broad outlines thereof ?

[English]

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) : (a) and (b) Government are committed to bring before Parliament a White Paper on Public Sector. The White Paper will also discuss relevant aspects regarding financial and administrative autonomy to the public sector enterprises. The White Paper is under finalisation and will be placed before the Parliament as and when it is finalised.

[Translation]

PROF. CHANDRA BHANU DEVI : Mr. Deputy Speaker, Sir, through you, I would like to know from the hon. Minister as to whether 70 per cent of the public sector enterprises are running at loss despite Government efforts ?

[English]

SHRI J. VENGAL RAO : Sir, some are running at loss and some are running at profit.