

people are likely to be displaced from the entire valley project, also proper steps must be taken to ensure that there is no displacement and destruction of the livelihood of one million people in the area concerning this particular project. In that direction I want to know what are the concrete steps that are suggested before you try to implement this project.

[*Translation*]

SHRIMATI KRISHNA SAHI : Mr. Speaker, Sir. earlier the cost of this project was Rs. 1393 crore but the revised cost comes to about Rs. 2400 crore now, as per information received by us.

MR. SPEAKER : There is a great difference between 2400 crore and 25,000 crore.

[*English*]

It must be Rs. 2,500 crores...

PROF. MADHU DANDAVATE : It has been printed also Rs. 25,000 crores.

MR. SPEAKER : It cannot be.

PROF. MADHU DANDAVATE : It is for the entire Narmada Valley Development Project.

[*Translation*]

SHRIMATI KRISHNA SAHI : It is a matter of arithmetic. When 46 can become 56 then there can be difference in it also. It is an estimated cost, we have not received full details as yet. Therefore the figures quoted by Hon. Member in this regard cannot be accepted. His second supplementary is regarding environment. The Ministry of Environment and Forests sanctioned this project in June 1987 only after studying all the aspects.

PROF. MADHU DANDAVATE : Please let us know whether the environment cost is 30,923 crore or not ?

SHRIMATI KRISHNA SAHI : As I have earlier told you that we have not yet

received details of the total cost. I do not know from where he got these details but I want to tell this much that a meeting was held on 13 April, 1987 which was convened under the Chairmanship of Hon. Prime Minister and attended by the Chief Ministers of all the concerned States, Ministers of Water Resources and senior officials of Centre and states and the Forest and Environment Department has cleared it only after looking into all aspects. Now if Hon. Member wants to know the details about the decisions taken there, for that I want at least 15-20 minutes, then I will be able to read out all the details.

[*English*]

PROF. MADHU DANDAVATE : Half an Hour discussion may be allowed.

[*Translation*]

SHRI R. L. BHATIA : He is always after Half-an-hour discussion... (*Interruptions*)

[*English*]

PROF. N. G. RANGA : You can sit and discuss it. Why do you want Half an-Hour discussion ?

[*Translation*]

MR. SPEAKER : I will think about discussion later on. First of all you withdraw your remarks.

(*Interruptions*)

MR. SPEAKER : So, you have withdrawn your remarks...

(*Interruptions*)

MR. SPEAKER : Shri V. S. Rao.. ...

[*English*]

Export Processing Zone at
Visakhapatnam

*330. SHRI V. SOBHANADREESWARA RAO : Will the Minister of COMMERCE be pleased to state ;

(a) the latest stage of establishment of the Export Processing Zone at Visakhapatnam;

(b) whether Government of Andhra Pradesh has agreed to place at the disposal of Union Government the land identified by the team of the officials of Union Government; and

(c) if so, the likely date by which the Export Processing Zone will come into being?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) Government have agreed, in principle, to the location of a possible Export Processing Zone at Visakhapatnam. The modalities of implementing the possibility are related to an indepth study of the relevant techno-economic feasibility and the experience gained in the working of the existing Zones.

(b) Yes, Sir.

(c) It is not possible to indicate a time limit in this regard, at this stage.

[English]

SHRI V. SOBHANADREESWARA RAO: Sir, I would like to know from the Hon. Minister whether it is not a fact that a team of officials from Government of India had gone to Visakhapatnam and identified an area of about 570 acres suitable for locating the Export Processing Zone and the State Government has agreed to place this land at the disposal of the Government of India at a nominal price and whether the State Government also communicated its willingness to agree for actual payment to go by the arrangements entered into by the Government of India with several other State Governments as happened in the establishment of Export Processing Zone. If so may I know the reactions of the Union Government to these proposals from the State Governments?

SHRI P. R. DAS MUNSI: It is a fact that the Central Government officials did visit Andhra Pradesh to find out various

sites with the help of the State Government and the State Government did offer certain sites. One of the sites, as I mentioned earlier named Jaggarajupeta in Narava was selected by the State Government and our officials liked that area very much.

Regarding the price modalities, I may inform the House that the State Government did suggest Rs. 40,000 per acre the cost of the land on a term of 40 per cent cash down and rest in 99 years by our side, while the price of the land in West Bengal zone was Rs. 25,000 per acre; in Madras it was Rs. 66,000 per acre. However, this is correct that we had visited and we got offer of the land and we have received the report. But without examining the entire feasibility of the techno-economic aspect of the entire zone, keeping in view the new four zones, it is difficult to arrive at a conclusion at this stage.

SHRI V. SOBHANADREESWARA RAO: The Hon. Minister has told that in principle the Government has agreed for setting up the Export Processing Zone and the Union Minister of Commerce had made this announcement on the very Floor of this House and it is more than a year. This is a centrally located place between Calcutta and Madras Processing Zones. And Andhra Pradesh produces large quantities of Mangoes and other fruit, vegetables, marine products and there is already a huge facility built up for cold storage. In view of all this, to promote exports, because our targets are also quite high, to encourage these exports from Andhra Pradesh and other adjoining States, will the Government take a positive decision before the end of this financial year? I would like to know categorically from the Hon. Minister.

SHRI P. R. DAS MUNSI: Sir, it is a fact that in Andhra Pradesh, there is lot of export potential in various fields like other States. And we have a deep concern for it. It is also a fact that in so far as East Coast site location in Visakhapatnam is concerned, it is a wonderful site. There is no doubt about it. But our experience in other four new zones, where we have invested heavily is that, unfortunately, it is not yet getting us as hopeful returns as was expected at the moment. There are various reasons. We

do not like to propose any project elsewhere just in the name of a project but we would like to have a very sound footing for its economic viability, return and the export potential. Taking all these factors into account, the Government will come to a decision at an appropriate stage. It is difficult for me to comment at this stage that it will be done at a particular point of time; in that case I will be misleading the House. The Hon. Member will appreciate the problem.

SHRI C. MADHAV REDDI : The Hon Minister has replied that for deciding about the location of the Export Processing Zone at Vishakapatnam, the performance of the other five Export Processing Zones will be kept in view. He also said that their performance is not very happy. I would like to know whether the Government has second thoughts about the whole question of Export Processing Zones. If so, what would be the repercussion on the export front because of the abolition of the Export Processing Zones, as it seems the Government is thinking now ?

SHRI P. R. DAS MUNSI : While I have said that the new zones are not doing that well I did not mean that we have abandoned the idea. We are trying to find the loopholes where we can give more infrastructural support and more incentives to strengthen them. The Hon. Member would be aware that in our new policy we have extended for further five years the income tax facilities in the free trade zones as we give hundred percent in the export oriented zones. It is not that we will abandon the idea or have second thought about it. Precisely the fact is that the experience that we are gaining in the four new zones will lead us to decide the further course of action in proposing a new zone. In that case we will be so solid in our ground that no such loopholes would occur in the proposed zone. That is exactly the experiment of the other zones. (*Interruptions*).

SHRI BHATTAM SRIRAMA MURTY : The Minister pointed out two aspects; one is the techno-economic feasibility. As far as that is concerned, let me make it very clear that after establishing the economic feasibility alone the question of establishing

free trade zones was accepted in principle. Therefore, where is the question of re-examination of the matter at all ?

The other aspect is the question of obtaining the experience of the other free trade zones. As far as that aspect is concerned, it is very well established that the Government themselves have fully been satisfied with the working of the other free trade zones. They have also in principle decided to develop the second phase of the free trade zones as well. In view of that, why not the Government take a decision in this regard as soon as possible ?

SHRI P. R. DAS MUNSI : I have already replied the whole question. Location of sites is a different aspect and the techno-economic feasibility is a different aspect, though it is a part of the whole exercise. In so far as the location of site is concerned, Vizag was very much there. In so far as other aspect is concerned, we need to gain more experience from the other zones; that I have already informed the House.

SHRI K. S. RAO : Now there is a revelation that the State Government has agreed to give 500 acres at Rs. 40,000. It is not known. Everyone of us are under the impression that the State Government has agreed. So far as the Government of India's position is concerned, as the Minister just now told, Vizag is a wonderful place for the location. We all know very well that the Chief Minister of Andhra Pradesh survives only on finding fault with the Government of India every day... (*Interruptions*)...

SHRI M. RAGHUMA REDDY : How is it related to the question Sir ? (*Interruptions*).

SHRI V. SOBHANADREESWARA RAO : Is it a supplementary question ? It is highly objectionable. (*Interruptions*)...

[*Translation*]

MR. SPEAKER : Let them say, what difference does it make ? (*Interruptions*)

[English]

SHRI K.S. RAO : I wish to know from the Hon. Minister, two years have passed (*Interruptions*) after the Cabinet Minister of Government of India announced that Vizag is selected, then why should there be a delay further more on the part of the Government of India on the plea that there are some loopholes in the functioning of other processing zones. As it takes some more time for the Vizag zone to come into functioning by which time the loopholes of the earlier zones can be plugged and the vizag zone can function well. Keeping in view that I wish the Hon. Minister must not give an opportunity for the people of Andhra Pradesh to feel that they are let down on the ground that there is disparity or partiality.

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : I would not wish a wrong impression to be conveyed to the House that we are not satisfied with export zones.

What my colleague has said is very correct that the new zones that have come up have not yet given the kind of performance that the earlier zones have given. Therefore, we are trying to see whether more facilities are necessary so that new zones also catch up as quickly as possible.

So far as Vizag is concerned we have agreed to set-up a zone there. There is no doubt about it. I would not like the House to carry this impression. It is only a question of timing and creating suitable facilities so that this takes off without any difficulty. That is being considered. We hope this will be set-up soon.

Sickness Insurance Scheme

*331. **SHRI ANIL BASU :** Will the Minister of Finance be pleased to state :

(a) whether the Reserve Bank of India is planning to introduce a sickness insurance scheme for small scale units and financial institutions; and

(b) if so, the details of the said scheme ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF

FINANCE (SHRI EDUARDO FALEIRO) :
(a) No, Sir.

(b) Does not arise.

SHRI ANIL BASU : Sir, I seek your indulgence because the problem of sick industries in the small scale sector is so serious and enormous and the answer given by the Hon. Minister is very indifferent. In the year 1980 the number of sick industrial units in the country was around 20,000 whereas by July 1988—that is after 8 years—the number of sick industrial units has gone up to about 2 lakh. There has been ten times increase during the last 8 years, that is, from 1980 to 1988. Further, Sir, this problem is not only affecting the workmen working in the sick industrial units but also the middle class people or the owners of these industrial units I would say it is affecting the whole economy of the country. It is a very serious problem but the Government is taking indifferent attitude towards this problem. I understand that Government has set up National Equity Fund in the year 1987 and the RBI also had issued guidelines to the commercial banks but I want to know what is the number of potentially viable sick industrial units identified so far and what is the amount involved to revitalise these potentially viable sick industrial units in the small scale sector? How much amount has been released by the banks to these sick industrial units ?

SHRI EDUARDO FALEIRO : I am with the member when he says that the question of sickness in industries is a matter of great concern but the member is not right in saying that Government is indifferent to this. Government is very much concerned. The Finance Minister has taken stock of the situation. The Prime Minister himself has issued the instructions in this matter.

Now, let me first give the figures to the Hon. Member as of December 1986. These figures are provisional and are the latest ones. There were 1,45,776 sick industrial units in the small scale the industries sector. The outstanding amounts were Rs. 1,306 crores. It was 14.4 per cent of the total amount advanced.

Sir, the question of sickness cannot be solved by the insurance package that is propo-