

happens is that every year the State Governments send their representatives, we hold discussions with them, then the projects are selected and then only we fund them. I can give the details - I have the details of wayside amenities - for Bihar, if they would like to know. I would like to assure the hon. Members that whatever projects are brought to us, we do fund them as much as possible.

[Translation]

SHRI PRABHU DAYAL KATHERIA : Mr. Speaker, Sir, I would like to draw Government's attention to Sauripur - Bateshwar which is a major place of pilgrimage of western Uttar Pradesh. I have written to hon. Minister three-four times in this regard. The Ministry has allocated a sum of Rs. 40 lakh for the development of this place. May I know from the hon. Minister whether this amount is being utilised properly by the Uttar Pradesh Government and whether any proposal has been received from U.P. Government for declaring this place as tourist centre?

SHRIMATI SUKHBUNS KAUR : Sir, this amount of Rs. 40 lakh has been allocated only on receipt of a proposal from Uttar Pradesh Government. The hon. Member has met me. We are taking up the development work in consultation with U.P. Government.

[English]

MR. SPEAKER : Shri Sultan
Salahuddin Owaisi — Not present.
Shri Jagmeet Singh Brar — Not present.
Shri Guman Mal Lodha — Not present.

... (Interruptions)

MR. SPEAKER : No, please. We have gone to the third question now. Q. No : 324, Shri Anna Joshi.

[Translation]

Import of Consumer Items

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324. SHRI ANNA JOSHI :

SHRI KUNJEE LAL :

Will the Minister of FINANCE be pleased to state:

- whether the Government have taken a decision to liberalise import of consumer goods;
- if so, the details thereof and the reasons therefore;
- its likely impact on local industries engaged in production of such goods, outflow of foreign currency and prices of these items in the market; and

(d) the steps being taken by the Government to increase the production of local consumer items?

(English)

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) to (d) : A statement is laid on the table of the House.

STATEMENT

(a) and (b). Under the current Export and Import Policy, as amended upto 31st March, 1995, import of consumer goods is not permitted except against an import licence or in accordance with Public Notice. However, 75 items of consumer goods nature, as listed in the Export and Import Policy (Chapter XV, Part II) are freely importable. In addition, import of 75 items listed in the Policy (Handbook of Procedures — Vol. I), are permitted against freely transferable special import licences.

(c) It is too early to assess the impact of recent amendments in the Export and Import Policy, particularly relating to the consumer goods imports.

(d) Measures taken by the Government to increase the production of local consumer items include economic reform policies to promote growth of incomes and purchasing power, rationalisation of excise and customs duties, extension of MODVAT system to a number of consumer goods items, enhancement of the Small Scale Industry (SSI) Excise exemption scheme, and steps to improve availability of credit from the banking and financial institution system for the small scale sector.

SHRI ANNA JOSHI : Sir, in answer to parts (a) and (b) of the question, it is said that under the current Export and Import Policy as amended, import of consumer goods is not permitted except for some items.

Two lists of 75 items each have been given in the Annexure of the Policy Handbook. I would like to know whether 150 items mentioned in the two lists are not available in India; or are they not of the standard of good quality? If not, what efforts has the Government made to improve their quality for that purpose and also to stop the import?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : Mr. Speaker, Sir, these two lists of 75 commodities each represent a very small proportion of India's total consumption. In many cases, these things are not produced or they are in short supply. For instance, take the case of pulses. Pulses in India are in chronic short supply. Therefore, pulses are on the Open General Licence with a nominal duty of five per cent.

Simultaneously, the Government has launched an integrated large-scale programme to improve the domestic productivity of pulses.

Similarly, we have the vegetable oils edible grade with the exception of coconut oil placed on the OGL with a concessional duty of 30 per cent.

For the public distribution system, we are importing 1.5 lakh tonnes of vegetable oils at a lower duty of 20 per cent because prices have risen and the domestic production is not equal to match the supply.

Several other consumer goods are needed because they provide employment. We have a large cashewnut production industry. We are short of domestic supply of raw nuts. Therefore, we import large quantities of raw nuts. We reprocess them. We create employment through them and we export the processed products. The commodities that are in the list are essential commodities which are either not produced in our country or which are in short supply.

I would like to assure the House that our current level of protection of 50 per cent is adequate enough to take care of the needs of domestic industry. ...*(Interruptions)*

SHRI ANNA JOSHI : We take it for granted on your word that these 150 items are not produced in India sufficiently. Is it correct?

I have asked what efforts has the Government made for adequate supply of these things from the local market or local producers. You have not answered that.

In part (d) of the reply, you have said that the measures taken by the Government to increase the production of local consumer items include economic reform policies, etc. After reading this, we think, one will be ...

MR. SPEAKER : We should come to the supplementary question after reading this.

SHRI ANNA JOSHI : I am coming to that only. It shows that they have given full protection and support to the small scale industry sector which is not correct. The small scale industry is dying because of the new economic policy.

SHRI MANMOHAN SINGH : It is absolutely wrong. ...*(Interruptions)*

SHRI ANNA JOSHI : In all these things, since you are for the revival of the small scale industries, one more thing that can be added to that is to give them protection. Why are you not giving protection to the products of small scale industries.

SHRI MANMOHAN SINGH : It is totally wrong to say that our Government is not giving adequate protection to small scale industries.

All the items which were reserved for the small scale sector ...

SHRI ANNA JOSHI : But you have reduced that list.

SHRI MANMOHAN SINGH : This is not true. For all those items which have remained reserved for the small scale sector, we have increased the provision of credit and reduced the licensing requirement. I would also like to say about concession in excise duties.

SHRI ANNA JOSHI : What about production?

SHRI MANMOHAN SINGH : I am coming to that.

As regards concession in excise duties, the limit has been raised from Rs. 2 crores to Rs. 3 crores. You have asked about the figures of production. I am sorry that the BJP is so badly informed. ...*(Interruptions)*...

SHRI ANNA JOSHI : Where is the question of BJP here? Are you speaking on behalf of Congress or the Government of India? What is it? I am asking the question as a Member of the House ...*(Interruptions)*...

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI : Sir, as a non-politician, he is talking too much of politics ...*(Interruptions)*... You are not a politician; do not talk too much of politics ...*(Interruptions)*...

SHRI MANMOHAN SINGH : I am going to give the figures; please listen to me.

SHRI RAM NAIK : We will listen to you but why this type of a comment? I think it does not become of you. We could understand if it could have come from any other Minister.

MR. SPEAKER : Sometimes, you should also bear with this from this side also.

...*(Interruptions)*...

SHRI MANMOHAN SINGH : For the information of the House, I will read out the production figures. All this propaganda that is being done that because of import liberalisation, consumer goods sector or capital goods sector is suffering, is totally wrong. I have the figures of consumer goods and I am reading out those figures. In 1994-95, total industrial production of consumer goods in our country increased by 8.2 per cent.

SHRI RAM NAIK : What is the price increase? Please tell us that also.

SHRI MANMOHAN SINGH : These are real index figures of production.

SHRI ANNA JOSHI : Sir, I want your protection. I have asked something else.

MR. SPEAKER : You will get full protection and he is giving you the protection.

SHRI MANMOHAN SINGH : The production of consumer durables increased by 9.5 per cent and production of non-consumer durables increased by 7.9 per cent.

Regarding your statement that the small scale industry is languishing, the figures that I have show a growth rate of 7.1 per cent.

[Translation]

SHRI MOHAN SINGH DEORIA : Sir, many essential consumer items included in the Import List are exported proportionately at a time when they are in short supply in the country, which results in price rise. An example of pulses has been cited just now. As per my information, the pulses imported were of very inferior quality but the price thereof in international market was double that of Indian pulses. The same was imported for purpose of export after processing it. But fact is that indigenous pulses were processed and exported. As a result the prices thereof shot up to the extent that they went beyond the purchasing capacity of common consumer. So, may I know from the hon. Minister whether he will consider framing a policy of banning of export and allowing free import of essential consumer items whose domestic prices tend to increase?

[English]

SHRI MANMOHAN SINGH : The hon. Member has raised a specific issue with regard to pulses. My information is that very small quantity of pulses is exported. The total amount of pulses which are permissible for exporting from India do not exceed 10,000 tonnes. Now, anybody who claims that the prices of pulses in India are rising because we are allowing export of 10,000 tonnes, I am afraid, is wrong. As against total production of 14 million tonnes, we are exporting only 10,000 tonnes.

[Translation]

SHRI MOHAN SINGH DEORIA : But the other hon. Minister said that no export was made. An hon. Minister had a week ago, said on the floor of this House that no pulse whatsoever was exported, while you say export was made.

[English]

SHRI MANMOHAN SINGH : Who said that? I never said that.

[Translation]

SHRI MOHAN SINGH DEORIA : You have not said, but your colleague has said.

[English]

SHRI PETER MARBANIANG : Sir, in my parliamentary constituency, there is an export point called Dawki from where we export to Bangladesh. In the months of April-May-June, I found that hundreds of tonnes of fine rice and also rice which appeared to have come from PDS were being exported to Bangladesh. Sugar was also being exported to Bangladesh. Then, I had to go and

meet the local officer in Shillong who showed me the notification of the Government of India that they can export. Is it true that after March, rice and sugar can be exported to Bangladesh?

SHRI MANMOHAN SINGH : This year, we have a record production of sugar. I think it is in the interest of the country to allow export of sugar. Similarly, we have today a record amount of food stocks and if we do not allow export, there is a great danger that the quality of these things will rust. Therefore, it is in the national interest and in the interest of our farmers that these export opportunities, wherever they exist, ought to be fully exploited.

[Translation]

SHRI UPENDRA NATH VERMA : Mr. Speaker, Sir, I would like to know from the Government whether it is a fact that certain consumer goods are sold in the country after putting foreign trade mark on them?

[English]

SHRI MANMOHAN SINGH : This is a question about counterfeiting. I am afraid that I do not have the information. The hon. Member should put a specific question to the concerned Ministry.

SHRI BASUDEB ACHARIA : Sir, reduction in customs duty has harmed a number of indigenous industry. I can cite one example because I had met the Commerce Minister and the Finance Ministers regarding reduction in customs duty, in the case of flint button, from 80 per cent to 35 per cent and bringing it from restricted category to liberalised category. Now, the price of imported flint button, either from Russia or China, is cheaper than indigenous Flint button manufactured in Bharat Ophthalmic Glass Factory Limited at Durgapur. This unit has been referred to BIFR. If it is revived, even after its revival, this unit will incur losses because imported flint button will be cheaper than the indigenous one. When the Import Policy was being finalised, I requested the Finance Minister and he said that even this 35 per cent was higher than the international standard and to approach the Commerce Minister. This request was made by the Industry Minister also, namely, flint button should be brought to restricted category. In view of this, may I know from the hon. Minister whether this particular item will be brought to restricted category in order to save the only one industry in our country, the Bharat Ophthalmic Glass Factory Limited, Durgapur?

SHRI MANMOHAN SINGH : This question relates to the Ministry of Commerce. But, in general, I would say that in fixing the tariff policies, the import policies as well as other tax items, one has to balance the interest of the producer and the consumer. All these years, we have run

an economy which has not paid adequate attention that after 50 years, the Indian consumers are entitled to quality goods at reasonable cost of production.

SHRI BASUDEB ACHARIA : Is it by destroying our own industry?

SHRI MANMOHAN SINGH : Therefore, I think, by giving a level of protection which is excessive, I do not think we are helping the interest of our country.

[Translation]

SHRI RAJVEER SINGH : The hon. Minister has allayed the fear of danger to the small industry. The Government has not increased excise duty or other taxes. They continue at the old rate. As a result, the foreign companies coming to India are taking advantage of it. Our small industry is unable to stand competition with foreign companies due to high excise incidence. May I know whether small industries such as soap, chappal or biscuit manufacturing units will be exempted from excise duty?

[English]

SHRI MANMOHAN SINGH : Sir, as I had mentioned, our Excise Duty Policy specifically provides for protection for small-scale industries. Upto Rs. 30 lakhs, they are totally exempt in most cases from the payment of duty. Between Rs. 30 lakh and Rs. 50 lakh, the small-scale units get 10 per cent duty lower than the duty payable by the large-scale units. Between Rs. 50 and Rs. 75 lakh they get 5 per cent lower duty than payable by the large-scale units, and these concessions can be carried on to a total turn-over — which until this year's Budget was Rs. 2 crore — I have raised it to Rs. 3 crore.

So, the present Policy makes adequate provision for protecting the interests of small-sale industries. I have further stated that in this year's Budget, the measures that we are taking to see that the credit needs of the small-scale industries are fully met, are: Two hundred dedicated branches are being set up to cater specifically to the needs of the small-scale industries where there is a cluster of these industries.

And, I would further say, Sir, that the liberalization of Import Policy and removal of licencing procedure have helped the small-scale industries the most. These are not the people who could have licencing offices in Delhi. In the old licencing system, everything required a permit. The small-scale industry was the biggest sufferer and I think we have removed those sufferings of the small-scale industries.

[Translation]

SHRI RAMASHRAY PRASAD SINGH : Sir, there is considerable potential in India particularly in Bihar for

production of pulses and oil seeds which we are importing. If the areas having potential for the production of these commodities are developed and the farmers are offered greater incentives, we can stop importing these items. Will the Government chalk out a programme for production of pulses and oil seeds in Bihar which has a large potential for the same?

MR. SPEAKER : You can request the State Government.

[English]

SHRI UMRAO SINGH : Sir, I would like to know from the Finance Minister, whether watches and watch movements are freely allowed to be imported under the OGL and under less duty; and if so, is it a fact that such an import is affecting greatly our local manufacturers and they are closing their own manufacturing units.

[Translation]

MR. SPEAKER : You can have the answer from the written public document.

[English]

DR. KARTIKESWAR PATRA : Hon. Speaker, Sir, the Government is taking measures to increase production of local consumer items. I would like to know, what are the reasons for the Union Government to go in for the liberalization in import of consumer goods and in what percentage..

[Translation]

MR. SPEAKER : This has already been answered.

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* 326. SHRI RAJVEER SINGH :

SHRIMATI SHEELA GAUTAM:

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) the total revenue earned by the Indian Airlines and Air India during the last three years;

(b) the percentage of the revenue earned by the Indian Airlines and Air India from flights to Gulf countries, Pakistan and Bangladesh; and

(c) the details of the measures taken by the Indian Airlines and Air India to increase their revenue from this sector?

[English]

THE MINISTER OF CIVIL AVIATION AND TOURISM