

is what the *The Economic Times* have reported on 7th February. Last year UNI backgrounder, according to the Report of the Central Economic Intelligence Bureau, the intelligence arm of the Finance Ministry, had quoted proceeds to the tune of more than two billion dollars were not repatriated in 1995. That means, year after year it is increasing and they say the present law is enough to deal with such a situation. Now, especially because of the fall in the value of the rupee, devaluation, naturally this will go up. What steps are actually immediately taken by the Finance Ministry in seeing the mammoth volume of amount not repatriated?

SHRI P. CHIDAMBARAM : Sir, the report which the hon. Member refers to and which appeared in *The Economic Times* has been brought to our notice also. It quotes Government officials, but there is not Government official who says that he was the author of this report or gave material for this report. This report is not quite right.

I just want to take few seconds to make this point. If a country has \$ 100,000 crore worth of export and there are thousands of players in the export-import field, there would be a small amount which will be outstanding on any give date - some for good reasons and some for bad reasons. There are good reasons where an importer, for example, has gone bankrupt in the other country. The poor exporter cannot bring that money. That is a good reason. Obviously, there are bad reasons also where he exports to an non-existent importer there. That is a bad reason. Then, action has to be taken, but I do not think we should paint it as an alarming picture. We believe that the law is adequate, FERA Section 73 is adequate.

But since the hon. Member has made the point, I would certainly write to RBI and request them to take a second look at the law. If the law has to be tightened, I am sure, they will take steps to tighten the law.

[Translation]

Action Plan For Export

*125 DR. MUMTAZ ANSARI :

SHRIMATI SHEELA GAUTAM :

Will the Minister of COMMERCE be pleased to state :

(a) whether Federation of Indian Chambers of Commerce and Industry (FICCI) has formulated any action plan to boost exports;

(b) if so, the details thereof;

(c) whether FICCI has requested the Government to adopt this action plan;

(d) if so, the reaction of the Government is this regard; and

(e) the steps proposed to be taken by the Government to boost the exports?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) to (e). A statement is laid on the Table of the House.

STATEMENT

The Federation of Indian Chambers of Commerce and Industry (FICCI) have prepared a paper outlining a four-pronged export promotion strategy to the working Group on Exports constituted by planning commission under the chairmanship of commerce secretary. The export promotion strategy suggested by FICCI comprises (i) planning for global market, (ii) Improving India's competitiveness, (iii) Minimising cost disabilities, and (iv) Building Brand image.

Steps are taken to boost exports in consultation with trade, industry and other concerned institutions. The Government is striving to make the environment of policy and procedures increasingly export-friendly. Among the measures taken for export promotion, mention may be made about simplification of export-import policy and procedures, increasing export production, improving efficiency and competitiveness, focusing on quality improvement and technological upgradation, improvement in infrastructure and actively involving state Governments in export promotion. In the current year an Annual Action Plan has been formulated which, inter alia, covers commodity-specific and country-specific measures for export promotions. Export promotion is a continues activity and the Government constantly interacts with the exporting community regarding steps required to accelerate export performance.

DR. MUMTAZ ANSARI : Mr. Speaker, Sir, as far as improvement or export promotion is concerned, many steps have been taken by the Ministry of Commerce like improving the efficiency and effectiveness and the Ministry has taken various steps to improve the infrastructure also. In all the advanced States and the advanced cities, the infrastructure has been improved and a huge investment has been made for a long time in all these States and the cities for improving the infrastructure.

The backward States like Orissa, Bihar and West Bengal have a lot of mineral resources and they have a very high export potential. So, I would like to know from the hon. Minister as to what steps he is going to take for

export promotion especially with reference to such backward States so that export promotion taken place, various items are exported to different countries and these States bring in sufficient amount of foreign exchange to our country.

SHRI P. CHIDAMBARAM : Sir, export is a function of increased industrial activity and agricultural activity. Exports have to come out of industrial production and agricultural production. Both these subjects are essentially State subjects. The Centre encourages States to increase industrial production as well as agricultural production. Primarily, it is the State Governments who must promote economic activities in their respective States and if the attention is turned to economic activities rather than some other wasteful activity. I think, surely they will be able to stimulate industrial production and agricultural production.

As far as we are concerned, I have held meetings with the Chief Ministers, with groups of Chief Ministers and impressed upon them the need to provide infrastructure. We have several schemes plan schemes and other schemes to help States to add to infrastructure. The most recent initiative is the offer to set up Export Promotion Industrial Parks. We have offered to every State to set up an Export Promotion Industrial Park. We are encouraging States to invite foreigners to set up specialised production centres. But it is really for the States to take the initiative. If they have a scheme, if they have a programme it will not fail for want of support from the Central Government.

DR. MUMTAZ ANSARI : Sir, as far as the garment producers, garment exporters and computer software exporters are concerned, they are the biggest exporters. I would like to know from the hon. Minister as to what steps have been taken to provide financial incentives and also to give training to all the textile workers, textile exporters and computer software exporters. I would also like to know as to what are the additional incentives that are going to be given to them by the Ministry.

SHRI P. CHIDAMBARAM : Sir, these incentives are rather well-known. They are across the board. The biggest incentive that we give is that all export profit arising out of export of goods is not taxed, and 80 HHC is the biggest incentive that is given to the exporters. Then, of course, we give the incentive of special import licences. We give incentives to those who acquire ISO 9000 certification. We give incentives to those who acquired the status of export house or trading house or star trading house or super star trading house. These incentives are, today, adequate and these incentives have brought us export growth in the last three years at the

rate of 20 per cent, 18.2 per cent and a little over 22 per cent so far. I do not think there is a case for additional incentives. There is of course, a case for providing infrastructure which is more efficient so that the exporters can meet their export obligations.

SHRI E. AHAMED : Mr. Speaker, Sir, quality improvement and technological upgradation is one of the steps that the Government has proposed to take to boost the exports. In view of fact that many of the countries have refused to take delivery of our goods due to the poor quality, I would like to know from the hon. Minister as to what steps the Government has taken against those exporters who are deliberately doing this mischief.

I would like to know whether the Government also have decided to take stringent steps. If so, would the hon. Minister may kindly just take the House into confidence.

SHRI P. CHIDAMBARAM : Sir, I do not think we should encourage the world to continue to regard Indian goods as of poor quality. This may have been so some years ago. But I do not think we should allow ourselves to be trapped into that kind of argument.

In 1991-92, there were five companies in India with ISO 9000 certification. Today, there are 1045 companies in India with ISO 9000 certification. India has made tremendous strides in quality. Indian goods small number of people who export sub-standard goods. I do not have the figures readily available. But I issued two press statement one about 3 months ago....*(Interruptions)*

SHRIMATI MALINI BHATTACHARYA : But why should you abolish quality control mechanism ?

SHRI P. CHIDAMBARAM : We have not abolished it. There is a small number and I issued two statement - one about three months ago and another about six months ago -- saying that wherever people have exported sub-standard goods and complaints have come, we have cancelled their export code number and we have denied them advance licences. We have penalised them. So, we have taken action against a small number. But to generalise and say, 'Indian goods are of poor quality' - I would disagree.

SHRIMATI GEETA MUKHERJEE : Sir, the point that I wanted to raise is that the Minister himself has said that there have been cases where we have received complaints....*(Interruptions)* about the quality of our exports and that our exports are very badly affected because of that. In spite of all this, the mechanism of quality control which was self-sustaining is in the process of almost dismantling. You are throwing people out of job as well as putting India into difficulty.

SHRI P. CHIDAMBARAM : Sir, I am very sorry, I have to disagree. What was being done was a bureaucratic system of mandatory pre - shipment inspection that was dispensed with. In a large number of cases it breeds corruption and it breeds inefficiency. What we have put in place is an arrangement where the importer and exporter will stipulate the quality standards and they are completely free to do so.

SHRIMATI GEETA MUKHERJEE (Panskura) : Only quality control people are corrupt and what about those who are sitting here?

SHRI P. CHIDAMBARAM : Sir, they are completely free to stipulate quality standards. The importer abroad will not take Indian goods if it does not meet his quality standards. The fact that exporters are growing by over 20 per cent shows that Indian goods are of high quality and the quality is improving.

[Translation]

PROF. RASA SINGH RAWAT (Ajmer) : Mr. Speaker, Sir, through you, I would like to know from the hon. Minister of Commerce whether druggets and carpets made in our country are becoming more popular abroad and their export has registered an increasing? Whether distraught by its increasing popularity, America and some other countries are resorting to a malafide propaganda by appealing the countries not to buy Indian druggets and carpets as they are woven by child labourers? What efforts is the Ministry of Commerce making to counter their propaganda, boost the export of druggets and carpets and enhance their popularity abroad?

[English]

SHRI P. CHIDAMBARAM : Sir, our carpets are very good and our carpet exports are growing. In April-December 1994 and in April-December 1995, in US dollar terms, our carpet exports were 407 million and 421 million, respectively.

There is, of course, a campaign against Indian carpets on the alleged ground of abuse of child labour. The Ministry of Textiles has introduced a label **Kaleen**. The Ministry of Commerce on the same day expressed its full support to the label **Kaleen**. I saw the figures yesterday. So far, 1,41,000 labels have been issued for Indian carpets and as the **Kaleen** label hold and every carpet goes out with that label, you will find that this criticism against Indian carpets will come down sharply. The label **kaleen** is a guarantee that child labour is not being used in our carpet industry.

[Translation]

SHRI VIRENDRA SINGH : Mr. Speaker, Sir, with reference to the hon. Minister's reply saying that a label is attached to give boost to the export of carpets, whereas the former Minister of Commerce had dispensed with the system of label for the purpose of boosting exports. One Minister of the Government takes one decision and the other Minister reverses that decision. If a direct and concrete decision is not taken for removing the impediments in the way of carpet exports, then, I think these cannot be exported in a desired manner. Hence, I would like to know the measure the Government of India is taking to remove impediments in carpet exports so as to boost its exports.

[English]

SHRI P. CHIDAMBARAM : Sir, I do not think, there is any variation. The **Kaleen** label was introduced only in July or August 1995. Therefore, nobody could have made a statement before that. I say here, the **Kaleen** label is a label which will assure the world that child labour is not used in the making of that carpet.

WRITTEN ANSWERS TO QUESTIONS

[English]

White Paper of Foreign Debt

*122 SHRI JEEWAN SHARMA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have issued a 'white paper' on foreign debt recently;

(b) if so, the details thereof ; and

(c) if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) Yes, Sir. On December 22, 1995, the Government tabled a White paper in parliament entitled "Status Report on India's External Debt".

(b) The paper provides an overview of India's external debt including international comparisons. Some of the salient findings of the report are summarised below :

The external debt outstanding on 31.3.95 was US \$ 99.04 billion. Though the external debt was high in absolute terms, the share of concessional debt was 45% and the present value of external debt was considerably