

(c) and (d). The annual foreign exchange earnings from tourism by the end of the 8th Plan is likely to be Rs. 7,000 crores. The increase in earnings is expected due to several factors including overseas promotion and publicity and as such it is difficult to estimate the impact of any single factor separately.

[Translation]

### Inflation Rate

\*87. SHRI PANKAJ  
CHOWDHARY:  
PROF. RASA SINGH  
RAWAT:

Will the Minister of FINANCE be pleased to state:

(a) whether the inflation rate has already exceeded the double digit, despite the Government's measures to contain it;

(b) if so, the particulars of wholesale and consumer price indices of essential commodities during the last six months;

(c) the reasons for continuous rise in the price index;

(d) the weekly rate of inflation on point to point basis during the above period;

(e) the impact of increased inflation rate on the wholesale and retail prices of essential commodities; and

(f) the further steps taken/proposed to be taken by the Government to check the price rise and to contain the inflation rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The inflation rate based on wholesale price index had reached

10.35% in the week ended 9th July, 1994 for which the latest data is available. The particulars of the Wholesale Price Index (WPI) and Consumer Price Index (CPI) for essential commodities during the last six months are listed below:

### Essential Commodities

| 1994     | WPI          | CPI       |
|----------|--------------|-----------|
|          | Base=1981-82 | Base=1982 |
| January  | 256.8        | 255.3     |
| February | 259.6        | 261.7     |
| March    | 260.3        | 262.7     |
| April    | 262.1        | N.A.      |
| May      | 268.0        | N.A.      |
| June     | 270.7        | N.A.      |

(c) Factors that may have fuelled inflationary expectations since January, are (i) high fiscal deficit; (ii) high growth of money supply; (iii) production shortfalls in sugar, cotton, jute and groundnut; and (iv) large increases in minimum support prices continuously for the last three years and, the consequent rise in the issue prices for PDS.

(d) The annual inflation rate on point to point basis for each week during the last six months is listed below:-

| Week ending  | Inflation(%) | Week ending | Inflation(%) |
|--------------|--------------|-------------|--------------|
| Jan. 1, 1994 | 8.86         | Mar. 5      | 10.25        |
| 8            | 9.18         | 12          | 10.38        |
| 15           | 9.47         | 19          | 10.73        |
| 22           | 9.14         | 26          | 10.81        |
| 29           | 8.96         | April 2     | 11.29        |
| Feb. 5       | 9.52         | 9           | 11.65        |
| 12           | 9.42         | 16          | 11.51        |
| 19           | 9.25         | 23          | 12.09        |
| 26           | 9.52         | 30          | 11.82        |

| Week ending | Inflation(%) | Week ending | Inflation(%) |
|-------------|--------------|-------------|--------------|
| May 7       | 12.01        | June 4      | 10.30 (P)    |
| 14          | 11.94        | 11          | 10.28 (P)    |
| 21          | 11.09 (P)    | 18          | 10.42 (P)    |
| 28          | 10.62 (P)    | 25          | 10.22 (P)    |
|             |              | July 2      | 10.73 (P)    |
|             |              | 9           | 10.35 (P)    |

(e) Wholesale price of essential commodities rose by 6.8% during the current financial year upto 9th July, 1994. Data for corresponding period in respect of consumer price index is not yet available.

(f) The anti-inflationary measures taken by the Government in recent months are:

- (i) Decision to limit the fiscal deficit for 1994-95 to 6% of GDP as against 7.3% last year.
- (ii) Limiting the budget deficit and net borrowings from the RBI in the form of ad hoc Treasury Bills to Rs. 6000 crores during 1994-95 and instituting a mechanism to ensure that this limit is not exceeded by more than Rs. 3,000 crores for more than 10 continuous working days.
- (iii) Raising Cash Reserve Ratio for banks to 15% from 14% with a view to reducing the growth of money supply to a range of 14-15% in 1994-95.
- (iv) Allowing import of sugar and cotton under OGL with zero duty.
- (v) Placing import of refined palmolein on OGL and allowing imports for PDS at concessional duty of 20%.

(vi) Allowing import of Viscose Staple Fibre at 7% duty to supplement Cotton/Yarn supply.

(vii) Acting intervention in the food-grain market by open market sale of rice and wheat through FCI from large public holding of food stocks.

(viii) Selective credit control measures for agro raw materials, viz. cotton, vegetable oil, oilseeds and pulses.

[English]

#### Foreign Airlines

\*88. SHRI VIJOY KUMAR  
YADAV:  
SHRI TARA SINGH:

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

(a) whether the foreign airlines operating from India are resorting to tariff violations and other discounting policies without prior approval of the DGCA;

(b) if so, the details thereof;

(c) the impact of such concessions on our airlines; and

(d) the reaction of the Government thereto?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (d). In June, 1994, the Board of Airline Representatives (BAR) reported to DGCA that some foreign airlines operating from India particularly the European Carriers were resorting to tariff violations in