

(c) and (d). Exploration work for gold and base metals is still continuing. Exploitation of white silica deposits and Saltpeter is being done by private parties in Punjab.

Exploitation of some of the minerals has already been taken up. In other cases, this can be done only after the economic viability of the deposits is established.

Setting up of Alumina Project in Andhra Pradesh

1458. SHRI S.M. BHATTAM : Will the Minister of STEEL MINES AND COAL be pleased to state :

(a) Whether the Soviet experts after a visit to Visakhapatnam in Andhra Pradesh along with the officials of the Bharat Aluminium Company Limited submitted the feasibility report of six lakh tonne alumina project in 1980;

(b) whether the estimated cost of the same at first quarter of 1980 price level is estimated to be Rs. 426 crores and for eight lakh tonne plant is Rs. 498 crores;

(c) whether Government have recently reached an agreement with the U.S.S.R. on the question of provision of a Comprehensive package for financing virtually the entire capital cost and arrangements to buy back the alumina produced; and

(d) if so, the relevant details of such agreement ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) to (d). Yes Sir. In 1980, the Soviet side prepared a feasibility report for a 6,00,000 to 8,00,000 tonnes per annum alumina plant, at an estimated cost of Rs. 426 crores for 6 lakh tonnes plant and Rs. 498 crores for 8 lakh tonnes plant (at first quarter 1980 price level), based on the bauxite deposits in Andhra Pradesh. Subsequently, the Soviet side suggested an export-oriented

bauxite mine of 2.3 million tonnes per annum capacity and alumina plant/mine expansion later. During further discussions, the Soviet side agreed to consider the question of financing a major part of the local costs of the export-oriented bauxite mine, and extending credit for bauxite mine expansion and alumina plant to the extent of Soviet equipment and services, and buying back on long-term basis 3 lakh tonnes of alumina per year.

The matter was discussed with the Soviet side early in March, 1985 when it was proposed that construction of the bauxite mine of 2.3 million tonnes per annum capacity for export of bauxite to U.S.S.R. may be taken up first. Both sides agreed to hold further discussions for evaluating the financial and economic aspects of the bauxite mine.

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Effects of Rise in Steel Prices

1459. SHRI DHARAMVIR SINGH : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the prevailing high prices of steel have adversely affected the engineering goods exports and added to the inflationary pressure on the economy in general; and

(b) if so, the steps Government propose to take to reduce the current high prices of steel ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) and (b). No, Sir. The exporters of engineering goods are reimbursed the difference between the domestic and international prices of steel under the International Prices Reimbursement Scheme of the Ministry of Commerce.

It is expected that the impact of the recent price increase announced by the JPC will only be about 0.4% on the wholesale price index.