

Export of Engineering Goods

1658. SHRI K. LAKKAPPA :
SHRI MUKHTIAR SINGH
MALIK :

Will the Minister of FOREIGN TRADE be pleased to state :

(a) whether Government propose to boost the export of Engineering goods during the year 1971-72 ;

(b) if so, the main features of the proposal ; and

(c) the extra foreign exchange likely to be earned as a result thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. GEORGE) : (a) to (c). Annual Plan for export of engineering goods for 1971-72 has been fixed at Rs. 165 crores as against actual export of Rs. 115.20 crores during 1970-71 which envisages an additional earning of Rs. 50 crores in foreign exchange.

Government have a number of continuing schemes to help exporters to increase production and their marketing capabilities. A statement of some of such schemes in force is attached.

Statement

**SCHEME FOR BUILD UP OF EXPORT
PRODUCTION AND EXPORT
CAPABILITY**

1. The Scheme to increase export production include—

(a) Provision of imported raw material to registered exporters under a replenishment licencing scheme.

(b) Supply of indigeneous raw material like steel and aluminium on priority.

(c) A system of 'On Account' import licences to registered manufacturers/exporters, having a minimum export performance of Rs. 10/- lakhs or more during the year

1969-70 in respect of non-traditional goods. Alongwith this facility the facilities of advance and imprest licences enable securing of raw materials for export production.

(d) A provision of preferential treatment to export oriented units in the matter of licencing of expanded capacity, improvement in installed capacity and also for imports from preferred sources.

(e) The grant of licences to export oriented units for import of machinery required for expansion, modernisation, diversification of production facilities as well as for research and development, against specially allocated foreign exchange.

(f) Organising of bulk imports of certain raw materials by public sector agencies. The Industrial Raw Material Assistance Centre of STC and similar cells of other agencies nominated for bulk imports will enable registered exporters to obtain supplies off-the shelf as and when they are required, on surrender of replenishment licence.

(g) Foreign collaboration in the case of export oriented units will be accorded special consideration. The existing agreements providing for restrictions on export franchise are expected to be suitably revised when due for renewal. Foreign collaboration in trading activities can also be considered on merits, if such collaboration is for export.

(h) A provision has been made for grant of import facilities to eligible merchandising export houses to facilitate production according to export needs.

(i) Units in the small scale sector who export more than 25% or more of their production are made eligible to receive allocation from free foreign exchange areas for their import needs.

(j) Recently established Trade Development Authority has been entrusted with the task of promoting export production and overseas marketing of certain selected commodities, in the first instance. This organisation has already undertaken valuable work in this direction.

2. For increasing export marketing capabilities important schemes in force are as under :—

(a) Compensatory support is allowed on exports of selected product to develop marketing competence and to neutralise the disadvantages inherent in the present stage of development of the economy.

(b) Trade agreements provide for export of non-traditional goods.

(c) Under a scheme of assistance from the M.D.F. financial assistance is provided to exporters for export activities like market surveys sales-teams, publicity, participation in exhibition and fairs etc. This assistance is given to recognised export houses and other approved organisations.

(d) Tax relief and concessions are provided on expenditure connect with exports like overseas publicity, foreign office(s) abroad, support of technical know-how and other services.

(e) Drawback of customs and Central Excise duties as also concessional railways freight is allowed on a number of export products.

(f) A scheme of registration of contracts insulates the registered exporters against disadvantageous changes in the pattern of assistance subsequent to their dates of contracts.

(g) Export finance is made available at a concessional rate of 7%. E.C.G.C. cover is available for different export requirements. The IDBI participates alongwith other approved commercial banks in the provision of deferred payment facilities.

3. Several priority industries have been selected and placed under export obligation. *Ad-hoc* obligations have also been placed on a number of units.

4. In process quality control has been introduced in several industries.

5. A wholly owned subsidiary of the State Trading Corporation has been set up

to specialise in exports of large ventures and turnkey projects by participating in global tenders in the field of :

(a) Railway systems—rolling stock, locomotives, track and signalling equipments ;

(b) Public utilities ;

(c) Castings and Forgings, ancillary equipment for big International manufacturing concerns such as Automobile Industry etc.

(d) Complete Industrial Plants and Projects.

Eradication of Poverty in India

1659. SHRI M. K. KRISHNAN :
SHRI MUHAMMED SHERIFF ;
SHRI B. N. REDDY :

Will the Minister of PLANNING be pleased to state :

(a) whether Government have made any study on the basic causes of growing poverty of the people in our country ;

(b) if so, the findings thereon ; and

(c) the steps being taken by Government to eradicate poverty in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI MOHAN DHARIA) : (a) and (b). Economic conditions in the country are under constant study of the Government. In the four year period from 1966-67 to 1969-70, the index number of *per capita* national product (1960-61=100) has risen from 100.5 to 110.8. This should indicate improvement in the economic condition of the country. The Government, however, recognise that, on account of vast disparities of income and wealth, large numbers do not share in the benefits of development. The Government, therefore, take the view that poverty has to be eradicated by vigorously pursuing both sustained growth and greater equality of income and wealth.

(c) The eradication of poverty is necessarily a long-term problem. The