of indigenous coal, petroleum products, power supplied by the State Electricity Boards and impact of Railway and Central Budgets.

In the case of TISCO, the production cost has increased by 2.05% over the average production cost of 1995-96, due to recent increase in prices of petroleum products and Railway freight.

Apart from the cost of production, the competitiveness of Indian steel in the international market will be determined by factors such as international prices, freight costs, exchange rate of rupee, production costs in other countries, etc. These factors are usually dynamic and change frequently.

SAIL is taking following measures on continuous basis to face the global competition :

- Modernisation and technological upgradation of its plants.
- Increasing capacity utilisation.
- Improving productivity.
- Introducing energy conservation measures.
- Improving availability of eqipment through effective maintenace.
- Improving product-mix, making value added items and meeting customer's requirements.
- Reduction in consumption of coke, energy, stores & spares, etc.

(g) to (i). As per available information, presently there are 183 Small Electric Arc Furnace Units in the country representing total capacity of about 8.44 million tonnes. out of these, as on 30/9/96, 87 units, representing a capacity of approximately 2.4 million tonnes are reported to be closed due to various factors like higher power tariffs, obsolete technology, uneconomical cost of production, etc.

The basic import duty on carbon steel melting scrap, which is an input material for Electric Arc Furnace Units, continues to be low at 5% since 1994-95. The import duty on graphite electrodes, used by these units, has also been reduced from 40% to 25% in the budget for 1996-97. In addition, Ministry of Steel has advised the State Governments to consider the supply of uninterrupted power supply to these units at concessional rates.

Konkan Railway Project

*319. DR. M. JAGANNATH :
SHRI AYYANNA PATRUDU :

Will the Minister of RAILWAYS be pleased to state:

(a) the amount released so far by the Government for the completion of Konkan Railway Project;

(b) the amount proposed to be released by the Central Government to complete the project;

(c) whether it is also a fact that the cost of the project has been revised five times;

(d) if so, the reasons therefor;

(e) the sources of funds mobilisation for the above project; and

(f) the steps being taken to accelerate its early completion?

THE MINISTER OF RAILWAYS (SHRI RAM VILAS PASWAN) : (a) Ministry of Railways and the participating State Govts. have released the following funds upto-date :

	Rs. in crs.
Ministry of Railways	306.00
Govt. of Maharashtra	132.00
Govt. of Goa	34.00
Govt. of Karnataka	90.00
Govt. of Kerala	36.00
Total	*598.00*

(b) No further amounts are proposed to be relesed from Central Government at present.

(c) The project cost has been revised twice.

(d) The main reasons for escalation of cost are:

(i) Inflation due to passage of time.

(ii) Additional expenditure required due to increased scope of works in tunnels and protection works and implementation of recommendations of Oza Committee in Goa sector of the project.

(iii) Adoption of present day standards of construction, as compared to the original provision.

(iv) Additional financing costs due to delay in completion of the project.

(e) Funds totalling to Rs. 2780 crs. have been mobilised through Equity form Central and 4 State Govts., 10.5% Tax Free Bonds, Sale and Lease Back of Assets, External Commercial Borrowings and other sources and Foreign Currency Loan for Equipment Purchases.

(f) Effective steps have been initiated to achive the progress of works in critical soil tunnels by means of deployment of imported machinery for dewatering, soil stabilisation etc. and giving a thrust on other works for early completion.

Targets for Earning Foreign Exchange

*320. SHRI K.P. SINGH DEO : Will the Minister of TOURISM be pleased to state :

(a) the targets fixed for the earning of foreign exchange from tourism during Eighth Five Year Plan; and