

**GOVERNMENT OF INDIA
LABOUR
LOK SABHA**

UNSTARRED QUESTION NO:1674
ANSWERED ON:02.08.2000
BEEDI SECTOR
SADASHIVRAO DADOBA MANDLIK

Will the Minister of LABOUR be pleased to state:

- (a) whether any monitoring has been done on the impact of entry of foreign companies in beedi sector;
- (b) if so, the steps taken by the Government to ensure that detrimental policies are not implemented in this sector;
- (c) whether USA has banned the use of Indian beedies in the country; and
- (d) if so, the estimated loss occurred to the India`s beedi industry due to such ban?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI MUNI LALL)

(a) & (b) : There are no foreign companies operating in the beedi industry at present. However, as per the present guidelines, there is no restriction on their investment in the tobacco sector. Foreign Direct Investment (FDI) is considered by the Foreign Investment Promotion Board (FIPB) subject to the provision relating to compulsory licensing under the Industries (Development and Regulation) Act, 1951.

(c) & (d) : U.S. Customs has issued detention orders against import of beedis from specific Indian Exporters namely M/s. Ganesh Beedi Works.

Exports of beedis during the past few years do not indicate any loss in the sales overseas. However, in view of the recent curbs by some external agencies, the earnings from such exports might be affected to some extent.