

[Shri Janardhana Poojary]

In recent years shipping industry has passed through a very difficult period in view of the world-wide recession and sharp decline in freight rates. This has imposed a considerable financial burden on SDFC and has affected its ability to finance new ship acquisitions. It has, therefore, become necessary to evolve a new financing mechanism for extending adequate support to shipping and trawlers industries. After a careful review, it has been decided to wind up SDFC and to create a new financing agency in the place of SDFC which would have wider financial responsibilities and greater flexibility of operation. The new financial agency will manage the assets and liabilities of the SDFC and finance fresh ship acquisition on the basis of their viability. All India financial institutions will contribute to the equity of the new agency and the Industrial Credit and Investment Corporation of India is being entrusted with the responsibility of promoting this agency.

The new company would extend financial assistance to shipping and trawling industries for acquisition of vessels in India and abroad. While the proposed company would function on sound commercial basis, the requisite level of concessions/support to the shipping and fishing industries would be continued to be extended in a manner to be decided by the Government. Ministry of Finance, Department of Surface Transport, Ministry of Agriculture, will have representatives on the Board of Directors on the new company.

Pending establishment of the new company, ICICI itself will undertake review of all existing cases of SDFC and also receive and process applications for fresh loans from the shipping and trawling industries for acquisition of vessels. It is expected that the new company will be set up and commence lending operations before the end of 1986.

The new institutional arrangement is expected to serve as an effective instrument for development of modern and efficient shipping and trawling industries on a viable basis.

13.18 hrs.

STATEMENT REGARDING
RATIONALISATION OF NEWS-
PRINT DISTRIBUTION IN THE
COUNTRY

[English]

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI A.K. PANJA): As the Hon'ble Members of this august House are aware the issue of rationalisation of the distribution of newsprint in the country with a view to removing certain existing lacunae has been under the consideration of the Government for sometime past. The Government have in this regard considered in detail various alternatives for evolving a Policy for distribution of newsprint in a rational manner. I am happy to inform this august House that based on these deliberations, the Government have finalised the Newsprint Allocation Policy to be applied for the licencing years 1986-87 and 1987-88.

The salient features of the Policy are :

- (i) The Policy is based on the principle of self-reliance. The imported newsprint will supplement the domestic production ;
- (ii) It is essentially a need-based Policy. Each newspaper will be supplied newsprint as per its own requirement based on actual performance. This is consistent with the Government's commitment for promoting the growth of the Press ;
- (iii) Due to constraints of foreign exchange resources, it had not been possible to service the entire newsprint allocated to the newspapers since 1982-83. The newspaper industry has been agitating for releasing this backlog. After a careful consideration- it has been decided that the entire accumulated backlog of unserved newsprint from 1982-83 onwards

will be released in a phased manner over a period of 3 years by supply of indigenous newsprint :

(iv) Consistent with the Government's desire to encourage the growth of small and medium newspapers, newspapers with an annual entitlement of upto 300 MT will get their entire requirement in imported variety. However, with a view to encourage the growth of the Press, the practice of requiring a fresh applicant to furnish a bank guarantee has been dispensed with. Also an overall growth rate of 5% has been allowed to accommodate the requirements of fresh applicants and those arising from increase in circulation of existing papers ;

(v) As self-reliance is the corner stone of the Government's policy in various fields, it is, therefore, imperative that the indigenous industry receives due encouragement. Consistent with this approach, the policy provides for ensuring that the indigenous newsprint is lifted regularly by the newspapers. To achieve this objective under the new policy, a monitoring system has been introduced. The validity period of authorisation of the allocation of indigenous newsprint has been reduced to 3 months on a uniform basis. Further, it has been provided that if a newspaper fails to lift the indigenous quota of newsprint allotted to it, it will, to that extent, forfeit its entitlement in respect of the imported newsprint. Similarly, a newspaper which is found to have given a false certificate about the lifting of the indigenous quota shall be liable to be debarred from getting any further allocation of imported newsprint.

(vi) Lastly, it may be mentioned that it would be the constant endeavour of the Government to make available adequate newsprint to the

bonafide users. For this, we solicit the cooperation of the newspaper industry. At the same time, it has been considered appropriate to devise certain administrative measures for this purpose. The Policy therefore, provides that where a newspaper is found to have furnished a false declaration about its circulation, it may be debarred from allocation of newsprint for a specified period which may extend upto one year.

3. I am placing a copy of the Newsprint Allocation Policy for the licencing years 1986-87 and 1987-88 on the Table of this august House.

[Placed in Library. See No. LT 3203/86]

I may only point out to your goodself that there was an assurance on my part to make this policy known by the 14th of November. Today being the 13th of November, I have made the policy known and kept the assurance.

13.22 hrs.

[SHRI VAKKOM PURUSHOTHAMAN
in the Chair]

MATTERS UNDER RULE 377

[English]

(i) Need to ensure that site offered for the setting up of proposed gas based fertilizer unit at Shahjahanpur is not changed.

SHRI JITENDRA PRASADA (Shahjahanpur) : I would like to draw the attention of the Government towards the setting up of proposed Gas based Fertilizer Unit at Shahjahanpur, U.P. It is now three years since the letter of intent was given by the Government of India for this Fertilizer Unit. The proposed plant was to conform to the conditions laid down in regard to