

1986 published in Notification No. S. O. 700 (E) in Gazette of India dated the 1st October, 1986.

- (6) The Export of Frozen Frog Logs (Quality Control and Inspection) Rules, 1986 published in Notification No. S. O. 701(E) in Gazette of India dated the 1st October, 1986.
- (7) S. O. 3660 (published in Gazette of India dated the 25th October, 1986 containing corrigendum to Notification No. S.O. 783 dated the 1st March, 1986.
- (8) The Export of Coir Mattings (Inspection) Amendment Rules, 1986 published in Notification No. S. O. 3661 in Gazette of India dated the 25th October, 1986.
- (9) The Export of Coir Yarn (Inspection) Amendment Rules, 1986 published in Notification No. S. O. 3662 in Gazette of India dated the 25th October, 1986.
- (10) The Export of Non-baled Coir Yarn (Inspection) Amendment Rules, 1986 published in Notification No. S. O. 3663 in Gazette of India dated the 25th October, 1986.
- (11) The Export of Coir Products (Inspection) Amendment Rules, 1986 published in Notification No. S. O. 3664 in Gazette of India dated the 25th October, 1986.

[Placed in Library. See No. LT-3256/86]

**Notification under Section 18 of the Handlooms (Reservation of Articles for Production) Act, 1985**

**THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) :** I beg to lay on the Table a copy of Notification No. S. O. 477 (E) (Hindi and English versions) published in Gazette of India dated the 6th August, 1986 regarding exemption to articles or class of articles specified in the Schedule annexed to the notification from the opera-

tion of the Order No. S. O. 459 (E) dated the 5th August, 1986 and permitting such articles or class of articles to be produced by any powerloom solely for the purposes of export, under sub-section (2) of section 18 of the Handlooms (Reservation of Articles for Production) Act, 1985.

[Placed in Library. See No. LT-3257/86]

12.14 hrs.

**MESSAGE FROM RAJYA SABHA**

[English]

**SECRETARY-GENERAL :** Sir, I have to report the following message received from the Secretary General of Rajya Sabha :

"In accordance with the provisions of rule 127 of the Rules, of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 19th November, 1986, agreed without any amendment to the Citizenship (Amendment) Bill, 1986, which was passed by the Lok Sabha at its sitting held on the 11th November, 1986."

**STATEMENT RE : PAYMENT OF D. A. TO GROUP B, C AND D OF CENTRAL GOVERNMENT EMPLOYEES**

[English]

**THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) :** Government have accepted the D.A. formula recommended by the Fourth Pay Commission, in respect of employees of Groups B, C and D. According to the revised formula D.A. has to be sanctioned on the basis of percentage increase in whole numbers of the 12-monthly average of CPI on 30th June and 31st December over index average of 608, the base figure to which the revised pay scales are pegged. The 12-monthly average CPI on June 30, 1986 is 632.41, which works out to an increase of 4 per cent over 608 on the above basis. Employees drawing basic pay upto Rs. 3500/- are to be allowed 100 per cent neutralisation and are,

therefore, entitled to the revised D. A. of 4 per cent of basic pay with effect from 1-7-1986.

2. Government have now decided to pay this instalment of Dearness Allowance to the Central Government Employees in cash. Orders in this behalf will be issued by the Ministry of Finance soon.

3. The annual cost of this amount of D. A. is estimated at Rs. 270 crores (approx.). The cost in the current financial year will be of the order of Rs. 180 crores.

12.15 hrs.

### CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

**Reported poor performance of India at export front thereby widening the trade deficit**

**SHRI CHINTAMANI JENA (Balasore) :** I call the attention of the Minister of Commerce to the following matter of urgent public importance and request that he may make a statement thereon :

Reported poor performance of India at the export front thereby widening the trade deficit and the steps taken by the Government in regard thereto.

**THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) :** Concern has been expressed on different occasions by the Hon'ble Members about the reported poor performance of our exports and widening trade deficit.

India's exports during the Sixth Five Year Plan period grew in rupee terms at an annual rate of 13.2 per cent. The provisional figures of India's exports during the financial year 1985-86 place them at Rs. 11006 crores as against the comparative figures of Rs. 11477 crores in the previous year. At the same time, imports during the financial year 1985-86 were at a provisional total of Rs. 19622 crores compared with Rs. 16730 crores during 1984-85. As a result, India's trade deficit (Provisional figures) increased from Rs. 5254 crores during 1984-85 to

Rs. 8616 crores in 1985-86, which was about 3.6 per cent of GNP.

An important factor contribution to the decline in overall exports was the virtual elimination of exports of crude oil which had amounted to Rs. 1563 crores during 1984-85. The provisional data revealed that non-crude oil exports at Rs. 10871 crores in 1985-86 registered an increase of 9.7 per cent as compared to Rs. 9913 crores during the previous year. This increase in non-crude oil exports should be seen against the backdrop of only 3 per cent growth in the world trade in 1985 as compared to 9 per cent growth in 1984 on account of the slowing down in the growth of some of the major industrial economies as well as intensification of protectionism. It is also worth noting that during 1985 there was a continued fall in the prices of primary commodities — which fell by 9.5 per cent (in dollar terms). The unit values realised for tea, an important item of our export, declined by 12.5 per cent during 1985-86; that of jute manufactures, by 8.3 per cent, that of coffee and cotton yarn by more than 4 per cent.

The economic recession in parts of the world in which we had acquired a foothold in exports also meant a set back to our exports. Thus, exports to West Asia and Africa, for example, fell by more than 5 per cent during 1985-86.

A series of initiatives have been taken to promote exports. These are designed to generate surpluses for exports, to induce the production of goods contemporary in technology and competitive in prices and to make the exports profitable. Several changes have been made with these objectives in view in the areas of fiscal policy, industrial policy and import policy backed by institutional support. A long term framework has been evolved to generate stability and confidence. In addition to these several new measures have been initiated recently. It has been decided in principle to make available capital goods and machinery which are not produced in the country, for export production or for improving the quality of products for exports for the thrust sectors at lower rates of duties on a case by case basis. The principle of supply of raw materials at international prices through scheme such as the one that has been in operation for steel, rubber and certain chemicals would be extended to other important areas and cover consumables