

when he was Finance Minister, initiated this project. May I know from the Minister whether there is any other proposal pending before the Surface Transport Ministry? I also want to know from the hon. Minister who is now answering on behalf of the Commerce Minister, whether the Commerce Ministry will take care to coordinate the whole thing to clear this project immediately.

SHRI ARIF MOHAMMAD KHAN: Sir, the Commerce Ministry is not aware of any other proposal. In fact, I have the information that no other proposal has come to the MMTC or the Ministry of Commerce and as I stated earlier, the project involves an expenditure of Rs. 776 crores. The matter is under consideration and a decision will be taken by the concerned agency as early as possible.

SHRI VASANT SATHE: Sir, I would like to point out that our rich natural resources like iron ore can be used for conversion into steel which is highly needed in this country and in Orissa itself a project is pending.

Sir, I would like to know whether the Government would seriously give a thought to the proposal for utilising our rich natural resources for conversion into value-added products like steel and down-stream industry. Even today the per capita availability of steel in our country is one of the lowest in the world, i.e. 16 kg., in spite of all our development. I would like to know whether this Government at least, will seriously apply its mind to this whole issue of whether we should export iron ore and earn hardly about Rs. 600 worth foreign exchange—two tonnes of iron ore is equivalent to one tonne of steel. Will the Minister of Commerce see from commercial point of view what is more advantageous to us? If at all, you want to export, why do you not convert the iron ore into steel and export it so that you earn foreign exchange worth Rs. 4,000/- per tonne of steel. What is the attitude of the Government? Are we going to drain away to South Korea and China all our natural resources? What is the approach of this Government?

SHRI ARIF MOHAMMAD KHAN: There is a lot of merit in what the hon. Member, Shri Vasant Sathe has said. But he is aware of these decisions, keeping in view the availability of resources. This question basically concerns the export of iron ore whereas the question which the hon. Member has raised concerns the Ministry of Steel.

SHRI VASANT SATHE: If you cannot answer, do not answer it. It will not be fair to the House.

[*Translation*]

If it concerns the Department of Steel, let him say that they will reply to it.

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): He has said the same thing.

MR. SPEAKER: You will get the reply. Please listen to him.

[*English*]

SHRI ARIF MOHAMMAD KHAN: I have said that this question basically concerns the development of Paradeep Port so that iron ore can be exported from that port. I have said that the point which the hon. Member has made has a lot of merit. The suggestion which he has made, I will pass it on to the hon. Minister of Steel and Mines so that necessary action can be taken.

Export of Iron Ore to China

*538. **SHRI BHAKTA CHARAN DAS:** Will the Minister of COMMERCE be pleased to state:

(a) whether Government propose to export iron ore to China on a long term basis;

(b) if so, whether the MMTC has received any proposal from China in that regard; and

(c) the decision taken by Government thereon?

THE MINISTER OF ENERGY AND MINISTER OF CIVIL AVIATION (SHRI ARIF MOHAMMAD KHAN): (a) to (c). A Statement is laid on the Table of the House.

STATEMENT

Apart from the provision in the annual Trade Protocol between India and China for the export of 7.5–10 lakh tonnes of iron ore, China has shown interest for importing iron ore from India on a long term basis. According to present indications, the requirements are estimated at 4 lakh tonnes in 1992, gradually going up to 28 lakh tonnes in 1997. The modalities of meeting this additional iron ore requirement from China either from the existing mines or by setting up of new mines are under examination.

SHRI BHAKTA CHARAN DAS: Sir, iron ore is one of the vital mineral resources of our country and we earn huge amount by way of export. According to the newspaper reports, China has plans to import 5 million tonnes of iron ore from India. According to the statement of the hon. Minister, as per the Indo China Trade Protocol, there would be export of 7.5 lakh tonnes and the indication is, it may increase up to 28 lakh tonnes in 1997.

My question is, since there are plenty of iron ore deposits in eight districts of Orissa, the export of iron ore should be more. So, I would like to know why the export of iron ore from Paradeep Port was decreased to a great extent in the last year? What measures the Government is taking to export the iron ore from Orissa because the new mines have also been discovered and iron ores up to the extent of 3,128.87 million tonnes are available in Orissa?

SHRI ARIF MOHAMMAD KHAN: This is mainly due to the fact that Paradeep Port can handle vessels only up to 45,000 DWT. (*Interruptions*)

MR. SPEAKER: Please don't interrupt. It is up to Shri Bhakta Charan Das.

SHRI ARIF MOHAMMAD KHAN: Most of those countries which are importing iron-ore have scrapped vessels of this size. Our request to export iron-ore from Paradeep in Indian waters to those countries has not been agreed to, as according to their regulation, they can use only their own ships.

SHRI BHAKTA CHARAN DAS: My second question is since we are now exporting iron-ore to 13 countries, I had put a specific question whether the MMTC has received any concrete proposal from China with regard to iron-ore supply to that country.

SHRI ARIF MOHAMMAD KHAN: Yes, Sir. The MMTC has received a proposal through Indian Embassy in Peking for supply of iron-ore on long-term basis for a new steel plant being set up by Shougang Corporation. Chinese side initially indicated a requirement of 6 million tonnes of iron-ore during 1992 going up to 10 million tonnes by 1995. They were interested in buying ore from one single mine. Having regard to large demand for iron-ore on a sustained basis, China offered to participate in opening an exclusive mine in India as a joint venture by providing men, machinery and financial assistance. A MOU was signed indicating quantity and specifications of the ore required and adding that both sides will discuss the matter further to finalise detailed arrangements. Their proposal was considered and a view was taken that we may not be requiring assistance from China in terms of men and machinery. As regards financial assistance, the detailed terms and mode of financing, we agreed that, that can be worked out. Because of this view which we have taken, China was now revised downwards its requirements, possibly because they have already tied up from some other sources and consequently the nature of joint venture proposed by them was modified by us.

SHRI BHAGEY GOBARDHAN: This question mainly relates to Paradeep Port development and along with that, the development of the proposed Banspani-Jhakupura railway line. Orissa has got so much of iron-ore that a number of steel factories can be

put up. Shri Vasant Sathe has asked "Why should we not export value added materials?"

In this connection, I would just like to know whether the hon. Minister is aware that recently Chief Minister of Orissa has held a meeting with the Ministries of Surface Transport and Commerce in that regard and, if so, what were the decisions taken in that meeting.

SHRI ARIF MOHAMMAD KHAN: Meeting has been held at various levels. As pointed out by the hon. Member, the Chief minister also had a meeting. I have already stated that this proposal is under consideration of the Surface Transport Ministry and a decision will be taken in consultation with the Finance Ministry. MMTC is trying its best to expedite the whole thing.

SHRI EDUARDO FALEIRO: This question is, in fact, the strongest indictment on our iron-ore export policy. We have always been told that we are more industrialised and more industrialised and more technologically advanced than China add here we are exporting to China iron-ore which China is going to convert into steel. My question to the hon. Minister is: "Will the Minister look into this very unfortunate state of affairs and review the iron-ore export policy so that we can export steel or atleast value-added iron-ore from now onwards?"

SHRI ARIF MOHAMMAD KHAN: Sir, I have already said that preference should be for exporting value-added steel. But the hon. Member is aware that decisions about these things require long term investment and also the availability of adequate financial resources is also be taken into consideration. But, in principle I find myself in agreement with what the hon. Member has said.

WRITTEN ANSWERS TO QUESTIONS

Investment by Non-Resident Indians

*536. **SHRI ERA ANBARASU**
SHRI MANORANJAN
BHAKTA:

Will the Minister of FINANCE be pleased to state:

- (a) the total investment made by the non-resident Indians in the country; and
- (b) the amount accounted for in rupees and in foreign currency separately?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b). A statement is laid on the Table of the House.