

ceilings (for both pre-shipment and post shipment credit) linked to Prime Lending Rates (PLR). Prescription of such ceilings on export credit has facilitated exporters to avail of credit at substantially lower rates than the PLR of banks. Considering the unusual international developments, effective September 26, 2001, the ceilings on export credit interest rates were further reduced to 2.5 percentage points below PLR for a period of six months. This arrangement has subsequently been extended upto September 30, 2002. With this concession, the ceiling rate on pre-shipment rupee export credit upto 180 days works out to 7.5 to 8.5 per cent for most public sector banks. As exporters are eligible to sell their export earnings in the forward market, taking into account the forward premia, the effective interest cost to exporters becomes only 2.0 to 3.0 per cent, which is internationally highly competitive. To make interest rate on export credit even more competitive in the present low interest rate environment, the ceiling rate on export credit in foreign currency has also been reduced from the existing LIBOR plus 1.0 percentage points to LIBOR plus 0.75 percentage points in the Monetary and credit Policy of April 2002. A special financial package for large value exports of select products, which are internationally competitive and have high value addition, is also currently under implementation by the RBI/banks.

Outstanding loans of Manipur

687. SHRI RISHANG KEISHING: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the outstanding loans of Manipur Government from Union Government as on today;

(b) the short-term and the long-term assistance extended by Central Government;

(c) whether there is any special plan/policy to Manipur from the burden of financial deficit partly or fully; and

(d) if reply to (c) above be in the affirmative, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) The total outstanding loans due to Ministry of Finance from the Government of Manipur on 31.3.2002 was Rs. 402.40 crores.

(b) to (d) Government of India, wherever feasible, have been releasing monthly entitlements of State Governments in advance apart from Ways and Means Advance to tide over the State's liquidity position.

A Fiscal Reform Facility has been created for a five year period with an Incentive Fund, under which Government of Manipur have drawn up a Medium Term Fiscal Reform Programme in order to achieve fiscal consolidation. Based on the Medium Term Fiscal Reform Programme finalized by the Government of Manipur, a sum of Rs. 54.38 crores for 2000-01 and Rs. 55.32 crores for 2001-02 has been provided to the State Government from the Incentive Fund.

Financial deficit of North Eastern States

688. SHRI RISHANG KEISHING: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the financial deficit of the eight North-Eastern States including Sikkim as on today;

(b) whether there is any special plan to help the States to overcome the deficit;

(c) if so, the details of the Plan; and

(d) if reply to (b) above is negative, whether such a plan is required on the grounds of extreme strategic, backward and remote positions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) The fiscal deficit of eight North Eastern States including Sikkim as per Budget Estimates for 2002-03 is as under :—

(Rs. in crores)

States	Amount
Arunachal Pradesh	-78
Assam	-2250
Manipur	-214
Meghalaya	-154
Mizoram	-137
Nagaland	-263
Tripura	-283
Sikkim	-48