

THE DEPUTY CHAIRMAN : Okay. No problem. If we take up the Half-an-Hour-Discussion, then, we can finish it within half-an-hour.

SHRI PRANAB MUKHERJEE : After that, are we having the legislative business?

SHRI O. RAJAGOPAL : Now, we will take up the legislative business.

THE DEPUTY CHAIRMAN : We have the Geographical Indications of Goods Bill.

SHRI PRANAB MUKHERJEE : Madam, how can you do that? You have already decided that first we will take up the Half-an-Hour Discussion. Then, we will seek clarifications on the Minister's statement. That is why I wanted to know from the Government.

THE DEPUTY CHAIRMAN : No, Sir. But the Minister said -- perhaps, it was not heard properly ~ he was wanting the legislative business to be taken up. I told him that I will finish the Half-an-Hour Discussion within half-an-hour, then, we will take up the legislative business. The clarifications on the Minister's statement can be taken up later. So, let me finish the Half-an-Hour Discussion.

SHRI PRANAB MUKHERJEE : Okay.

THE DEPUTY CHAIRMAN : Now, we will take up the Half-an-Hour Discussion. Jibon Royji, today is your day.

HALF-AN-HOUR DISCUSSION

The points arising out of answer to Starred Questions 1 and 5 given in the Rajya Sabha on 29th November, 1999, regarding import price of Steel items and floor price for import of Steel

SHRI JIBON ROY (West Bengal): Madam Deputy Chairman, I rise not to criticise the Government but to seek their support for the indigenous industry. The thing is, our indigenous steel producers, both in the private sector and in the public sector are in serious trouble. It is partly because of market manipulations and partly because of Budgetary provisions. Now, my apprehension is that you do not have inter-Ministerial discussions when you formulate your policies in different Ministries. So far as the Budget is

concerned, between 1990 and 1999, the customs duty on steel has gone down from 150 per cent to 30 per cent. That, of course, is a WTO commitment. But excise, from a floor level of nine per cent in 1990, has gone up to 16 per cent. This keeps the door open for foreign producers to enter our country. The third thing that the Government has done is the 100 per cent withdrawal of import duty on projects. These three together have hit the indigenous industry. I do not complain against you. But you should take care of it. An inter-Ministerial discussion is necessary. Some decision will be taken in the Finance Ministry; some decision will be taken in the Commerce Ministry; and, in the end, the industry will be the.

So far as the Ministry of Commerce is concerned, you have adopted the Exim Policy in 1990. In the new Exim Policy, a new content was there—duty-free import of steel against export. The provision is, when a producer, especially a cold-rolled industry owner, imports steel, he has to pay the duty first. He has to pay the duty first and then, after exporting the product, he would get the return. Then you have changed it. That is, you go on importing and exporting; then, you get the return. What the coked-rolled producers are doing is, they are importing without paying any duty, at the lowest rate in the international market. And they are not exporting, but are selling in India. You do not impose any penalty. Whenever you impose penalty, the rate of penalty is very less. It is profitable. They get profit in both the ways—the import is duty-free and they are buying it at a cheaper price. In this context, the floor price system was introduced. You have taken the average Japan price and the USA price and the European market price, according to the London Bulletin. You have taken the three prices—Japan, the USA and the European market prices—and you have taken the average for six months. This is the mechanism. Now, you have changed the floor price. When? In November. Can you tell me what average you have taken? You have taken the average of January-June. I got confused when you answered at that time that the price was going up but the floor price was going down. It was confusing. When the price is going up, how can the floor price go down? It is because you are taking the average. You are talking about the international price. Then, I checked up. I found that you had taken the average of January-June. 'You' means your Ministry. And you implemented it in the month of November when the price was low. In October, the average price—you can check up with your office—the HR coils was 271 dollars, on the basis of Japan and EEC

countries. And the floor price was fixed at 254 dollars. Why was the gap? For CR coils, you had fixed 351 dollars as the floor price and the average price was 354 dollars. Huge money went into the coffers of the cold-rollers because of that mechanism. When you are implementing it in the month of November, you should take the average price of October. Therefore, kindly clarify this point. Secondly, our problem is not the European market or the U.S. market or the Japanese market. Our problem is the CIS market, and in the CIS market, their price was 255 dollars in November 1995, and now, it is 178 dollars in the month of September 1999. You are to check the CIS market. Then what have they accepted in the U.S.A.? They have accepted the fast track reference price, that is, one price for the Mexican product, another price for the Japanese product and the third price for the CIS product because their quality is bad. If you are to go to the floor price, please clarify as to why you have taken the average of January to June when the price was less. Why have you not taken the average of October 1999 when the price was higher? How has your Ministry allowed to pass on huge money to the CR? This is my charge. My second charge is that you have suppressed this information while answering the question. You have not mentioned this fact that your Ministry has issued a notification to withdraw the floor price from January 1999. I have got a copy of the notification with me. Do you want me to read out the notification? Mr. Minister, when you answer a question in the Parliament, you have to be very vigilant. The younger Minister, has got too much affection for you. But would you not like to see that the Parliament is not misguided? They have issued a notification for total withdrawal of the floor price from January 1999. Why have you suppressed this fact? If you withdraw the total floor price from January 1999, who is going to be benefited? It is not the producers of Japan, not the producers of America, not the producers of the European countries or the CIS countries? My complaint is that a particular producer produces steel in Kazak. He is a non-resident Indian. The most patriotic persons are the non-resident Indians. They own a plant. Most of the steel from the CIS countries is dumped by him and you are withdrawing it only to facilitate the Kazak steel. This is my complaint. You please answer this point. My information is that import of "second" material is taking place. What has happened? They have fixed up the floor price of the prime material and the second material. What do the producers of the foreign countries do? They send the second waste product, that is, tin plate, and that is used for packing baby food, an unusable thing. What

else do they do? They simply send the prime product in the name of the second product. What a dangerous thing are they doing! According to my information, in the year 1998-99, the total import of the second material in our country was to the tune of 387 thousand tonnes. In 1999-2000, between April and September, the import is going to be 275 thousand tonnes, 275 thousand tonnes only in six months. Just look at it. If you take the Indian engineering industry and the steel industry together, you will find that they are almost finished if you do not take the remedial measures. Thank you.

उपसभापति : दवे जी, आप बोलिए। केवल क्वेश्चन पूछ लीजिए। हमें हॉफ-एन-ऑवर डिस्कशन खत्म करना है।

श्री अनन्तराय देवशंकर दवे (गुजरात) : मैडम, थोड़ा तो बोलना पड़ेगा ना।

THE DEPUTY CHAIRMAN: Otherwise, I will close the discussion. I have given a ruling. Put questions only.

श्री अनन्तराय देवशंकर दवे : महोदया, मैं सीधा सवाल ही पूछ रहा हूँ लेकिन भूमिका तो बांधनी पड़ेगी कि यह कैसे शुरू हुआ। महोदया, 29 तारीख को प्रश्न संख्या 1 और 5 से यह डिस्कशन शुरू हुआ। महोदया, एक सदस्य ने पूछा था कि जो मैनुफैक्चरर्स हैं, क्या आपने उनकी मीटिंग की थी। तो मंत्री महोदय ने कैटेगोरिकली जवाब दिया कि हमने मीटिंग की थी लेकिन वह जनवरी में की थी। महोदय, नोटिफिकेशन निकला है दिसंबर में, दिसंबर 1998 में और जनवरी में मीटिंग होती है। उसके बाद नवंबर में फिर दो महीने के लिए एक नया नोटिफिकेशन निकलता है। वह नोटिफिकेशन 31 दिसंबर को विद्वद्ध हो जाएगा वे उसे विद्वद्ध कर लेंगे। यानी परिस्थिति यह होगी कि सारे देश में बाहर से स्टील आने लगेगा।

महोदया, जो फ्लोर प्राइस तय की गई है

, They are going to withdraw that notification.

उन्होंने नोटिफिकेशन में डेट तय कर दी लेकिन उस दिन मिनिस्टर साहब ने हाउस में बताया नहीं। मैं मानता हूँ कि शायद उनका इरादा हाउस को मिसलीड करने का कभी नहीं रहा होगा। शायद यह बात रह गई होगी। महोदया, मैं चाहता हूँ कि मंत्री जी इसी हाउस में ऐशयोरेंस दे कि यह फ्लोर प्राइस जो अभी 256 है, इसे वे 302 से 350 तक ले जाएंगे।

महोदया, दूसरी बात यह है कि अपने मंत्रालय की वार्षिक रिपोर्ट में इन्होंने यह बात कही है कि

"The Committee has drawn its conclusion on the basis of stuthes conducted by the three institutions on the adverse effects of consumption of chewable tobacco, gutka."

The National Institute of Nutrition, Hyderabad, in collaboration with the Regional Cancer Institute, Trivandrum, has decided it.

जब ये फ्लोर प्राइस तय करेंगे तो इन सवालात पर विचार करेंगे? मेरा निवेदन है कि वे इसे 302 से 350 के बीच में तय करें या 3-3 महीने की एवरेज पर फ्लोर प्राइस तय की जाए।

महोदया, मनमोहन सिंह जी ने भी, इस बारे में यहां सवाल उठाया था। मलकानी जी ने भी यह बता कहीं थी कि हमारे यहां बहुत डंपिंग हो जाएगी। डंपिंग के खिलाफ कोई भी फरियाद करेगा तो उसे साबित करना पड़ेगा कि डंपिंग किस तरह से हो रही है।

महोदया, मैं निवेदन करना चाहता हूँ कि हमारी गवर्नमेंट की जो बॉडी है बी.आई.सी.पी. वह फ्लोर प्राइस तय करे। मैं मिनिस्टर साहब से कैटेगोरिकल ऐशयोरेंस चाहता हूँ कि जो 2 महीने के लिए नॉटिफिकेशन निकला है, उसको वे विद्वान नहीं करेंगे। दूसरा ऐशयोरेंस मैं यह चाहता हूँ कि इसकी प्राइस कोई कमेटी तय करेगी — चाहे बी.आई.सी.पी. तय करे, चाहे हाउस की कोई कमेटी तय करे, चाहे आप एवरेज पर तय करें।

महोदया, हमें अपने देश की स्टील इंडस्ट्री को बचाना है। अगर फ्लोर प्राइस निकल गई तो दुनिया भर की स्टील इस देश में आ जाएगी। आज हमारी स्टील इंडस्ट्री थोड़ा आगे बढ़ रही है, हमारा SAIL थोड़ा आगे बढ़ रहा है, हमारे प्रोड्यूसर्स थोड़ा आगे बढ़ रहे हैं। ये सब लोग डंपिंग की वजह से मर जाएंगे। हमारे देश के लाखों कर्मचारी जो स्टील इंडस्ट्री में काम कर रहे हैं, वे सब परेशान हो जाएंगे और हमारा स्टील का बिजनेस बिल्कुल ठप हो जाएगा। इसलिए मैं मंत्री महोदय से ऐशयोरेंस चाहता हूँ कि वे इस नोटिफिकेशन को विद्वान नहीं करेंगे।

SHRI PREM CHAND GUPTA (Bihar) : Madam, there is no doubt that the steel industry in this country is in a bad shape. I wonder why the Government has not given attention to this aspect. The steel industry is an important arm of our infrastructural base and the financial health of a country is reflected through the performance of its steel industry. Madam, the whole issue started with my Starred Question, raised on 29th November, wherein I had asked whether the Government had taken the domestic steel industry into confidence while revising the floor price. The hon. Minister, in his reply, said that the meeting was called on the 18th of January. As my colleague has already pointed out, the notification was

already issued earlier, in December. As far as the steel industry is concerned, calling a meeting on the 18th of January would not have meant anything. Madam, it is very painful to see that even though SAIL had been making profit right from 1984-85, in 1997-98, it had lost Rs. 1574 crore. And by the first half of 1999-2000, it had lost Rs. 1348 crore. It means that, by the end of the financial year 2000, SAIL would be losing something around Rs. 2700 crore. In spite of this, I don't know why the Government decided to issue this new notification no. 31 on 1st November, 1999, wherein the steel floor price was reduced further. In reply to my question, the hon. Minister stated that this was done in order to help the domestic industry. Madam, it is something very strange to know from the Government that they reduced the price because they wanted to help the domestic industry. It is beyond anybody's understanding. At least, I cannot understand how it helps the industry. When the imports are allowed at a cheaper rate, how does it help the domestic industry? It helps the exporters and not the importers. Exporters from the international market are benefited.

Madam, I want to know one more thing. While replying to this question, I don't know whether it was a lapse on the part of the hon. Minister, or, it was a deliberate move, —he did not inform the House that this notification would lapse on 31st December, 1999. He did inform that this notification is there, but he did not inform that it would lapse on 31st December. Anyway, I am not going into the intricacies of this thing. But it is very strange. I had put an Unstarred question on 13th December. The question No. was 1190 and it was this, (a) whether it is a fact that the Indian steel industry is not doing well; and (b) if so, the reasons therefor? In reply to my question, it was stated that one of the reasons for the domestic industry not doing good or well was, 'arrival of cheaper imports'. One arm of the Government accepts that the domestic steel industry is not doing well because of the cheaper imports. On the other hand, the other arm of the Government is reducing the floor price and, there too, the notification would be allowed to lapse on 31st December. The other reason given was, dumping of finished steel by CIS and other countries. I would like to draw the attention of the hon. Minister to a specific point. Anti-dumping duty on import from CIS countries was imposed, but Kazakhstan was left out from the ambit. I fail to understand why Kazakhstan was left. Was it because the Government wanted to help the

Kazakh steel? Why was Kazakhstan left out? Because of one company, the country is made to suffer. During the last Lok Sabha, there was a lot of hue and cry on the steel issue. We said that the floor price was high. It was more than the international price. Why was it like that? Today, we are saying, "okay, when the international price was lower, you fixed a higher floor price." Today, when the price is higher in the international market, why do you want to fix a lower price? I want a specific reply to this. I don't want to take more time. I request and expect the Government to ensure that this Notification will not be allowed to be lapsed. The current average domestic price of steel from European Union, Japan and USA should be fixed. In case India decides to withdraw the floor price, this country will become a dumping ground for international exporters. I request the Government that there should be a level-playing field, which is an accepted norm, and that our steel producers' interests should be protected by the Government and that they should not be destroyed.

THE DEPUTY CHAIRMAN: Mr. Minister.

SHRI VAYALAR RAVI (Kerala): Madam, just one minute.

THE DEPUTY CHAIRMAN: I have three names which are written here. I have asked them. Let him answer. If you have any question to put after that, I will call you. (*Interruptions*)... Let him answer the questions of those who gave their names. (*Interruptions*)... Let him answer. If you feel that their questions are not being answered, you can put your questions. We have to finish it within half-an-hour.

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): Madam Deputy Chairman, I rise to answer some of the points that have been raised in this Half-an-hour Discussion. It is with almost a sense of *deja vu* that I rise because all the points, which have come up, were discussed in some amount of detail on the first day of the current Parliamentary Session, in my maiden question-answer session, in the Rajya Sabha. There is no doubt that steel industry has passed through a very difficult phase. There is also no doubt that steel is the core of our industrial sector having an investment of more than Rs. 18,000 crores plus employment of millions of Indians. So, the fact of the matter is that the Government is, and always will remain, committed to safeguarding the interests of the domestic steel industry.

Madam, firstly, I would like to answer the point that was made here that I deliberately, or, by mistake, misled the House by not informing it about the withdrawal of the Notification. The questions which were placed before us were answered. Specific questions were put to us and those specific questions were answered. At no point of time, either in the main question or in the supplementary questions, was a question put as to when this Notification was withdrawn. I had the information with me. I was perfectly willing to share it with the House. I was waiting for the question to be put. I have the hon. Member, Mr. Roy's, question in front of me. At no point of time has this question been put as to when the Government proposed to withdraw this measure. Had this question been placed in front of me, I would have given the answer. This measure was an emergency measure, which was taken under very difficult circumstances, to safeguard our industry. Since then, the global situation, the global scenario, has changed. To a large extent, the financial crisis which we have seen in South-East Asia has improved. With that, the demand for steel has improved significantly. The global prices are changing. India's steel sector, to a large extent, has begun to take into consideration the points that have been made to it a long time ago with regard to modernisation, with regard to downsizing, with regard to keeping up with global competition, as a result of which we now find that our steel is globally far more competitive. In fact, I have the figures here.

SHRI OMAR ABDULLAH: I have figures with me to show that during April-October, 1999, as opposed to the same period in 1998, our exports in the steel sector have increased by 25%, which is a significant growth in export.

SHRI PREM CHAND GUPTA: The hon. Minister has just said that the price and the market condition overseas have improved. Does he mean to say that the price in the international market has gone down? Is that why we are reducing our floor price? If the price has improved outside, then why are we reducing our import floor price? This is one question.

THE DEPUTY CHAIRMAN: Mr. Gupta, let him finish first.

SHRI OMAR ABDULLAH: Madam, a decision has been taken to do away with the floor price of steel. As I said, the floor price system was an emergency measure. That was brought under very difficult circumstances. Now, the Government feels that those circumstances do not exist, so, the

need for a floor price for primary steel is no longer felt. Having said that, we still feel a great degree of concern that seconds will find a place here, at lower prices; that is why— the hon. Member did not point out that ~ although this notification was issued for primary steel, no such date has been fixed for the removal of the floor prices on seconds. We will continue to maintain our floor price for secondary steel so that such steel does not find a market in our country, at lower prices. So, in that respect, we are still looking to it that the domestic steel producers are safeguarded. Madam, the hon. Member has asked as to why we fixed this floor price looking only at Japan, basically, the London Metal Bulletin, and why we did not take into account the prices of CIS and other countries. The simple reason, Madam, is, those are dumping countries. By taking into account their prices, the floor price that we have fixed would have been significantly low, that is what we do not want. We want to safeguard our domestic steel producers. Mr. Jibon Roy mentioned about excise and custom and the fact that there is no co-ordination. I know, for a fact, that we do have inter-ministerial meetings on a regular basis; but regarding the excise, customs, notifications and whatever it involves, I am not in a position to answer this. He will appreciate that this is a matter concerning the Finance Ministry. Perhaps, it would be better if this matter is placed before the Finance Ministry.

Mr. Dave mentioned about our exports. I have already answered that point, that our exports have improved significantly. From 1998-99 we have seen more than 25% increase in our exports. We believe that even after doing away with the floor price for primary steel, we will still be able to safeguard our steel industry in the current global scenario, using anti-dumping measures. They are already in place and stringent cases will be made against those countries which we feel are dumping steel. We will ensure that this does not happen. A point was made regarding Kazakhstan. Some Members feel that we are, perhaps, safeguarding one country against another. Madam, anti-dumping cases are looked at by a quasi-judicial body. The Government does not have any say in it. It is, as I said, a quasi-judicial body. They look at the facts on a case-to-case basis, they decide whether it is a case for enforcing anti-dumping measures or not. The case of Kazakhstan has been examined very carefully. This body decided that Kazakhstan did not, at that point, warrant anti-dumping measures. Having said that, I will assure the House that if we feel that a country is indulging in dumping, a fresh case will be made and the fresh facts will be put up. And

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if we find that the country is dumping products in this country, we will initiate anti-dumping measures. Madam, Deputy Chairman, these are the issues which do not involve just one Ministry. These issues are extremely complex. I can only comment from the point of view of what the Commerce Ministry can or cannot do, with regard to boosting of exports; with regard to necessity for anti-dumping measures, whether they are in place and how well they are functioning. What I cannot do is, I cannot comment on the performance of the domestic steel producers like SAIL and others. This unfortunately, falls outside the purview of my Ministry. So far as what Mr. Prem Chand Gupta has mentioned about the performance of SAIL and how its performance has suffered in the last few years, is concerned, unfortunately, this is an issue that will have to be raised with the Steel Ministry and, perhaps, a separate question could be posed to them and a separate discussion taken up about the actual performance of the steel sector. I can assure the hon. Member that a regular contact is maintained between the Commerce Ministry and the Ministry of Steel to see where and what measures need to be taken to protect the domestic steel producers. There was another point that came up regarding fixing of price and why it was done up to August and not up to October. Madam, it takes time for data to be collected. For a notification in November, the data for October would not have been available. The hon. Member must appreciate that this data is collected not just here but globally and such data is not available on a day-to-day basis. The data for August was the only data that was available for us to take a decision in November. That is why that period of time was taken up for fixing the fresh floor prices.

श्री अनन्तराय देवशंकर दवे : मैंने नोटिफिकेशन के बारे में उनसे पूछा है कि क्या वे उसको करेंगे? दूसरी बात मैंने कमेटी के बारे में पूछा कि क्या हमारे देश में जो बॉडी हैं, बी.आई.सी.पी. वह कमेटी फ्लोर प्राइज तय करेगी? अगर नहीं करेगी तो फ्लोर प्राइज का नोटिफिकेशन विद्वद्ध हो जाएगा। अतः मिनिस्टर यह एश्योरेंस दें कि हम इसके बारे में कुछ न कुछ करेंगे।

SHRI OMAR ABDULLAH: Madam, I have already said that there is no question of not withdrawing the floor steel price. The Government has already taken a decision that this Notification will stand. The floor price of primary steel will be withdrawn. So there is no question of giving an assurance of continuing it.

SHRI PREM CHAND GUPTA: Madam, the Ministry of Steel replied to my question on 13th December. They said that one of the reasons for sickness of the Indian steel industry was cheaper import, I do not know how the Ministry of Commerce feels that there was no necessity now. Unless this Notification is extended for another three months, this industry will become sick.

SHRI OMAR ABDULLAH: Madam, as I said, we have no intention of making this industry sick. I have already said that the performance of the domestic steel industry is definitely picking up. Believe me, we do not take decisions in isolation. The Commerce Ministry has not decided to withdraw this without consulting other Ministries. This decision has been taken in consultation with other Ministries. Perhaps the Steel Ministry feels that even with the withdrawal of the floor price, there is now an improvement in the performance of the domestic steel sector and this will not affect them.

SHRI PREM CHAND GUPTA: Madam, he has not replied to my question.

उपसभापति : आपको जवाब दे दिया गया है।

From which Ministry did you get the reply? You got the reply from the Steel Ministry. So he cannot answer it. He has said that when they took the decision of withdrawing the floor price, it was done in consultation with the Steel Ministry. Now, they as the Commerce Ministry took a certain decision. If you feel that the Steel Ministry gave you a wrong reply, you better go to the Assurances Committee or the Privileges Committee or wherever you want.

SHRI PREM CHAND GUPTA: Madam, the hon. Minister, Shri Maran, is here. The Minister of Steel is also here. Why don't they take up this issue with the Ministry of Steel?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): Madam, the economy is looking good. The growth rate is very good. We will look into it. So far the decision is to stop it by December. If there are new circumstances, new instances, for requiring such a step and if the Steel Ministry takes it up, then we will consider it. That is all.

THE DEPUTY CHAIRMAN: Now, I have to finish it. I gave enough *time..(Interruptions)* Just one minute. What is the meaning of a Half-an-Hour Discussion? The rule is that half-an-hour should be given for a particular question which has not been answered fully. This cannot become a full-fledged discussion like a suo motu statement where everybody in the House can speak. I have allowed those Members whose questions were unanswered, those who were concerned with it and had given their names — I was given three names. I have allowed them twice, even three *times...(Interruptions)* You had not given your name. So, I am not allowing you to *speak...(Interruptions)* I have to put a stop somewhere. *...(Interruptions)*

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): I may be permitted to put one basic question...

THE DEPUTY CHAIRMAN: No. If I allow you, then, I will have to allow Shri Vayalar Ravi, and two or three other Members. Then, what is the point in the Chair giving the *right?(Interruptions)*

SHRI JIBON ROY: Madam, I seek your protection...

THE DEPUTY CHAIRMAN: My protection is very much *there...(Interruptions)* No, that is *not...(Interruptions)*

SHRI JIBON ROY: I am not raising any question...

THE DEPUTY CHAIRMAN: Then, what are you *raising?* Yourself?

SHRI JIBON ROY: Madam, I don't want to grill the new Minister. But he has to take care of the privilege of the Members of the House. The question was: Why was the floor price reduced? He gives the answer saying what the floor price was, and what the new floor price is. But he has not answered this specific question. Also, we are supposed to know that it is going to be withdrawn in January. Practically, I did not know it. In the answer he did not mention it. He has said that it is imperative enough. That is all, Madam.

THE DEPUTY CHAIRMAN: Now, we will take up the Geographical Indications of Goods (Registration and Protection) Bill, 1999.