

Effect of Economic Reforms

*187. SHRI DEBABRATA BISWAS: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a study conducted by the Indian Statistical Institute (ISI) reveals that economic reforms have positively benefited a large chunk of the poor and saved them from abject poverty and deprivation;

(b) if so, whether the views expressed in the study represent the perceptions of Government in the matter; and

(c) if not, whether Government would be prepared to come out with a White Paper on the effects of economic reforms on the state of our economy?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) In a report entitled "Counting the Poor—Where Are the Poor in India" prepared by the Indian Statistical Institute (ISI) (Delhi Centre) at the instance of the Department of Statistics, it has been indicated that regardless of the poverty line and the poverty measures used, poverty ratios have shown downward trends and an improvement in the condition of the poor in 1993-94 over that in 1987-88 at the All India level in both rural and urban areas. However, the study conducted by ISI is a research project and poverty estimates given in the report are not regarded as official estimates.

The official estimates of poverty ratios as estimated by the Planning Commission also indicate that the poverty ratio at the All India level (for rural and urban areas combined) declined from 38.86 per cent in 1987-88 to 35.97 per cent in 1993-94.

(c) The pre-budget "Economic survey 1997-98" tabled on May 28, 1998 in both the Houses of the Parliament presents the factual position regarding effects of economic reforms on the state of our economy. A more detailed assessment is anticipated in the Ninth Plan document.

Privatisation or Highways

*188. DR. JAGANNATH MISHRA: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the experts have expressed concern that privatisation cannot resolve national highway related problems;

(b) if so, whether they have stressed that Government should review priorities and find ways and means to augment allocation of funds for the highways;

(c) if so, whether Government have considered the views of experts; and

(d) the steps taken to improve the highways development as a follow up of that?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND THE MINISTER OF SURFACE TRANSPORT (SHRI M. THAMBI DURAI): (a) Experts have expressed that additional resources generated through private sector participation alone cannot resolve all the National Highways related problems.

(b) Government has taken steps to augment the resources by resorting to cess on petrol, levying user charges on four lanes corridors, etc. Based on the overall availability of resources priorities for developmental schemes are drawn up.

(c) Government's policy has been evolved after continuous interaction with experts, Chambers of Industries and Commerce, etc.

(d) The present policy adopts a dual approach i.e. taking up financially viable and bankable projects like four laning by passes, bridges etc. through private sector participation and other projects through budgetary sources.

Financial Position of Air India

189. SHRI RAMDAS AGARWAL:
SHRI VAYALAR RAVI:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Air India is running into mounting losses, hefty debt

burden and dwindling yields, as reported in the Economic Times dated the 30th March, 1998;

(b) whether it is also a fact that during January-March, 1998, Air India ended up with a loss of Rs. 100 crore, caught in debt-trap with working capital loans of Rs. 1000 crore, aircraft acquisition loans

of Rs. 400 crore and a debt burden of Rs. 200 crore; and

(c) if so, the reasons therefor and in what manner such huge losses are likely to be made up by Air India during the next financial year?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) and (b) Details are as under:—

Year	Yield (Revenue/ RTKM*)	Loss	(Rupees in crores)	
			Working Capital Loans	Aircraft Loans and interest
1996-97	Rs. 20.20	296.94	260.00	607.97
1997-98 (provisional)	Rs. 21.85	280.43	860.00	638.06

*RTKM = Revenue Tonne Kilometre During January-March, 1998, Air India incurred loss of Rs. 81.75 crores (provisional).

(c) The losses were incurred due to increase in expenditure on account of interest and depreciation on new aircraft, increased cost of operations and landing, handling and navigational charges, agitation by engineers, depreciation of rupee value, etc.

Air India has taken following steps to reduce losses:—

- (i) Network Rationalisation- and consolidation.
- (ii) Product upgradation.
- (iii) Improvement in on-time performance.
- (iv) Creation of independent profit centres.

The Government has also constituted a committee of experts under the Chairmanship of Dr. Vijay Kelkar, Chairman, Tariff Commission to undertake a comprehensive examination of the reasons for the losses incurred by the Air India and to suggest a strategy for turning around the company.

Plan outlay for Road Development

*190. DR. B. B. DUTTA: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) the percentage of outlay provided for road development during each five year plan;

(b) whether the plan outlay for development of roads shows progressive decline;

(c) whether paucity of funds for development of roads has adversely affected road conditions in the country;

(d) if so, economic losses suffered annually due to bad condition of roads; and

(e) what has been the response of private sector in the development of roads in the country?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND THE MINISTER OF SURFACE TRANSPORT (SHRI M. THAMBI DURAI): (a) Percentage of outlay provided for road (National Highways) development