

propose to complete this? It has been seen that whenever there is a meeting with the WTO, the Government tries to rush through this. Is this the situation under which the Government proposes to complete these items? Then, Sir, the Government has also been saying that this DEPB Scheme is being opposed by the WTO. Is it a fact that this Scheme is being opposed by the WTO? If it is a fact, then what does the Government propose to do?

**SHRI RAMAKRISHNA HEGDE:** Sir, the question relates to the DEPB rates in regard to specific commodities. I have given an answer and the hon. Member is satisfied. If there are any more questions regarding other items, let him put another question; I will certainly answer.

**SHRI BANGARU LAXMAN:** This is a related matter.

**SHRI RAMAKRISHNA HEGDE:** How is it related to WTO?

The demand was met and you must appreciate that.

The hon. Member must appreciate. He should say, at least, 'thank you', for quickly responding. (*Interruptions.*)

**SHRI BANGARU LAXMAN:** I thanked the Minister at the beginning itself. I only said that still, the question was being debated. There are so many items.....

**SHRI RAMAKRISHNA HEDGE:** It is a matter which has to be continuously considered. We have repeatedly said in the past that we are not going to be dictated by the WTO and that we will take our decision, in the interest of our country. There are several other items. I would like to inform the hon. Member that the whole scheme is being revamped. I want to integrate all these export promotion schemes and bring them under one umbrella, if possible.

**SHRI BANGARU LAXMAN:** I again thank the hon. Minister. Though it was not a specific question, but was only a general question which I had raised, he

has answered it. But I would like to seek some more clarifications from him because a lot of debate is being raised.

Sir, our exports have shown a decline. Normally, it is being attributed to the conditions imposed by the WTO. It is being said that because of the conditionalities put forth by the WTO, our exports are going down. This may not be a fact. Recently, the EXIM Policy was announced. It has been said that though this Government speaks of *Swadeshi*, by announcing the EXIM Policy, it has again subjected itself to the conditions of the WTO. If there are certain conditions, I would like to know from the hon. Minister as to what are the conditions. If these conditions run counter to the safeguards our exporters have been enjoying, what action the Government propose to take to protect the interests of the exporters?

**SHRI RAMAKRISHNA HEDGE:** Sir, no additional conditions have been imposed by the WTO. But there is a provision to impose antidumping duty in cases where there is dumping; also where there is a case of dumping at a rate which is less than the domestic rate; and, thirdly, such dumping should hurt the local industry. Excepting these, there are no other conditions.

I would like to point out to the hon. Member that we have accepted willingly to join the WTO and there is no question of reconsidering that. It is not — I may add — in the interest of the country.

The decision as to how many items should be included will be taken in the next one or two years.

#### Export of Cotton, Sugar and Wheat

##### Products

\*464. **SHRI S. NIRAIKULATHAN:** Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that cotton, sugar and wheat products could not be exported due to shortage during the last year:

(b) if so, what is the loss incurred in terms of foreign exchange last year due to non-exports of these items; and

(c) what steps have been taken to export these items in future?

**THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEDGE):** (a) to (c) A Statement is laid on the Table of the House.

#### Statement

(a) to (c) The policy of the Government to permit exports of agricultural products of mass consumption like sugar, wheat and wheat products, is governed principally by the concerns of India's food security, maximising farm incomes and earning foreign exchange.

Under the current Export-Import Policy, exports of sugar, wheat and wheat products are subject to quantitative ceilings notified by Director General of Foreign Trade from time to time and Registration-Cum-Allocation Certificate issued by APEDA. Export of raw cotton is subject to the certificate from the Textile Commissioner on the registration, allocation, quality and quantity of export.

Export of cotton during the cotton year (Oct. '96 to Sept. '97) were 12.055 lakh bales valued at Rs. 1169.28 crores. For the current cotton year (Oct. '97-Sept. '98), a ceiling of 7.2 lakh bales has been notified for exports against which 1.2085 lakh bales (excluding spill over) valued at Rs. 99.36 crores had been exported till 29th June 1998.

For the Sugar year 1996-97 (Oct. '96-Sept. '97) a quantitative ceiling of 2,50,000 Mts was released for exports. For the Sugar year 1997-98 (Oct. '97-Sept. '98) a quantitative ceiling of 41,200 Mts has been released for exports under preferential quota to EU/USA. No ceiling for exports of wheat were released for the year 1997-98. However, a quantitative ceiling of 5.00 lakh MTs of wheat products was released for exports during 1997-98.

Export ceilings of items of mass consumption are notified after making an

assessment of demand and supply position in the domestic market. Review of export performance of agricultural products is an on-going exercise and accordingly policy interventions are made, as and when considered necessary, for enhancing the viability of agricultural exports.

**SHRI S. NIRAIKULATHAN:** Mr. Chairman, Sir, the reply of the hon. Minister is evasive. The Commerce Secretary had gone on record to say that the export of sugar, cotton and wheat products came down last year, due to the shortage in the domestic market. Even the policy of the hon. Minister supports this view. In this context, I would like to know whether the Government has assessed the reasons for the shortage last year. If so, what are the reasons?

**SHRI RAMAKRISHNA HEDGE:** Sir, these are all consumer items. I would like to inform the hon. Member that we have to take several factors into consideration before we allow these items to be exported or imported. For instance, what is the level of production each year; what is the level of demand what is the ruling price here and what is the ruling price elsewhere in the world.

We cannot export to incur losses. I am all in favour of exporting every possible agricultural commodity which will bring wealth into our country. But, for that, it is necessary that we should have surplus. Without surplus, how can we export? We cannot make our own people suffer because of shortages. Today, again, I reiterate that I am in favour of export of all agricultural and agro-industry products.

**SHRI S. NIRAIKULATHAN:** I want to know whether the Government has any strategy to assess the likely production of various agricultural products in the ensuing year in order to export the surplus production. If not, will the Government evolve a strategy for this?

**SHRI RAMAKRISHNA HEDGE:** Sir, maybe, I did not hear him properly. I could not make out what exactly he meant.

**MR. CHAIRMAN:** Please repeat your question slowly.

**SHRI S. NIRAIKULATHAN:** I want to know whether the Government has any strategy to assess the likely production of various agricultural products in the ensuing year in order to export the surplus production. If not, will the Government evolve a strategy for this?

**SHRI RAMAKRISHNA HEDGE:** Sir, so far as I could make out its meaning, I will reply to it.

We will do everything possible enhance the export of horticultural products, including vegetables, fruits and flowers for which recently we have opened a cargo centre for perishable goods in Delhi. Similar centres will be opened at all international airports. There are various schemes to encourage our farmers to grow more horticultural products.

Again, I want to say at the cost of repetition that we are in favour of exporting more and more agricultural products.

**SHRI PRANAB MUKHERJEE:** Sir, we are delighted to know that the hon. Minister has emphasised on the necessity of exporting agricultural products and more so the processed agricultural products. Unfortunately, the intention of the Commerce Minister is being obstructed by one of the recent decisions of the Finance Minister to impose heavy doses of duties on large areas of agro-based industries. But I am not going into that aspect right now.

The hon. Minister has, in part (a) of the statement which he has laid on the Table of the House, indicated that agricultural products' exports are determined depending on the demand of the domestic market. There is no doubt a rationale in it. But, at the same time when exporters create a market outside the country, it requires time and it re-

quires investment. If the Government resorts to frequent switch-off and switch-on policies, depending on the market conditions within the domestic area, those export markets are lost. Therefore, is the Government prepared to consider that if there is a shortage of a particular commodity, it can be imported to meet the domestic requirements so that at the same time the export commitments and obligations are fulfilled and the external markets are not lost?

**SHRI RAMAKRISHNA HEGDE:** Sir, I could not agree with the former Commerce Minister more. I agree with what he has said, with every word of what he has said. He has spoken as if he is the present Commerce Minister.

It is very true that we must have a policy which has a certain continuity. Otherwise, we will lose the export market. That is why, as I said, particularly in regard to the agricultural processed goods which we cannot just manufacture overnight, we have to find markets and we have to find a national label. Therefore, I agree with the hon. former Commerce Minister that a long-term policy in regard to these items of exports is absolutely necessary, and we are going to design that policy.

**SHRI M. SANKARALINGAM:** Sir, the question is very specific, but the answer given is very evasive. The question asked was whether it is a fact that cotton, sugar and wheat products could not be exported due to shortage during the last year. To that there is no answer in the statement of the hon. Minister. The shortage is not noted. Some evasive answers giving some statistics and figures has been given. The hon. Minister may give a specific answer on whether any shortage in Tamil Nadu is there. Sir, the last part of the question says; What steps have been taken to export these items in future? If there is shortage, we cannot export. So, the shortage should be made up. We must find out a plan. So, what is the exact answer? I would like to have that from the hon. Minister through the hon. Chairman.

**SHRI RAMAKRISHNA HEGDE:**  
Sir, my own information is that all the

(b) to (d) With reference to the drug addiction amongst youth of the country, the Ministry sponsored a multi-centred study in 1975-76 and a repeat study in 1985-86 to assess the prevalence of drug abuse among university students. The

**Schwarz**