

(a) whether Government have received any representation against the MoU signed between Suzuki and Government recently;

(b) if so, the details thereof; and

(c) the reaction thereto?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Yes, Sir.

(b) and (c) MUL Employees Union had submitted a representation for repeal of the Memorandum of Understanding and Settlement (MOUS) signed between Govt. of India (GOI) & Suzuki Motor Corporation (SMC). The representatives of the MUL Employees Union met IM and MOS (I), and their apprehensions in the matter have been allayed.

Gem and Jewellery Park at Karwar

4335. **SHRI K. RAHAMAN KHAN:** Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government of Karnataka has sent a proposal for the establishment of "Gem and Jewellery Park" at Karwar;

(b) whether SIDBI has appraised the project and recommended the proposal; and

(c) if so, by when Government are going to give sanction for the proposal?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (c) For establishment of a Centre for small scale and tiny units in the rural/backward areas under the Integrated Infrastructural Development (IID) Scheme, the State Govts. are required to conduct a comprehensive Potential Survey, prepare Project Report and submit the proposal to SIDBI for appraisal. The proposal of Govt. of Karnataka to set up IID Centre at Karwar for Gem & Jewellery units was submitted sometime back to SIDBI. However, SIDBI could not take up appraisal of the project to establish technical and economic viability of the project since the Govt. of Karnataka has not so far submitted the Potential Survey Report which is a pre-requirement. The Government will consider the project for approval only after SIDBI finds the project viable and its recommendations become available.

Foreign investment in Assam

4336. **DR. ARUN KUMAR SARMA:** Will the Minister of INDUSTRY be pleased to state:

(a) the details of the target fixed by Government for foreign investment in Assam during the last five years under the new liberalisation policy; and

(b) the effective measures being taken by government to achieve the target in this regard?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) and (b) Government of India has not fixed any target for foreign investment in Assam. However, Government of India has taken a series of steps to streamline procedures for both domestic and foreign investment. Government of India also has a scheme of tax holiday for investment in infrastructure sector and for industries in specified backward areas. Except for a short list of seven industries for which industrial license is required, all other industries have been delicensed. Govt. of India has already undertaken a number of measures to introduce transparency in approval procedures by way of expanding the list of items for automatic approval as well as by notifying guidelines for consideration of proposals by the FIPB in clearance of cases.

Subsidy for N.E. region

4337. **DR. ARUN KUMAR SARMA:** Will the Minister of INDUSTRY be pleased to state:

(a) the objective and criteria of providing transport subsidy and capital investment subsidy to various under developed States of the country including North-Eastern region;

(b) the number and amount of claims for transport subsidy and capital investment subsidy from constituent States of North-Eastern region received and cleared by Government since 1988, year-wise and state-wise; and

(c) the list of outstanding cases including various PSUs to whom subsidy are to be released alongwith amount involved therein?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Transport Subsidy Scheme, 1971 and the Capital Investment Subsidy Scheme, 1997 has been introduced with a view to promoting and accelerating

industrialisation in the notified hilly, remote and inaccessible areas.

Under the Transport Subsidy Scheme, subsidy ranging between 50% to 90% is admissible on the transportation cost incurred on movement of raw material and finished goods from the designated Rail head/port up to the location of the industrial unit and vice-versa.

Capital Investment Subsidy is payable to industrial units located in the identified areas of the North-Eastern States @ 15% of their investment in plant and machinery subject to a maximum ceiling of Rs. 30 lakhs.

(b) The year-wise and State-wise amount of transport subsidy released to the States in the North-Eastern Region since the inception of the scheme is given in the [Annexure See Appendix 184, Annexure No. 106] No. claim under the Capital Investment subsidy Scheme has been preferred as the scheme has been notified recently.

(c) The Transport Subsidy Scheme is implemented through the agency of the State Government and works on the principle of disbursement/reimbursement basis i.e. the claims are first disbursed by the State Government to the eligible units and reimbursement claimed thereafter from the Central Government. The details of the outstanding cases including that of PSUs are not centrally maintained. However, the State Government of Assam has forwarded the transport subsidy claims of (i) M/s. Assam Petrochemicals Ltd. for Rs. 3,38,73,530/- and (ii) M/s. Cement Corporation of India Ltd. for Rs. 41,82,968/- for disbursement by the Central Government.

Decline in the Industrial Production

4338. DR. B.B. DUTTA: Will the Minister of INDUSTRY be pleased to state:

(a) the growth of capital vis-a-vis consumer industries production during the last three years on quarterly basis;

(b) whether there has been decline in the industrial production during 1997-98;

(c) if so, the reasons therefor; and

(d) the details of measures taken to improve industrial production?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) The Quarterly growth rates as per the Index of Industrial Production (Base 1993-94=100) in the capital goods and consumer goods sector during the last three years are as follows:

	Capital Goods	Consumer Goods
1995-96		
April-June	5.2	15.1
July-Sept.	8.6	9.5
Oct.-Dec.	6.8	11.6
Jan.-March	(-)2.1	13.2
1996-97		
April-June	18.0	14.1
July-Sept.	9.1	5.6
Oct.-Dec.	6.7	1.2
Jan.-March	5.5	0.9
1997-98		
April-June	2.1	(-)1.8
July-Sept.	5.1	7.3
Oct.-Dec.	3.0	8.7
Jan.-March	(-)6.0	9.7

(b) to (c) There has been an increase in the growth rate of the Index of Industrial Production (Base 1993-94=100), which was 6.2% for 1997-98 as compared to 5.6% during 1996-97.

(d) Several initiatives have been proposed in the budget of 1998-99 to improve industrial production. Important amongst them are:

(i) 35% increase in the current year's plan outlay on key infrastructure sector.

(ii) Two more sectors namely Coal and Lignite and petroleum products have been de-licensed to attract larger inflow of capital.

(iii) Tariff structure has been rationalised to remove the disadvantages faced by domestic industry and provide a level playing field.

(iv) Several initiatives have been announced to make Small Scale Industry more competitive in the emerging environment.

(v) Disinvestment to a specified portion of equity in certain PSUs.