

100 per cent of production for export of Coffee

3129. SHRI ASHOK MITRA: Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to reports that the coffee industry wants a quota equivalent to 100 percent of production for exporting the beverage;

(b) what is Government's reaction to the demand; and

(c) whether a study has been undertaken on the likely impact on domestic availability and prices in case the entire output of coffee is exported?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) and (c) Government had liberalised Coffee Marketing System in Jan. 94 allowing growers a Free Sale Quota upto 50% of their produce. Concurrently, Coffee Board has been examining the possibility of further liberalisation and its possible impact on the domestic market. A decision in this regard is expected to be taken shortly.

Misuse of vabal facility

3130. SHRI ASHOK MITRA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the facility of VABAL has been widely misused;

(b) the number of prosecutions launched against parties which have misused the facility during the past two financial years; and

(c) whether Government are considering the abolition of the scheme?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) No, Sir. Investigations made so far have not revealed any large scale misuse of the VABAL facility.

(b) while provision for prosecution does not exist under the Foreign Trade (Development and Regulation) Act, 1992, the details of other penal actions initiated for the misuse of VABAL Scheme are as follows:—

1993-94 1994-95

1. Show cause notices issued for

(i) Imposition of fiscal penalty	4	4
(ii) Suspension/cancellation I.E. Code	Nil	1
(iii) Suspension/cancellation of licences	1	Nil

2. Cases where licences suspended/cancelled

Nil 5

3. Cases handed over to other enforcement agencies

Nil 44