

RAJYA SABHA

Thursday, the 12th December, 1991/21
Agrahayana, 1913 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Quality control of goods for export

@*301. SHRI SANTOSH BAGRO-DIA:
Will the PRIME MINISTER be pleased to state:

(a) whether Government have any plan for a strict quality control of goods being manufactured in the country. Specially for exports;

(b) if so, what are the details thereof; and

(c) if not, whether Government are aware that many Indian products are not readily acceptable to the world market due to the poor quality?

THE MINISTER OF STATE IN THE
MINISTRY OF CIVIL SUPPLIES AND
PUBLIC DISTRIBUTION (SHRI KAM-
ALUDDIN AHMED): (a) Yes, Sir.

(b) and (c) Information is laid on the Table of the House, as statement.

Statement

The following measures have been taken for upgradation of quality and for strict quality control to stimulate exports:

(i) BIS operates a Certificate scheme for compliance of products to national Standards. 7000 units are availing of this facility through some 12000 licences granted to them;

(ii) 116 items affecting safety and health of consumers and those of mass consumption have been brought under compulsory certification for compliance to notional standards;

(iii) Strict quality control is exercised on raw and semi finished agricul-

tural commodities through the AG-MARK Scheme. Pre shipment inspection for export is compulsory for certain commodities under this scheme;

(iv) Certification of quality of processed fruit and vegetable products is done under Fruit Products Order by Ministry of Food Processing. Pre-shipment inspection for export is compulsory for certain commodities under this scheme;

(v) For textile products, the textiles committee exercises Strict quality control for textile products exported from the country;

(vi) The Export Inspection Council introduces strict quality control on 1057 notified items for export through its 5 Export Inspection Agencies at Calcutta, Cochin, Bombay, Madras, and New Delhi and 38 private and 8 government agencies in the country. A new liberalized scheme has recently been introduced wherein some enterprises have either been exempted from pre-shipment inspection or authorized to issue pre-shipment inspection certificates themselves;

(vii) India has been a participating member in the two international system of certification called Quality Assessment System on Electronic Components (IFO) and Conformity Testing to Standards for Safety of Electrical Equipment (IECEE). With this certification goods can move freely among participating countries without the need for further testing and inspection;

(viii) The Government of India have recently introduced quality system certification by amending Certification Regulations under Bureau of Indian Standards Act 1986, according to IS 14000 which is equivalent to ISO 9000 series of standards, an essential requirement for exports to EEC countries;

(ix) To inculcate a sense of competition and pride of recognition, the Government of India has instituted Rajiv Gandhi National Quality Awards, to be awarded to companies for excellence in quality.

@Previously Starred Question 161,
ferred from 3rd December, 1991.

(x) The Government of India have identified 6 sectors, namely steel, food processing, textiles, power, automotivas and informtion technology for harmonization of sectoral standards and inten-tdve application of standards for upgradation of good and services in these sectors;

(xi) Laboratories in food processing, automotives and electrical appliances have been identified for upgradation so as to meet EEC requirements for mutual recognition of test reports;

(xii) As a result of liberalized trade policy of Government of India, there is going to be increased competition within the industries in India which WiU increase competitiveness for quality for both domestic and global market;

(xiii) Liberalized licencing and investment policy recently introduced by the Government of India would stimulate Indian economy to become more competitive aod quality conscious & mora efficient and modern. SHRI SANTOSH BAGRODIA: Mr. Chairman, Sir, the hon. Minister has mentioned in item (a) of his answer that the BIS operates a Certification scheme for compliance of products to notional standards. Sir, I would like to say that exports need quality products of international standards. Particularly when there is any item which says "made in India" or 'made in Japan' or 'made in England' when an item mentions 'made in India', people think that this is of a quality which is not up to the mark. What efforts will the Government wake to make goods which are of international standards? And when it is mentioned 'made in India', it should give a feeling to the buyer that this is of the best world quality. If not, how does the Government plan to adhere to a strict quality control on products meant for exports? And what are the international standards which are followed and adhered to in our country? What is the total value of goods inspected before exports? This is my first supplementary, Sir.

SHRI KAMALUDDIN AHMED: Sir, the hon. Member in the shape of his

question has given some suggestions. I have udden note of those suggestions. Apart from that, Sir, I would submit that for export purposes, there is an Act, that is, the Export (Quality Control and Inspection) Act of 1963. Under this Act, about 1,057 items have been declared to go for compulsory inspection and quality certification. And about the remark of the hon. Member that the things which; are known as 'made in India' are not acceptable to the international market, I humbly submit, Sir, that it is not so. Our exports, are growing. And specially in various disciplines or various commodities and particularly electronic components, our exports are growing. And to make it more competitive and make it more acceptable in the international market, we are making efforts. And under the New Industrial Policy, it has become alt the more necessary.

SHRI SANTOSH BAGRODIA: Mr. Vice-Chairman. Sir, ... (*Interruption*) I am sorry, Sir. We always talk only after you go. Sir, That is why I am used to 'Vice-Chairman*.

Mr. Chairman, Sir, I request you to give me protection because the hon. Minister does not probably have this responsibility" for exports, and he has not replied to my question. If you think that he has replied, Sir, I will just out my second supplementary.

MR. CHAIRMAN: Put your second supplementary.

SHRI SANTOSH BAGRODIA: AH right, Sir. This particular question was meant for Commerce Ministry, Sir, when I asked for it. It was also put on record on 3rd of December. I do not know why it has been transferred to this Ministry when he is not able to give proper replies. I have requested the SG, I have requested the officers concerned in his Ministry saying "don't take this question; you will not be able to reply". And this is what is happening. Anyway, my second supplementary is ... (*Interruptions*).

SHRIMATI KAMLA SINHA: ...Do you think the Minister is not competent to answer it?

SHRI V. NARAYANASAMY: It has been referred to a wrong Ministry, that is what he says.

SHRI SANTOSH BAGRODIA: Sir, my second question is, what are the difference systems of inspection in operation for exports? What and how many are the products covered under the compulsory quality control and inspection system? How many complaints have been received by the Government about the delay due to pre-shipment inspection? And, What kind of products, in general, are allowed by the Government for export? Can the sub-standard goods be exported even if the importer is willing to accept it?

SHRI KAMALUDDIN AHMED: As I just submitted, there are 1057 items which are compulsory to be inspected and certified before shipment. The Export Inspection Council of India, which was established under the said Act of 1963, provides for sound development of export trade through compulsory pre-shipment inspection in respect of items notified under the Act. There are 1057 items notified under the product group heads of engineering, chemicals and allied products, food and agricultural products, jute and jute products, coir and coir products footwear and footwear components, cashew, fish and fishery products—Inspection agencies were established by the Government of India at Bombay, Calcutta, Cochin, Delhi and Madras and they carry out inspection under well-defined system of inspection, such as consignment-wise inspection, quality control, and self-certification. Government have also recognised 23 private inspection agencies and 9 Government agencies for pre-shipment inspection. Government have also recognised 22 agencies for carrying out inspection of export cargo. Certain export houses or organisations are exempted from pre-shipment quality control under the new policy because exports have to be promoted in a big way, and these export houses—the star houses—have been exempted.

The hon. Member asked whether any substandard products can be exported even if the importer is willing to accept

it. The answer is, yes. If the importer gives in writing that he is willing to accept the products without inspection, in that case this is allowed.

SHRI SANTOSH BAGRODIA: Sir, my only request to you is to allow half an hour discussion because it is a very important matter.

MR. CHAIRMAN: You give it to me in writing; I will see. SHRI B. L. PANWAR: Sir, my supplementary is restricted to part (c) of the question. The Indian products do not compete in world market. Some of the Third World countries and other developing nations like Sri Lanka, Bangladesh, Nepal, allow duty-free import of machines and tools for manufacture of export items like garments. Those countries are able to use the latest technology in producing garments and are able to compete well in the world market. But in India, only the local machines are used whereby we are not able to maintain quality to compete in the world market. I would, therefore, like to know from the hon. Minister whether he will consider allowing duty-free imports of such latest technology and machines for garments to boost our exports which may be able to compete in the world market. Secondly, in the case of mining materials like marble, granite, etc., only rocks are exported for want of the latest technology.

MR. CHAIRMAN: Mr. Minister, his question is whether the Government would exempt the import of these things from customs duty.

SHRI B. L. PANWAR: Sir, in Rajasthan, recently, one unit has come up, in collaboration with an Italian concern.

This way, we can also save foreign exchange.

MR. CHAIRMAN: The Minister and the House have understood your question.

SHRI AKMALUDDIN AHMED: Sir, I humbly submit that the hon. Member is not doing justice to the Indian products. I do not agree that the Indian products are not accepted in the international market. I submit that they are accepted. *(Interruptions)*

SHRI B. L. PANWAR: It is a known fact. How does the hon. Minister say that they are accepted? *(Interruptions)*

SHRI KAMAL MORARKA: Sir, our Share in the international trade is 0.5 per cent. And he says that our products are accepted! *(Interruptions)*.

SHRIMATI JAYANTHI NATARA-JAN: Only three Indian companies are accepted in the international market. *(Interruptions)*

SHRI B. L. PANWAR: That is why Mr. Bagrodia said that the question was wrongly addressed. *(Interruptions)*

SHRI KAMALUDDIN AHMED: It is not in all the commodities. *(Interruptions)* In regard to the particular question-cum-suggestion about textiles, I humbly submit that, under the Ministry of Textiles, inspection is done and the quality is certified. In regard to the question of customs duty exemption, I will pass on the suggestion of the hon. Member to the Commerce Ministry. It can be examined by that Ministry.

SHRI KAPIL VERMA: Mr. Chairman, Sir, we must prepare for access to the EEC Common Market, which is going to be established in 1992. May I know from the Government whether the testing and certification bodies have concluded any mutual recognition agreements with their EEC counterparts, so that the test results and certificates are acceptable to these countries? May I know whether we had talks with the EEC, or, any other country? Then, various inspection agencies have carried out inspection. What action has been taken against these people? In how many cases, action has been taken?

SHRI KAMALUDDIN AHMED: We are participating in the certifying pro-

cess- India has become a certifying member of the quality assessment system of electronic components, of the International Electrotechnical Commission, an international certifying agency.

SHRI KAPIL VERMA: Only two; electrical goods and electronic components. Not the rest.

SHRI KAMALUDDIN AHMED: Kindly bear with me. The electronic components certified under the system will have access to the member-countries, without the need for further testing and inspection. In addition to this, with the EEC countries, which are twelve in number, we have participated in the certifying arrangements. I will give the details to the hon. Member.

AN HON. MEMBER: separately.

SHRI KAMALUDDIN AHMED: can lay the entire information on the Table of the House because this is very important. I may submit that we have entered into a new... *(Interruptions)*

SHRIMATI RENUKA CHOWDHURY: Sir, I seek your protection.

MR. CHAIRMAN: Kindly sit down.

SHRI KAPIL VERMA: Sir, he has not answered my question as to what action has been taken... *(Interruptions)*

MR-CHAIRMAN: Shri Som Pal.

SHRIMATI BIJOYA CHAKRAVARTY:

The Minister is fumbling. He needs protection.

MR. CHAIRMAN: When you are there to protect, no further protection is needed.

SHRI KAMALUDDIN AHMED: Sir, I humbly submit. . .

MR. CHAIRMAN: I have called Mr. Som Pal-

श्री कपिल वर्मा : इस पर हाँफ एन
ग्रवार दीजिए ।

श्री अनन्तराय बेवशंकर दवे : पूरा होन
वर्क करके आइए ।

SHRI SOM PAL: Mr. Chairman, Sir, a case has come to my notice recently that a number of cars manufactured by the Maruti Udyog Limited were exported to some European countries. Out of this, a few hundred cars have been rejected by the countries which imported them. There have been found many deficiencies in quality. The paint is peeling off and there are other deficiencies too. What is the number of cars and what does the Government contemplate to take care that the deficient cars are not exported and our country does not earn a bad name?

SHRI KAMALUDDIN AHMED: This question could have been put to the Commerce Minister because I do not know about the Maruti Udyog-

SHRI SOM PAL: I have asked a specific question. What is the number of the cars that have been returned?

SHRI KAMALUDDIN AHMED: I have no knowledge of this.

SHRI SOM PAL: This is a very serious case. A few hundred cars have been sent back by European countries.

SHRI KAMAL MORARKA: He cannot distribute wheat and sugar. How can he answer questions on export also? *(Interruptions)*.

SHRI G. G. SWELL: This is the wrong Minister answering a wrong question.

AN. HON. MEMBER: And wrongly. *(Interruptions)*.

SHRI V. NARAYANASAMY: How can he answer this ISI question. This question could be transferred to the Ministry of Industry.

SHRI SOM PAL: This is about the Maruti Udyog. It is about a few hundred cars which had been exported.

SHRI KAMALUDDIN AHMED: How can I answer the question about Maruti car?

MR. CHAIRMAN: The question was directed to the Ministry of Commerce. They said that the other Ministry will do it and with your acceptance it was transferred to you. Now you say that it is the Commerce Ministry which has to answer. Somebody has to answer. It was accepted because it was addressed to the Prime Minister and all the Ministers are under him.

SHRI KAMALUDDIN AHMED: My submission is that this question is about the export of Maruti cars which is directly dealt by the Commerce Ministry. Anything relating to...

MR. CHAIRMAN: Except Maruti car.

SHRI KAMALUDDIN AHMED: ... standards and quality, I am prepared to answer.

SHRI SOM PAL: It has a direct bearing on quality control. How can say... *(Interruptions)*.

MR. CHAIRMAN: They want a Half-an-Hour Discussion. Question No. 302.

SHRI KAPIL VERMA: My question was based on his own statement-

श्रीमती सुषमा स्वराज : सर, मंत्री जी से 'तस्ली बख्श' जवाब नहीं आया... **(व्यवधान)** सर, आपने अगला सवाल बुला लिया।... **(व्यवधान)** इस सवाल को दोबारा से कामर्स मिनिस्ट्री को दीजिये, इतना महत्वपूर्ण सवाल है।... **(व्यवधान)** इस सवाल का तस्लीबख्श जवाब नहीं आया है।

SHRI SANTOSH BAGRODIA: What is your ruling, Sir?

MR. CHAIRMAN: You asked for a Half-an-Hour Discussion. I said, you give it in writing, I will consider it. Now I have called Question No. 302.