

[18 December, 2001] RAJYA SABHA

- (a) whether foreign trade of the country has increased during the 90s;
- (b) if so, the percentage of Indian Foreign Trade as compared to total foreign trade of the World in first year, 1990-91 in the 90c; and
- (c) the percentage of Indian Foreign Trade as compared to the total foreign trade of the World in the last year *i.e.* 1999-2000 during the 90's?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) Yes, Sir. As per the provisional data available from the Directorate General of Commercial Intelligence and Statistics (DGCI and S), Calcutta, India's exports have increased to US \$ 44.56 billion during 2000-01 from US \$ 18.14 billion during 1990-91. India's export, in dollar terms, registered a growth of 21% during 2000-01 over the last year.

(b) and (c) The percentage share of India's merchandise exports in world merchandise exports which was 0.5% in 1990 increased to 0.67% in 2000 as per the latest WTO Report.

Grants Released to EPCs

2901. SHRI K.B. KRISHNA MURTHY:
SHRI S. RAMACHANDRAN PILLAI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether as per the Ministry's decision of February, 1992 grants under Marketing Development Assistance Scheme to EPCs more than 10 years old, were to be discontinued;

(b) whether it is a fact that a sum of Rs.36.89 crores was released during 1999-2000 to 17 Export Promotion Councils (EPCs) though they were not eligible to get the grant;

(c) whether it is also a fact that inadmissible grants of Rs. 1.17 crore were released to 4 EPCs during 1994-95 to 1998-99; and

(d) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) In February, 1992, the Government had taken an administrative decision to phase out the grant-in-aid under Marketing Development Assistance (MDA) Scheme to Export Promotion Councils (EPCs) by year 1996-97 for EPCs more than ten years old and by year 1998-99 to the EPCs, less than ten years old. This decision was implemented during years 1992-93 and 1993-94. During year 1994-95, the Government had decided to stop giving grant-in-aid to EPCs etc., for supporting administrative infrastructure with immediate effect and to allocate the entire available MDA budget to EPCs etc., for undertaking/facilitating marketing development activities to stimulate and diversify the country's export trade.

(b) to (d) Comptroller and Auditor General of India in its Report No.2 of 2001, Union Government (Civil) had, *inter-alia* pointed that Rs.36.89 crore were paid to 17 EPCs in violation of the instructions of the Ministry during years 1996-97 to 1999-2000 and Rs. 1.17 crore were released during 1994-95 to 1998-99 without observing the cost sharing formula given in the MDA Code. The position has been earlier clarified to the Principal Director of Audit while replying to the audit observations in the Draft Review on MDA, intimating therein, that the grants had been released to the EPCs etc., as per policy decided by the Government from time to time and release of Rs 36.89 crore and Rs. 1.17 crore were made with the approval of Competent Authority as per guidelines of the Marketing Development Assistance Scheme.