

Protection to Indian Farming Sector

181. SHRIMATIVANGA GEETHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have taken action in removing quantitative restrictions on more than 800 goods which turned out to be detrimental to the interests of Indian industry and agriculture;

(b) if so, the details thereof; and

(c) the action taken to take suitable steps to protect the interest of Indian farming sector by adjusting tariffs to the required level to prevent the surge of imports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) to (c) Import restrictions are being removed as part of economic liberalization programme of the Government and also in terms of our International obligations. At the time of initial announcement of tariff-line wise import policy on 1.4.96, out of 10202 tariff lines 6161 tariff lines were already free. Thereafter during 1996-97, 1997-98, 1998-99, 1999-2000 and 2000-2001, QRs were removed on 488, 391, 894, 714 and 715 tariff lines respectively. Copies of notifications providing details of these items are available in the Parliament Library.

The removal of restrictions has not altered the overall rate of growth of imports of the country. The growth rate of imports was 15.3% in 1993-94, 23.1% in 1994-95, 36.4% in 1995-96, 13.2% in 1996-97, 11% in 1997-98, 14.2% in 1998-99 and 13.6% in 1999-2000 (in rupee terms). The import growth rate during the year 2000-2001 was only 5.59% in rupee terms and 0.27% in US dollar terms. If non oil imports are taken into consideration the picture of imports is all the more reassuring. Such non oil imports, have in fact, registered a negative growth rate of 14.66% during 2000-2001. The import data for 714 items, QRs on which were removed on 31.03.2000, for the year 2000-2001, indicates a growth in import of these items by less than 6%. Similarly, the import of 300 sensitive items, which is being monitored by a Standing Group of Secretaries, has also not indicated any unusual surge in the first half of this financial year.

However imports are being closely monitored and the Government is determined to ensure through appropriate use of tariff and other mechanisms

that imports do not cause any serious detriment or injury to the domestic farmers. Towards that end, import duties on a number of items, where increases in imports were noticed, have already been increased. In the budget for the year 2000-2001, import duties on many of the agricultural items, (Chapter 1 to 24 of ITC(HS) Classifications of Export and Import Items, 1997-2002), have been increased to provide further protection to domestic farmers, e.g. duty on rice has been increased from 0% to upto 80%, on maize from 0% to 50%, on apples from 35% to 50%, on wheat raised to 50%. Similarly, in the budget for the year 2001-2002, the custom duty on coconut, copra, tea and coffee has been raised from 35% to 70%. The import duty on various refined edible oils excepting soyabean oil has been raised upto 85%. Similarly, the import duty on crude palmolein oil has been raised to 65% and on other crude edible oils excepting soyabean oil duty has been raised upto 75%.

Export of Rice

182. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether rice exports are likely to rise over one million tonnes by March 2002 due to a cut in export prices and increased demand from African countries;

(b) if so, whether due to the lack of other markets and quality concerns, exports have not risen as targeted by Government;

(c) if so, the total target set for exports; and

(d) to what extent it has been achieved so far?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) It is not possible to estimate the likely quantum and value of rice that will be exported by March 2002 as the exports would depend upon international demand and supply position, domestic demand and supply position, international and domestic prices, consumer preference and varieties traded.

(c) and (d) As per EXIM Policy, export of rice is free subject to registration of contracts with Agricultural and Processed Food Export Development Authority (APEDA). No specific target has been set for export of rice. The performance of agricultural products. For the year 2001 -02, export of 3 million tonnes of rice has been permitted out of the stocks held by FCI for the Central Pool. As against this