

RAJYA SABHA

Thursday, the 3rd January, 1991/
13 Pausa, 1912 (Saka)

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

ORAL ANSWERS TO QUESTIONS

Demand for Indian jewellery abroad

* 101 SHRI RAM JETHMALANI:
DR JINENDRA KUMAR
JAIN:†

Will the Minister of COMMERCE be
pleased to state:

(a) whether it is a fact that there is
a great demand for Indian gold jewellery
in the global market;

(b) whether it is also a fact that the
said industry has continuously earned
foreign exchange for the country by
boosting its export during the past years;

(c) whether it is also a fact that a
large number of goldsmiths are at pre-
sent jobless for want of work in the
country,

(d) if so, whether Government pro-
pose to liberalise the import of gold to
boost exports of Indian jewellery and
also to provide work to jobless gold-
smiths; and

(e) if not, what are the reasons
therefor?

THE MINISTER OF COMMERCE
WITH ADDITIONAL CHARGE OF
THE MINISTRY OF LAW & JUSTICE
(SHRI SUBRAMANIAN SWAMY): (a)
to (e) A statement is laid on the Table
of the House

Statement

(a) to (e) Gold Jewellery exports
from India during 1989-90 were about

†The question was actually asked on
the floor of the House by Dr. Jinendra
Kumar Jain

629 R.S.—1

Rs 282 crores as compared to Rs 86
crores in 1987-88. The Global demand
for Gold Jewellery is, however, reported
to be about Rs 70,000 crores and scope
exists for increasing India's exports in
the sector.

Government have taken a series of
measures to boost the export production
of Gold Jewellery and secure fuller utili-
sation of the craftsmanship that exists.
The Gold Control Act has been abolish-
ed. Gem & Jewellery Complexes have
been established at Jhandewalan in New
Delhi and in the Santacruz Export Pro-
cessing Zone, Bombay. Approvals are
also being accorded for setting up gem
and jewellery units in other Export Pro-
cessing Zones & under the Scheme of
100 per cent EOUs. Arrangements have
also been made to increase the availability
of gold for export production. The
Minerals & Metals Trading Corporation
of India Limited (MMTC) has been
permitted to directly import gold for
supply to the Export Processing Zone
units. Confiscated gold is being supplied
through the State Bank of India for ex-
port production of jewellery. Gold im-
port is also being arranged through the
Handicrafts & Handlooms Exports Cor-
poration of India Limited. The Import
and Export Policy provides for advance
imports of gold gold based mountings,
etc and the policy has been amended
to permit exports of gold jewellery of 8
carats and above.

DR. JINENDRA KUMAR JAIN Sir,
while the answer by the Minister through
his statement admits that there is a world
market of Rs. 70,000 crores, India gets
only Rs 282 crores out of this huge
market, my question was what were the
reasons of this poor performance. And
the statement has not mentioned the
reasons for that poor-performance or the
not so good performance. I want to
have the answer from the Minister. I
want to help him Sir, with your per-
mission, by focussing on the contents of
my question. The main three reasons,
as per my study, are here. First is the
poor technology that our exporters have.
Mostly, the market for the Indian jewel-
lery abroad, the primary buyers for our
jewellery are the expatriate Indians and

Pakistanis And the westerners are still used to hallmarked jewellery in contemporary designs and sophisticated finishes. The latest fabrication technologies are needed to tap new markets in the long term. I expect the Minister to tell me what the Government is doing to enable our producers of jewellery to make them available the latest fabrication technologies. The second problem why we are left behind is the price disadvantage that our manufacturers have. I have noted in the statement that the price advantage is being attempted to be given to the public sector undertakings. Why do you want to discriminate even in the matters of exports the private sector entrepreneurs in this area? And the third reason is certain taxes that our exporters are levied. As you know, Sir, the requirements of our export are routed through the SBI Central Office in Bombay. And there is a special tax levied by the Maharashtra Government of 2.37 per cent. So, all the exporters have unnecessarily to pay the tax of the Maharashtra Government which means Rs 7 per gram of the gold purchased. So, I expect the Minister that if he knows more reasons for the poor performance, he should include these. But I have helped him at least to identify three reasons—technology, price disadvantage, and the unnecessary taxation on the Indian entrepreneurs. What is the Government going to do to help exports of the Indian jewellery?

SHRI SUBRAMANIAN SWAMY Sir, the Member has asked a number of questions. But I will answer the two key parts. As far as the Maharashtra tax is concerned, this is being taken up by our Ministry and I hope we can be in a position to announce something in the matter soon. As far as the reasons for our poor exports are concerned, this is largely due to the fact that our gold jewellery is really imported by our expatriate Indians and non-resident Indians abroad. We have not really tried to get into the general gold jewellery market. And this needs to be done. There is a great global demand for machine-made commercial gold jewellery between 8 and 18 carats. And if India produces these

items, we can exploit this demand. Indian jewellery hitherto has been of the traditional intricate hand-crafted type of 22 carats for which the demand is, as I said, very limited. There is a demand for cut and polished diamonds produced in India which are used as studdings on gold jewellery manufactured elsewhere, in Japan and USA. Such studded jewellery can as well be produced in India. Therefore, Ministry of Commerce is engaged in a comprehensive review of this matter in this area, and we hope to come forward with some proposals during the Budget session.

DR JINENDRA KUMAR JAIN. He has only elaborated on what I said in the House. I don't need him to elaborate on this.

MR CHAIRMAN He has agreed with it, you should be happy.

DR JINENDRA KUMAR JAIN I want him to give me the answer. He admits that technologically, our entrepreneur today.

MR CHAIRMAN He wants to know what are you going to do in that direction so that our people have this machine-made jewellery.

SHRI SUBRAMANIAN SWAMY I have already said, in the Budget session, we will come forward with.

MR CHAIRMAN with machine-made jewellery?

SHRI SUBRAMANIAN SWAMY With jewellery presents for everybody, did you say?

MR. CHAIRMAN: Machine-made jewellery you will produce?

SHRI SUBRAMANIAN SWAMY. Not we will produce; we will initiate steps to encourage...

DR. JINENDRA KUMAR JAIN: He says 'Budget session' The person who said 'in Budget session' has gone away. He said he was examining, and the new Minister is also examining, people keep examining when the country's backwardness continues to be perpetuated Government has to be more dynamic and more responsive to the needs of the entrepreneurs and he should come out with a clear commitment I remember this particular Minister used to be very particular in asking questions Now he is evading even the simple question Why should he change his character just because he has become a Minister? Why should he not come out with a clear-cut commitment on what the Government would do to upgrade technological capabilities Unless he says this, I would say he is evading the issue

SHRI A G KULKARNI He was asking question on Bofors, you are not asking question on Bofors

DR JINENDRA KUMAR JAIN: If he were Minister of Bofors, I would have grilled him even on that But he is Minister of Commerce

SHRI SUBRAMANIAN SWAMY: Since the Member is pressing so much for specific steps, I may mention three steps that we have already initiated Since we have been in office for a very short period, I don't think there is any danger of the Member not being there in the Budget session Therefore, he can wait just for a month and a half There are some of the steps we have already initiated, like procedural bottlenecks which we have tried to remove, then resolve the shortage of custom appraisers and then preparation of a marketing plan which we have worked out and then the coloured gem stones and non-gold jewellery exports which we are going to step up There are a number of steps that we have already initiated

As I said, this is a small-scale industry It is, in fact, an industry which needs to be encouraged It is highly decentralised and there needs to be a comprehensive policy. Such a policy has not been formulated for a long time.

Therefore, as I have already stated, we hope to come forward with a comprehensive policy which will benefit the small artisans in particular

श्री राम नरेश यादव : महोदय माननीय मंत्री जी के उत्तर से एक बात तो स्पष्ट हो गई है कि इस समय स्वर्ण आभूषण के निर्यात की बहुत गुंजाइश भारत में है और इस सदर्भ में मैं जानना चाहता हूँ कि जो स्वर्णकार पहले से हमारे यहां इस काम में लगे हुए थे सरकार की तरफ से क्या कोई सर्वे हुआ है कि कितने स्वर्णकार इस दिशा में पहले लगे हुए थे और आज पिछले दिनों जो स्थिति आई थी, उसके आधार पर कितने स्वर्णकारों की स्थिति दयनीय हो गई थी और उस दयनीय स्थिति में सुधार करने के लिए सरकार ज्वेलरी के निर्यात की सभावना को ध्यान में रखते हुए क्या कदम उठाने जा रही है ताकि इनको काम भी मिल सके और हमारी भी टेक्नोलॉजी है उसका किस तरह से प्रयोग किया जाए ताकि उस दिशा में विशेष गति भारत को मिल सके, यह मैं मंत्री महोदय से जानना चाहता हूँ।

श्री सुब्रह्मण्यम स्वामी : अध्यक्ष महोदय, अभी तक ऐसा कोई सर्वे नहीं हुआ है और मुझे इस बात पर खेद है कि अभी तक जो परिस्थितियाँ हैं इन आर्टिजन्स की और जो गोल्ड स्मिथ हैं, इनके बारे में अभी तक कुछ किया नहीं गया है और इस त्रुटि को दूर करने के लिए हम प्रयास करेंगे।

श्री राम नरेश यादव. क्या माननीय मंत्री जी बतायेंगे क्योंकि मान्यवर, बहुत से लोग हजारों-लाखों परिवार इसमें लगे हुये हैं और उनकी स्थिति पिछले दिनों बहुत दयनीय हो गयी है तो क्या कोई सर्वे कराने का कष्ट करेंगे?

श्री सुब्रह्मण्यम स्वामी : क.ख.ग पर राम नरेश जी आपने ध्यान नहीं दिया। मैंने कहा कि अभी तक ऐसा कोई सर्वे हुआ नहीं है और अपने मंत्रालय की तरफ से हम सर्वेक्षण कर

रहे हैं और आने वाले बजट सेशन में जब पोलिश रखी जायेगी तो उसी समय इस सर्वेक्षण का नतीजा भी आपको बताया जायेगा ।

SHRI SARADA MOHANTY Mr. Chairman, Sir, filigree jewellery of Cuttack is well-known. But due to shortage of raw materials, the artisans are jobless. Therefore, I would like to know whether Government will provide them with the raw materials in sufficient quantity so that they can export their products?

SHRI SUBRAMANIAN SWAMY: Sir, first of all, the Government has decided to sell the confiscated gold, which is about 14 tonnes in total. This will help alleviate the problem for a year. Then, we have also a proposal, which is under serious examination, for direct import of gold by an exporter. These are the two steps which we are considering to alleviate the problem which he mentioned.

SHRI SARADA MOHANTY My question was regarding silver.

MR CHAIRMAN The raw material is gold. The question is about gold. He says that he is making available confiscated gold and he is also taking steps to permit people to import gold.

श्री सुरेन्द्रजीत सिंह अहलुवालिया : अध्यक्ष महोदय, सुना है कि यू०एस०एस० आर ने अपनी आर्थिक अवस्था में सुधार लाने के लिये या उस चेलेंज को मीट करने के लिये वहाँ मैरिज सेरेमनी में जो गोल्ड रिंग लगती है उस पर भी बदिश लगा दी है। वहाँ बदिश लगा दी गयी पर हमारे हिंदुस्तान में (व्यवधान)

श्री सभापति : कहा ?

श्री सुरेन्द्रजीत सिंह अहलुवालिया : रशिया में। हमारे मुक्त में 50 हजार किलोग्राम का शोर्ट फॉल पर एनम है गोल्ड का और हमारे पास काफिस्केटिड गोल्ड सिर्फ 14 हजार किलोग्राम है। जब आप वहाँ से आभूषण एक्सपोर्ट करने की बात सोच रहे हैं तो कट्टी की डामेस्टिक

रिक्वायरमेंट और बढ़ जायेगी और इसकी डिमांड और बढ़ेगी, शोर्ट फाल ज्यादा बढ़ेगा। क्या हमारे पास इतनी विदेशी मुद्रा है कि हम आभूषण को एक्सपोर्टर्स के थ्रू इपोर्ट करके यहाँ फिर उससे तैयार करके बाहर भेज सके और साथ साथ हम अपने डामेस्टिक रिक्वायरमेंट को भी पूरा कर सकें, यह मैं जानना चाहता हूँ।

श्री सभापति : क्या रूस की एक्जाम्पिल फोलो करने को तैयार है ?

श्री सुरेन्द्रजीत सिंह अहलुवालिया : मैं रूस को फोलो नहीं करना चाहता।

श्री सभापति : एक सवाल उठता है एक सप्लीमेन्ट्री में।

श्री सुरेन्द्रजीत सिंह अहलुवालिया : उसमें "बी" सर "बी" में है कि-पीछे सुना था कि रिजर्व बैंक के पास डिफेंस फंड के लिये कलकट किया हुआ गोल्ड जो था वह भी बेचा जा रहा था। पर वह बेचा जा रहा था सरकारी अफसरों को तनख्वाह देने के लिये क्योंकि आर्थिक अवस्था हमारी गिर गयी है। क्या वह सरकारी अफसरों को तनख्वाह देने के लिये बेचा जा रहा है या आभूषण बनाकर इनको बाहर बेचने की कोशिश की जा रही है, क्योंकि वह आभूषण कई महिलाओं ने अपने देश की रक्षा के लिये जवानों को... (व्यवधान)

श्री सभापति : रिजर्व बैंक पोर्ट-फोलियो नहीं है।

श्री सुरेन्द्रजीत सिंह अहलुवालिया : पर डील कर रहे हैं वही। तो अस्त्र-शस्त्र खरीदने के लिये अपने मंगल सूत्र तक महिलाओं ने दिये थे। तो क्या मंत्री महोदय इस पर विचार करेंगे ? आभूषण एक्सपोर्ट करना ही भारत का काम नहीं है। अपने देश की सम्पदा को बचाकर रखने की जरूरत है। क्या इस पर रोशनी डालेंगे मंत्री महोदय ?

श्री सुब्रह्मण्यम स्वामी : अध्यक्ष महोदय, हमारा कर्तव्य है कि इसमें हम संतुलन रखे और निर्यात भी करें और देश की आवश्यकताओं को पूरा कैसे करें उस पर हम विचार कर रहे हैं। लेकिन उनका जो दूसरा प्रश्न है उसका माननीय वित्त मंत्री जी ही जवाब दे सकते हैं, मैं नहीं दे सकता हूँ।

श्री मोहम्मद अमीन : अध्यक्ष महोदय, मैं आपके ज़िये मंत्री जी से यह जानना चाहता हूँ कि कभी-कभी अखबारों में यह खबर पढ़ने को आती है कि एयरपोर्ट पर या सड़क स्मगलड किया गया सोना पकड़ा गया। अक्सर यह खबर आती है और लोग अरेस्ट भी होते हैं। इस स्मगल किए हुए सोने का धंधा बहुत बड़े पैमाने पर भारत में चल रहा है। तो क्या सरकार अब तक किसी ऐसे गैंग का सुराग लगा सकी है ?

श्री सुब्रह्मण्यम स्वामी : यह सवाल भी प्रश्न 104 के अंतर्गत आता है इसलिए वित्त मंत्री जी ही इसका जवाब दे सकते हैं।

श्री सभापति : स्मगलर्स को पकड़ना वित्त मंत्री का काम है, इनका नहीं है।

*102 [The questioner (Shri Santosh Bagrodia) was absent For answer, vide col 33-34 infra]

Setting up of an Institute of Coffee Technology

*103 SHRI JITENDRABHAI LABH-SHANKER BHATT: Will the Minister of COMMERCE be pleased to state

(a) whether Government have any proposal to set up an Institute of Coffee Technology and also to amend the Coffee Act of 1942, and

(b) if so, what are the details in this regard?

THE MINISTER OF COMMERCE WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW & JUSTICE

(SHRI SUBRAMANIAN SWAMY): (a) and (b) A statement is laid on the Table of the House

Statement

(a) and (b) An idea of establishing a Centre for Advanced Coffee Technology, as a joint venture involving the Centre for Technology Development, the Coffee Board, Government of India and coffee related industries has been mooted and in this regard the Government has no proposal for the amendment of the Coffee Act

SHRI JITENDRABHAI LABH-SHANKER BHATT. Will the hon. Minister be pleased to state how much coffee is produced in the country during the last two years and what is the export during the last two years?

SHRI SUBRAMANIAN SWAMY The supplementary does not arise from this question. This relates to the proposal to set up an Institute of Coffee Technology. If he gives me a separate notice, I will be happy to give him the statistics.

MR. CHAIRMAN He is asking for production of coffee. What will your Institute do? What for are you having this Institute?

SHRI SUBRAMANIAN SWAMY. It is a question from you, not from him.

MR. CHAIRMAN. How it will be produced, how it can be sold, these are related questions.

SHRI SUBRAMANIAN SWAMY. It is a question from you and in reply to your question.

MR. CHAIRMAN: Not my question.

SHRI SUBRAMANIAN SWAMY: It is because he has not asked that question.

MR. CHAIRMAN I permitted him to put a supplementary and you took my job and you said that it does not arise. So, I made it clear that it does arise.