

**Statement**

*The Salient features of the Government Export Entitlement Distribution Policy for 1991—93*

The salient features of the Garment Export Entitlement Distribution Policy for 1991—93 are as follows:

The annual **levels have been** redistributed among various systems as follows;—

System	Percentage
(i) Past performance Entitlement (PPE) System . . . . .	60%
(ii) First Come First Served (FCFS) System . . . . .	10%
(iii) Manufacturer Exporter Entitlement (MEE) System . . . . .	18%
(iv) Public Sector Entitlements (PSE) System . . . . .	2%
(v) Non-Quota Exporter Entitlement (NQE) System . . . . .	<b>10%</b>

(f) *PPE System:*

All current restrictions on PPE transfers have been withdrawn except that an entitlement obtained by transfer cannot be transferred out again.

(ii) *FCFS System:*

All the restrictive stipulations have also been withdrawn except that there will be a quantitative ceiling for the applications to be given by individual exporters in a day for a country/category. In order to ensure proper utilisation of levels, the entire FCFS quantities will be released during the first period itself,

(iii) *MEE System:*

In order to further encourage the establishment of modern production facilities to cope with the increased demand for Indian readymade garments, the allotments under the MEE System has been increased from 10 per cent to 18 per cent. For existing units, a stipulation of minimum annual export performance of Rs. 20 lakhs in the base period has been introduced,

(iv) *PSE System:*

The criterion for allotment to individual Public Sector Enterprises or APEX Handloom Market Cooperatives have been link-

ed with the production capacities of the units rather than the price realisation. Thus, the PSE System has been brought closer to the MEE System.

(v) *NQE System:*

As an encouragement to tap the potential available in the non-quota countries and the non-quota items in quota countries the allotment in the NQE System has been increased from 3 per cent to 10 per cent. In order to encourage exports to non-quota countries of high potential, a portion of NQE is specifically earmarked for certain thrust countries identified for this purpose. All restrictions on transfer of NQE have been withdrawn except that entitlements once transferred cannot be re-transferred. The base period in NQE System has also been brought at par with the base period in PPE System. The stipulation of the minimum export performance during the base period has been increased from Rs. 20 lakhs to Rs. 30 lakhs.

**Decline in the turnover of STC**

68. SHRI SURESH PACHOURI: Will the Minister of COMMERCE be pleased to state:

(a) whether the turnover of STC declined by 35 per cent in the year ending 31st March, 1990 as compared

to the previous year;

(b) if so, what were the reasons therefor;

(e) what was the turnover during '1989-90; and

(d) what efforts are being made to improve the position?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) to (c) The total turnover of the State Trading Corporation declined by 28 per cent from Rs. 2594 crores in 1988-89 to Rs. 1855 crores in 1989-90.

The decline in turnover was mainly due to lower import and sales of edible oils, natural rubber and a number of chemicals & drug items because of greater availability of these items in the domestic market.

(d) To increase the turnover, STC has drawn up commodity wise action plan for 1990-91 identifying thrust areas and the salient features of the strategy to increase the turnover are as under: —

—strengthen supply base for selected commodities.

—underwrite part or whole of production of identified units for export of manufactured products.

—finance export oriented projects and convert financially weak companies into captive sources of supplies.

—giving a boost to direct buying • and exporting.

#### **Effect of gulf crisis on the economics of developing countries**

69. SHRI MURLIDHAR CHANDRA-KANT BHANDARE: SHRI MAHENDRA PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether he has asked the World Bank and IMF to take bold initiative

by creating a special oil facility to save the economies in the developing countries including India, hit hard by the Gulf crisis;

(b) whether India's suggestion have been considered by the IMF; and

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

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH)-, .(a) Yes, Sir. The Finance Minister in his Speech to the Interim Committee on September 23,1990 made a suggestion that an oil facility along the lines of the facility created in 1974 be established.

(b) and (c) The IMF has introduced for a temporary period upto the end of 1991, an oil import element into the Compensatory and Contingency Financing Facility to cover excess cost of import of crude petroleum, petroleum products and natural gas.

#### **Shortfall in the production of steel**

70. SHRI BEKAL UTSABI; Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government had earlier assured that they will not take any decision that would adversely affect the growth of the iron and steel industry in the country;

(b) whether it is a fact that production of crude steel in April-August this year was much less as compared to the same period of last two years;

(c) if so, what were the main reasons for the low production of crude steel and saleable steel; and

(d) what efforts are being made to improve the position?

THE MINISTER OF STEEL AND MINES (SHRI ASHOKE KUMAR