

Acquisition of agricultural land for setting up of SEZ's

420. DR. JANARDHAN WAGHMARE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware that the farmers in the country are vehemently opposed to SEZs;

(b) whether Government is very keen on acquiring tracts of agricultural land for establishing industries in spite of their oppositions; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA): (a) to (c) Land is a State subject. Land for Special Economic Zones (SEZs) is procured *as per* the policy and procedures of the respective State Governments. State Governments have been advised that in case of land acquisition for SEZs, first priority should be for acquisition of waste and barren land and if necessary single crop agricultural land could be acquired for the SEZs. If perforce a portion of double cropped agricultural land has to be acquired to meet the minimum area requirements, especially for multi-product SEZs, the same should not exceed 10% of the total land required for the SEZ. The Board of Approval on SEZs only considers those proposals, which have been duly recommended by the State Government. Further, pursuant to the decision of Empowered Group of Ministers (EGoM) in its meeting held on 5th April, 2007, the State Governments have been informed on 15th June, 2007 that the Board of Approval will not approve any SEZs where the State Governments have carried out or propose to carry out compulsory acquisition of land for such SEZs after 5th April, 2007.

Job losses in export oriented units

421. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

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

(a) whether it is a fact that our exports have continued to drop for the seventh month in a row by as much as 33.2 per cent in April compared with the previous year;

(b) whether it is a fact that there has been large scale retrenchment in most of the export-oriented sectors such as textiles, gems and jewellery which are labour intensive sectors; and

(c) if so, what are the details thereof and what steps are being taken to prevent large scale job losses in such sectors?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA): (a) Yes, Sir. Exports have shown a declining trend since October, 2008 and *as per* the quick estimates compiled by DGCI&S, merchandise exports in April, 2009 was US \$ 10.743 Billion as compared to US \$ 16.076 billion in the corresponding period previous year, thereby showing a decline of 33.2%.

(b) and (c) No detailed survey has been conducted for export oriented units. A sample survey conducted by Department of Commerce (during August, 08 till April, 09) for 648 exporting units located across the country revealed a job loss (both direct and indirect) to the extent of 1,34,593 Persons, Sector-wise break-up of job losses is at Statement-I (See below). Government has been closely monitoring the situation and has announced stimulus packages to revive demand. Stimulus measures announced is at Statement-II.

Statement-I

*Sample Survey related to job losses (Direct & Indirect) for exporting units
(during August, 2008 to April, 2009)*

Sl. No.	Products Group	No. of Units surveyed	Job Loss (in Nos.)
1	Leather & Leather Products	34	7058
2	Marine products	29	883
3	Minerals and Mineral Processing; (Granite, iron Ore etc.)	25	526
4	Automobiles & Auto Components Sector	25	7143
5	Coir	3	260
6	Spices	6	1276
7	Garments and textiles	113	20314
8	Handloom	27	5145
9	Fruits, Vegetables & Food items	39	3632
10	Gemstones & Jewellery	14	6893
11	Handicrafts	125	14547
12	Jute goods	3	300
13	Engineering goods	103	10291
14	Chemicals	45	38206
15	Drugs and Pharmaceuticals	25	531
16	Plastics	10	1442
17	Misc. products including sports goods	22	16146
GRAND TOTAL :		648	134593

Statement-II

Stimulus package announced by the Government/ RBI

Government announced a number of Stimulus packages including the measures taken by RBI on the fiscal front since last quarter 2008 to address the immediate impact of the Global economic slowdown and its impact on Indian economy. These announcements were brought into action immediately thereafter. Broadly these are:

(A) **Measures taken by the Government:**

- (1) Interest subvention of 2% has been provided, till 30.9.2009, to the following labour intensive sectors for exports:-
Textiles (including Handlooms), Handicrafts, Leather, Gems and Jewellery, Marine Products and SMEs;
- (2) Additional funds of Rs 350 crore provided for Handicraft items etc. in Vishesh Krishi and Gram Udyog Yojana (VKGUY);
- (3) Market Linked Focus Product Scheme extended for bicycle parts, Motor Cars and Motor Cycles, Apparels and Clothing accessories, Auto Components etc. for exports from 1.4.09 to 30.09.09;
- (4) Rs 1100 crore provided to ensure full refund of claims of CST / Terminal Excise duty / Duty drawback on deemed exports dispersed to clear the pending claims upto 31.3.09;
- (5) Exporter friendly and the popular Duty Neutralisation Scheme *i.e.*, Duty Entitlement Passbook (DEPB) Scheme extended upto 31st December, 2009;
- (6) DEPB rates for all items where they were reduced in November, 2008 restored to higher rates from retrospective effect;
- (7) Duty Drawback rates on certain items restored to higher rates effective from 1st September, 2008;
- (8) DEPB and Freely Transferable Incentive Schemes allowed without the initial requirement of Bank Realisation Certificate (BRC);
- (9) Back-up guarantee made available to ECGC to the extent of Rs 350 crore to enable it to provide guarantees for exports to difficult markets / products. ECGC is now been able to widen its coverage;
- (10) Additional funds of Rs 1400 crore provided for textile sector to the Ministry of Textiles to clear the backlog claims of Technology Upgradation Fund (TUF);
- (11) Export duty on iron ore fines eliminated, and for lumps, reduced to 5%;
- (12) Some pending issues relating to Service Tax refund on exports—resolved. However many issues remain un resolved;
- (13) For Fast Track Resolution of a number of procedural issues thereby reducing delays for the exporters, a Committee constituted under the Chairmanship of Finance Secretary including Secretaries of Department of Revenue and Commerce; A no. of issues sorted out accordingly;
- (14) Excise duty reduced across the board by 4 per cent for all products except petroleum products and those products where current rate was less than 4%; Further, Excise Duty was further reduced by another 2% in certain products like Leather etc.;

- (15) The guarantee cover under Credit Guarantee Scheme for Micro and Small Enterprises on loans doubled to Rs 1 crore with a guarantee cover of 50%. The guarantee cover extended by Credit Guarantee Fund Trust increased to 85% for credit facility upto Rs. 5 lakh. The lock-in period for such collateral-free loans reduced.
- (16) Import duty on naphtha for power sector eliminated;
- (17) CVD on TMT bars and structurals and on cement removed;
- (18) Exemption from basic customs duty on Zinc and Ferro Alloys withdrawn;
- (19) Regular monitoring mechanism:
 - (a) The situation is being regularly monitored at the highest level of Government, so that immediate further corrective measures, can be taken as may be required. In this regard, the Government has constituted the following two High Level Committees which have been deliberating the issue on regular basis:
 - (i) An Apex Group chaired by Prime Minister with Finance Minister, Commerce Minister, Deputy Chairman (Planning Commission), RBI Governor;
 - (ii) Committee of officers chaired by Cabinet Secretary, including Finance Secretary, Commerce Secretary, Secretary(DIPP), Secretary (Planning Commission)—to meet regularly to look into the suggestions made by Trade and Industry and the respective Administrative Ministries in respect of the current global economic and financial crisis and to recommend action to the Apex Group.
 - (b) Department of MSME and Department of Financial Services to jointly monitor on the progress of the meetings of Monthly meeting of State Level Bankers' Committee for resolution of credit issues of MSME.

(B) Measures taken by RBI:

- 1. Increase in Liquidity to the banks for improving credit flow, by:
 - (i) Reducing ORR, SLR, Repo rate and Reverse Repo rate (from Oct '08, ORR reduced from 9% to 5%, SLR reduced from 25% to 24%, Repo Rate reduced from 7.5% to 4.75%, and Reverse Repo Rate reduced from 6% to 3.25%);
 - (ii) Refinance facility to the EXIM Bank for an amount of Rs. 5000 crores for providing pre-shipment and post-shipment credit in Rs. or dollars;
 - (iii) A special re-finance facility has been put in place for banks for the purpose of extending finance to exports, micro and small enterprises, mutual funds and NBFCs. Provisioning requirements have been lowered. Export Credit Refinance facility for commercial banks increased to 50% of the outstanding Rupee Export Credit.

2. Increase in FOREX Liquidity:

- (i) RBIs assurance for continued selling of foreign exchange (US \$) through banks, to augment supply in the domestic foreign exchange market;
- (ii) Ceiling rates on export credit in foreign currency has been raised to LIBOR + 350 basis points subject to the condition that the banks will not levy any other charges, *i.e.*, service charge, management charge, etc. except for recovery towards out of pocket expenses incurred.
- (iii) RBI decided to provide FOREX liquidity to Indian Public and Private Sector Banks upto June 30, 2009, through forex swaps of tenure upto 3 months.

3. Easing of Credit Terms:

- (i) The period of pre-shipment and post-shipment Rupee Export Credit enhanced by 90 days each;
- (ii) Time period of export realization for non-status holder exporters increased to 12 months, at par with the Status holders. This facility which was available upto 3.6.09, has been extended for one more year.
- (iii) PSU Banks consequent to measures announced by RBI reduced the margin money on Guarantees for export units;

Spices park in Kerala

422. SHRI K.E. ISMAIL:

SHRI M.P. ACHUTHAN:

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

- (a) whether Spices Board has a plan to set up a spices park in Idukki district of Kerala; and
- (b) if so, at what stage is this proposal and by when it is expected to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA): (a) and (b) The Spices Board is setting up a Spice Park in Puttady, Idukki, which is expected to be operational by the end of this year.

Measures to revive WTO negotiations

423. SHRI VIJAY JAWAHARLAL DARDA:

SHRIMATI SYEDA ANWARA TAIMUR:

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

(a) whether during the G-20 summit held in London in April 2009, developing countries like India persuaded world powers to revive the stalled negotiations of World Trade Organization on terms favouring third world developing countries;

(b) if so, what was the result thereof; and

(c) what are the details of other measures adopted to build up international opinion to revive the WTO negotiations?