

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (c) The origin of global financial crisis lay in structured investment instruments created out of subprime mortgage lending in United States of America. The securitization process, however, was not backed by due diligence and led to large-scale default. The complexity of the instruments, the role of credit rating agencies and lax regulatory structure played a contributory role. The high ratings assigned to certain tranches of structured instruments, which were quickly reserved with the onset of the crisis, created a panic situation among investors and precipitated the crisis. Following the collapse of Lehman Brothers in mid September, 2008, there was a full-blown financial meltdown, which severely affected the financial and real sectors of the development and developing countries.

At the meeting of leaders of Group of 20 countries (G-20) held in London in April, 2009 against the backdrop of the worst economic and financial crisis, India has, *inter-alia*, stressed, upon the need for longer term reform of the global financial architecture including increasing the representation of developing and emerging market economies in international organisations; reform of the global financial system through stronger regulation and improved supervision, especially to systemically important financial institutions, through, among other things, developing an effective early warning system which can spot a build up of risks threatening global financial stability. Further, it has strongly emphasised the need to avoid protectionist sentiments in goods and services trade and taking concrete steps to ensure adequate credit flows, including trade finance, to developing countries. It has also endorsed sharing information and bringing tax havens and non-cooperating jurisdictions under closer scrutiny.

The major initiatives agreed upon in the G-20 meeting included strengthening the financial system and global financial institutions; resisting protectionism and promoting global trade and investment, and measures to ensure a fair and sustainable recovery.

Stake sales in PSUs

3424. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is considering a proposal to modify rules to allow Government to use funds realized from stake sales in the Public Sector Undertakings (PSUs); and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

National Housing Bank

3425. SHRI MOHD. ALI KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether National Housing Bank (NHB) will host an electronic site for the South Asia Housing Forum;

- (b) if so, the details worked out so far;
- (c) the role of Andhra Pradesh in this regard; and
- (d) the countries likely to participate in this proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) Yes, Sir.

(b) The National Housing Bank (NHB) has developed an electronic site to host the South Asia Housing Finance (SAHF) Forum, in consultation with other countries in the South Asia region and the World Bank. The Portal was soft-launched by the Governor, Central Bank of Afghanistan on July 9, 2009. The portal has been initially created on NHB's website www.nhb.org.in and will in due course migrate to a separate independent domain.

The objective of this electronic forum is to provide a platform for exchange of ideas, and experiences of different countries of South Asia so as to facilitate a coordinated approach on housing strategy in this region.

(c) No specific role has been assigned to Andhra Pradesh in this regard.

(d) The Forum consists of various countries of the South Asia region including India, Sri Lanka, Pakistan, Afghanistan, Bangladesh, Thailand, Indonesia and Malaysia.

Road map for disinvestment of PSEs

3426. SHRI RAJIV PRATAP RUDY: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether a road map for disinvestment in many Public Sector Enterprises is being drawn;
- (b) if so, the details thereof; and
- (c) what are the financial implications and the policy thereon?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV): (a) and (b) The cases for disinvestment would be decided on a case by case basis. The process of Initial Public Offerings in NHPC Limited and Oil India Limited is in progress.

(c) The receipts from disinvestment would be channelised into National Investment Fund.

Re-opening of Ashok Paper Mill at Jogighopa in Assam

3427. SHRI KUMAR DEEPAK DAS: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Ashok Paper Mill, Jogighopa in Assam has been re-opened;
- (b) if so, the details of the present status of the Mill; and
- (c) if not, the reasons therefor?