

RAJYA SABHA

uesday, the 25th August 1987/7 Bha- 1909
(Saha)

the House met at eleven of the k, tht
Deputy Chairman in the r.

AL ANSWERS TO QUESTIONS

international price of Charge Chrome

*401. KUMARI SUSHILA TIRIA:t
SHRI BASUDEB MOHAPATRA:

Will the Minister of-COMMERCE be
pleased to state:

(a) whether Government are aware
that the international price of charge
chrome is low in comparison to its
high production cost;

(b) whether it is a fact that 100
per cent export-oriented charge
chrome plant of the Orissa Mining
poration Ltd. is incurring loss on xport;

(c) whether the Orissa Mining Cor-
oration Ltd. has represented to the
vernment of India for granting sh
compensatory support to compensate
for the recurring losses being incurred by
this plant; and

(d) it so, what decision Govern-
ment have taken thereon?

THE MINISTER OF FINANCE AND
THE MINISTER OF COMMERCE SHRI
NARAYAN DATT TIWARI: (a) to (d)
A Statement is laid on the Table of the
House.

Statement

(a) to (c) The Orissa Mining Cor-ation has
represented for grant of cash compensatory
support to offset the losses incurred in the
manufacture and export of charge-chrome by
its 100 per cent export oriented unit

The question was actually asked n the
floor of the House by Kumari shila Tiria.

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.. account of the unremunerative in-
ternational prices.

(d) The scheme of cash compensatory
support is not applicable to 100 per cent
Export Oriented Units.

KUMARI SUSHILA TIRIA: Madam, the
Orissa Mining Corporation has set up a 100
per cent export-oriented charge chrome plant
in Banipal in the backward and tribal district
of Keonjhar in Orissa. This plant is the only
undertaking of this nature in this country. So,
I would like to know from the honourable
Minister when the commercial production of
export-grade chrome has commenced, how
much quantity of that chrome has been
exported, how much is expected to be
exported in the coming years and what price
has been realised in the international market.

Secondly, Madam, I would also like to
know the names of those countries where
there is a great demand for this charge
chrome.

SHRI NARAYAN DATT TIWARI:
Madam, this public sector undertaking went
into production in September 1986. This is
an Orissa Government undertaking which is
a 100 per cent export-oriented unit located at
Banipal for-the manufacture of 45,000
tonnes per annum of charge chrome. The
countries which are the principal importers
of charge chrome are Japan and U.S.A. and
the exporters are Brazil, South Africa,
Sweden, Norway, Finland, Philippines,
Zambia and India. India is having presently
four per cent of the world production in the
field of charge chrome. The production
process of charge chrome has a shortfall in
realisation of 51.21 per cent in the total
realisation of the average FOB cost. The
international prices of charge chrome have
remained constant while the cost of
production has gone up especially in Orissa,
where power duty has been raised over the
years from 18.59 per KW during 1979 to the
present level of 51.71 p. Therefore, the cost
of production has gone up. But the selling
price has not gone up. The

increase in the selling price over a six-year period was only Rs. 785/- whereas the cost has increased by Rs. 4,235/- in the same period and, therefore, the losses are there.

THE DEPUTY CHAIRMAN: Yes, Kumari Tiria, you put your second supplementary.

KUMARI SUSHILA TIRIA: Madam, my second supplementary is whether the Orissa Mining Corporation has made a representation to the effect that the export of that charge chrome should be canalised through the State Co-operative Federation so that the economically weaker sections of the society could get a better price. I would like to know what the reasons are for not canalising this through this agency.

SHRI NARAYAN DATT TIWARI: Well, Madam. I have not received that representation. I hope it is under the consideration of the State Government

THE DEPUTY CHAIRMAN: Yes, Mr. Mohapatra.

SHRI BASUDEB MOHAPATRA: Madam, the honourable Minister has stated in his reply that the scheme of Cash Compensatory Support is not applicable to 100 per cent export-oriented units. Madam, I would like to draw your kind attention to the fact that the Government of India had set up a Marketing Development Fund in the year 1963 to facilitate the various measures to stimulate export and the Marketing Development Fund is being utilised for meeting the expenditure on the Cash Compensatory Support Scheme for certain exportable commodities. I would like to know from the hon. Minister what are the criteria formulated for granting assistance out of this Fund. Also, I would like to know under which circumstances the request of the Mining Corporation of Orissa for granting compensatory assistance could not be entertained, as referred to by the Minister in his answer today.

SHRI NARAYAN DATT TIWARI Madam, hitherto we have not give any cash compensatory allowance to any hundred per cent export-oriented unit. Therefore, it is difficult because there are other hundred per cent export-oriented corporations and one we do this in one particular case, then it will be very difficult to refuse similar facilities to other companies. It is a hundred per cent export item. Because of fluctuations and volatility of exchange rates, it will be very difficult to determine cash compensatory allowance. Since there is no scheme for payment of C.C.A., something has been done to neutralise the higher cost of power for the Indian exporters. Recently, a proposal has been approved to supply diesel oil at international prices for captive power generation, for that portion only which is exported, to the exporters who export more than 25 per cent of their total produce. This concession has been recently given

SHRI BASUDEB MOHAPATRA: Madam, I have asked about the criteria for sanctioning assistance from this Market Development Fund created by the Government of India in 1963. The Minister has categorically stated that this compensatory assistance cannot be paid to the Orissa Mining Corporation.

SHRI NARAYAN DATT TIWARI. Madam, there is not only one Corporation. There are three other units in Orissa which are hundred per cent exporting units. Apart from this State-owned Corporation, there are three other private corporations. There is a Marketing Development Fund for giving Cash Compensatory assistance. There are different criteria for different products. There are hundreds of items which are exported. So, there is no single criterion. There cannot be a single criterion for such a big country like ours which sometimes exports thousands of items.

SHRI BASUDEB MOHAPATRA: Yes. there are three units, as mentioned by the hon. Minister. But

Orissa Mining Corporation is the parent undertaking.

SHRI BIR BHADRA PRATAP SINGH: Madam, the reply says—and this must be a policy decision—that hundred per cent export oriented units are not entitled to get cash compensatory support. It is also a fact that the manufacturing cost exceeds the export price. Now, if it is exceeding the manufacturing cost, then I would like to know from the hon. Minister why we are exporting at all. Is it just to incur losses so far as this item is concerned?

SHRI NARAYAN DATT TIWARI: We have been exporting charge chrome for a long time. Contractual obligations are also there. Exactly, the price that we are getting is about Rs. 17- per dollar on an average. The loss that we are having in this particular sector is lesser compared to some other sectors. So, it is not that we have been incurring loss only on this item. We have been incurring losses in other sectors also. Sometimes it happens because of market fluctuations and volatility of exchange rates. But we have to export.

SHRI SANTOSH KUMAR SAHU: Madam, this question is linked with the national policy when the charge chrome plants were permitted manufacture in this country. Madam, chrome is a very rare material and it is exhaustible. So, the export of chrome in the National Mineral Policy was decided to be banned as a result of which the charge-chrome plants were permitted. And now also there may be some thinking that instead of chrome export, there should be a policy re-organisation for the charge-chrome export. In this context, I would like the hon. Minister to consider about the present worry of the charge-chrome plants so that their problem can be solved and they can generate more employment and this mineral can be better utilised and they can become viable units in this country. What are the other concessions they are thinking of giving to this industry in this country?

SHRI NARAYAN DATT TIWARI: Well, Madam, the hon. Member very well knows that there are three types of ferro-chrome materials—high carbon ferro-chrome, low carbon ferro-chrome and charge-chrome with varying chromium content. In India, our alloy steel industry does not use any significant quantity of charge-chrome with its low chrome content. Indian units use only high carbon ferro-chrome and low carbon ferro-chrome elements. But in Japan and some other countries, they use charge-chrome for production of alloy steels. Therefore, it is necessary that we export charge-chrome and we have been doing so. It is only recently that because of rising cost of production, specially I mentioned the electricity duty charged by the Orissa Government, that the cost of production has gone up and, therefore, these losses are there.

THE DEPUTY CHAIRMAN: Question No. 402.

Pending Pension Cases of Freedom Fighters from U.P.

*402. SHRI SATYA PRAKASH MALAVIYA: Will the Minister of HOME AFFAIRS be pleased to state:

(a) what is the number of pension cases of freedom fighters from Uttar Pradesh pending in his Ministry, categorywise;

(b) what is the number of such cases pending for more than three years and what are the reasons there for; and

(c) what steps are being taken for their speedy disposal?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI): (a) to (c) As a result of special drive conducted during July-August, 1986, all pending cases from U.P. excepting those relating to participation in Arva Snmai Movement in Hyderabad were disposed of and pension sanctioned where acceptable evidence was produced by the applicants.