

RAJYA SABHA

Wednesday, the 25th August, 1987/7 Bha-
d, 1909 (Saka)

The House met at eleven of the
the Deputy Chairman in the
r.

AL ANSWERS TO QUESTIONS

International price of Charge Chrome

*401. KUMARI SUSHILA TIRIA:†
SHRI BASUDEB MOHA-
PATRA:

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
Corporation Ltd. is incurring loss on
export;

(c) whether the Orissa Mining Cor-
poration Ltd. has represented to the
Government of India for granting
a compensatory support to com-
pensate for the recurring losses being
incurred by this plant; and

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

THE MINISTER OF FINANCE
AND THE MINISTER OF COMMER-
CE (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-
poration has represented for grant of
cash compensatory support to offset
the losses incurred in the manufac-
ture and export of charge-chrome by
its 100 per cent export oriented unit

†The question was actually asked
on the floor of the House by Kumari
Sushila Tiria.

On account of the unremunerative in-
ternational prices.

(d) The scheme of cash compen-
satory 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 com-
ing years and what price has been
realised in the international market.

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

SHRI NARAYAN DATT TIWARI:
Madam, this public sector undertak-
ing went into production in Septem-
ber 1986. This is an Orissa Govern-
ment 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, Nor-
way, 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 interna-
tional 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. 795/- 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 given 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 once 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 therefor; 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 Samai Movement in Hyderabad were disposed of and pension sanctioned where acceptable evidence was produced by the applicants.