

## RAJAY SABHA

Friday, the 25th March, 1983.  
Chaitra, 1905 (Saka)

The House met at eleven of the clock. Mr. Chairman in the Chair.

### ORAL ANSWERS TO QUESTIONS Freight Charges for import of cement

\*381. SHRI R. R. MORARKA: Will the Minister of SHIPPING AND TRANSPORT be pleased to state:

(a) whether it is a fact that cement import deals could not be finalised due to exorbitant freight charges quoted by the Indian shipping companies;

(b) whether it is also a fact that foreign shipping companies have agreed to carry the cargo at \$24—27 a tonne as against \$32—50 quoted by the Indian Shipping companies; and

(c) if so, what steps Government propose to take to bring down the freight charges?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI Z. R. ANSARI):

(a) and (b). No, Sir.

(c) Does not arise.

SHRI R. R. MORARKA: May I know what is the total quantity of cement imported during the year 1982-83 and of that how much was imported in the Indian tonnage and how much in foreign ships?

SHRI Z. R. ANSARI: The position is up to 17th March 1983—for the year 1982-83—Shipping arrangements were made for import of 17,94,700 MT cement out of which the Indian ships imported 5,72,750 MT. That is about 32 per cent. This is the position.

SHRI R. R. MORARKA: What were the freight charges charged by the Indian ships and what were the charges on the foreign ships for the import of cement—that is, for 5 lakh tonnes on the Indian tonnage and more than 12 lakh tonnes on foreign ships.

SHRI Z. R. ANSARI: It will not be in the interest of business to give out the exact freight rates.

SHRI R. R. MORARKA: Why?

SHRI SURESH KALMADI: Why? What is the difficulty?

SHRI Z. R. ANSARI: There are certain business secrets and if the exact freight rates are known, surely it will adversely affect the shipping business.

SHRI SURESH KALMADI: How? Is it because most of these are hush-hush deals?

SHRI R. R. MORARKA: The honourable Minister may be trying to keep these things secret from this House and Parliament, but the freight rates are known throughout the world. One very important and very profitable cement deal could not be put through because of the high freight charges quoted by the Indian ships because the Government had given a directive that as far as possible cement should be imported in Indian ships, with the result, because of that directive they could not import the cement on foreign vessels nor could they import it on Indian ships because of the high freight rates quoted by them. Cement was offered to us at a much cheaper price from Poland and other rupee payment countries. But because of the very high freight rates we could not take advantage of that. If the honourable Minister wants, I will give him the rates quoted by the Indian ships. The Indian ships quoted \$32.500 as against \$23—27 per tonne quoted by the Scandinavian and Greek ships.

SHRI Z. R. ANSARI: I have already said in my reply that this is not correct that Indian ships quoted \$32—50. It was in any case below \$32—\$30 to \$31. This was the quotation of the Indian ships. And it was in no case more than 31 dollars. Secondly, no proposal from any foreign shipping company has come at lower rates or which could be a feasible proposition. Certainly some people who are middlemen, approached us offering some foreign ships at lower

rates. But when the dealers were asked to give the details of the owners of the ships, their capacity and the draught they would like to have at the loading and unloading ports, they failed to submit all those details. Those offers were quite unworkable and they did not turn up with feasible propositions. Therefore, there is no question of offering lesser freight rates.

**SHRI R. R. MORARKA:** If that is so, why our deal for purchasing cement...

**SHRI Z. R. ANSARI:** How many questions?

**SHRI R. R. MORARKA:** Why are you worried?

**SHRI Z. R. ANSARI:** I am not at all worried.

**SHRI R. R. MORARKA:** The Hon'ble Chairman is there to conduct the proceedings.

The question is, if there was no difference at all and if the rates quoted by the foreign ships were not workable, why our deal with rupee-payment countries like Poland and East European countries for the purchase of cement which was cheaper could not be put through?

**SHRI Z. R. ANSARI:** I could not understand the question.

श्री सभापति : रेट में कोई फर्क नहीं था तो पोलैंड से, जहाँ से रुपी-डील होते हैं, वहाँ सस्ता सीमेंट मिलता था, वहाँ से क्यों नहीं मंगवाया आपने ?

श्री जेड आर आंसारी : सीमेंट का मंगवाना तो जनावेअली हमारा काम नहीं है हम तो सिर्फ शिपमेंट को अरेन्ज करते हैं ।

Our responsibility is only to arrange shipment for the cement and not for the purchase of cement.

**SHRI R. R. MORARKA:** Mr. Chairman, my question was originally addressed to the Ministry of Commerce because I knew this technical

point would be raised by the Minister. I do not know why this question was transferred to the Ministry of Shipping and Transport. I had given notice to this question on the 8th February.

**MR. CHAIRMAN:** You addressed to the Ministry of Commerce?

**SHRI R. R. MORARKA:** Yes, Even without consulting me, the question has been transferred to this Ministry.

**MR. CHAIRMAN:** I understand that the Commerce Ministry has done it. Anyway, I am afraid he cannot answer your question. What I will do is to see that you get replies from the Commerce Ministry. That will be very easy. They can give the reply to him direct.

**SHRI A. G. KULKARNI:** The Minister gave some figures of import of cement just now. Which are the countries from which he has imported and which were the ships and what are their flag names? About freight he said that it cannot be disclosed. But actually all the middlemen who are unloading ships know it. When the Maharashtra State Industrial Development Corporation sell cement to the consumers, they give the basic price, cost of loading, freight, transport cost, etc. Nothing is so secret or sensitive about it. If it is a Buckingham Palace, I can understand that. So, this is my third point.

My fourth point is that you may reply anyway you like and get away with it. The point is that in Maharashtra no cement is available because shipments are not available. Mr. Morarka rightly pointed out that Indian ships are charging more. The rates quoted and billed by the Maharashtra State Industrial Development Corporation are between \$25 and 30. So, do not be fussy about it. We know everything. Only you do not know it or you do not want to disclose it. Without taking any technical plea, the Minister should answer these specific questions.

**SHRI K. VIJAYA BHASKARA REDDY:** There is no question of hiding anything. These are all facts.

**MR. CHAIRMAN:** He knows everything.

**SHRI K. VIJAYA BHASKARA REDDY:** The Chairman has given the answer.

**SHRI A. G. KULKARNI:** But it is the duty of the Government to inform the House.

**SHRI K. VIJAYA BHASKARA REDDY:** Most of the cement is imported from Taiwan, South Korea, DPR Korea, Japan and Romania.

**SHRI A. G. KULKARNI:** That is the point.

**SHRI K. VIJAYA BHASKARA REDDY:** The purchase is by the respective States or the Governments agencies or the STC. Only the transport arrangement is with the Shipping Ministry. Whenever they inform the Shipping Ministry, we arrange the shipments. We are one of the biggest charterers in the world and we have brokers with contacts throughout the world and our rates are also very competitive and we give the best terms and conditions of the shipment. As far as Maharashtra is concerned, recently the concerned Minister also met me. Earlier, Sir, my friend has given all the figures. Arrangements for shipments of about 17 lakh tonnes have been made and for about 15 lakh tonnes are yet to be made. But, for about 11 lakh tonnes, they have informed us to arrange the shipping by March 31st. Sir, 31st March is the last date.

**SHRI A. G. KULKARNI:** But there is no cement in Bombay.

**SHRI K. VIJAYA BHASKARA REDDY:** What to do? We are trying our best. But there are other factors also. If they had asked us earlier, it could have been done. Whatever it is, before 31st March, shipping is difficult and we are asking the Commerce Ministry also and they have

also asked the Commerce Ministry to extend it. Perhaps if that is done, it can be moved. Suppose they had asked us to arrange the ships within a week. Is it possible to do that in a week? As has been informed earlier, whatever possible has been arranged and we are trying to do our best even in this case.

**SHRI A. G. KULKARNI:** Thank you very much.

**SHRI U. R. KRISHNAN:** Sir, the Minister was saying that the State Governments or the Government agents are importing. I would like to ask the honourable Minister what the State Governments are which have got the permission for the import of cement. I would also like to know how many State Governments are importing cement and also the other details.

**SHRI K. VIJAYA BHASKARA REDDY:** Sir, it is a long list. If the honourable Member wants, I can place it on the Table of the House.

**MR. CHAIRMAN:** Yes, that would be better. Now, we move on the Question No. 382.

#### **Talks with the Heads of foreign Countries**

\*382. **SHRI MANUBHAI PATEL:**  
**SHRI BISWA GOSWAMI:**

Will the Minister of **EXTERNAL AFFAIRS** be pleased to state:

(a) whether Government had taken any initiative to raise some bilateral issues with some of the Heads of the foreign countries who visited India at the time of Seventh Non-aligned Summit held in New Delhi;

(b) if so, what were the main issues that were discussed; and

(c) what has been the outcome of these bilateral talks?

†The question was actually asked on the floor of the House by Shri Biswa Goswami.