

THE DEPUTY MINISTER IN THE MINISTRY OF IRRIGATION AND POWER (SHRI BAIJ NATH KUREEL): (a) and (b) A Programme for Power Development for the period 1972-77 drawn up by this Ministry envisages the installation of additional generating capacity of 17.7 million kW. In the context of meeting these requirements, a close study is being made as to whether the indigenous manufacturers in the country can arrange to make the plant and equipment required available and to what extent it may be necessary to resort to import. The decision to import generating sets, if necessary, would be based on the merits of each case.

#### TRADE AGREEMENT WITH AFGHANISTAN

534. SHRI VENIGALLA SATYANARAYANA: Will the Minister of FOREIGN TRADE be pleased to state:

- (a) whether any new trade agreement between India and Afghanistan has been recently signed in Delhi, if so, the details thereof; and
- (b) whether it has been decided that the public sector should also enter dry fruit trade?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. GEORGE): (a) Yes, Sir. A statement showing the salient features of the Trade Agreement with Afghanistan signed on 20th February, 1972, is attached.

(b) The question of canalising import of dry fruits through Public Sector Undertakings has been under active consideration of the Government. A decision in this regard will be taken in the near future.

#### STATEMENT

(i) Subject to certain safeguards:—

(a) Import of fresh fruits, dry fruits, etc. from Afghanistan into India will be permitted to any person whose imports are counterbalanced by exports of certain Indian goods, specified in the Trade Arrangements, and

(b) Export of certain specified Indian goods to Afghanistan will be permitted to any person whose exports are counterbalanced by imports of fresh fruits, dry fruits, etc. from Afghanistan, provided not less than 50% of the exports are of non-traditional items.

(if) Payment for imports and export of commodities not covered under the counterbalancing arrangement shall be made by establishing letters of credit in transferable U.S. Dollars or Pounds Sterling.

(iii) Imports and exports, between the two countries will take place on outright purchase basis.

(iv) The two Governments would take effective steps to prohibit and prevent diversion to third countries of the goods imported from the other.

(v) In order to encourage routing of trade exchange through banking channels, imports of Asafoetida from Afghanistan would, to start with, be permitted through such channels. The two Governments would direct their respective central banks to announce the agreed procedure for payment and for routing the export/import documents through banking channels for the guidance of the trade. After sufficient experience is gained, the banking system will be extended to cover a wide area of trade between the two countries.

(vi) The two Governments have agreed to provide facilities for setting up a joint venture in Afghanistan for production of extracts of medicinal herbs and plants grown in Afghanistan. It has been agreed to permit import of these extracts from Afghanistan into India for a period of twenty years. In order to facilitate trade exchanges in drugs and medicines manufactured in the two countries, it has been agreed to permit the registration of medicines manufactured in the two countries in their National Formulary, if any, subject to the satisfaction of prescribed standards of purity and quality.

(vii) The Working of the Trade Arrangement will be reviewed periodically with a view to removing any difficulty that may arise in its implementation.

#### MINISTERS' COMMITTEE ON FLOODS AND FLOOD RELIEF

535. SHRI N. G. GORAY: Will the Minister of IRRIGATION AND POWER be pleased to state:

(a) whether it is a fact that the Ministers' Committee on floods and flood relief recently met in New Delhi;