

Increase in wheat prices in International Market

†2807. SHRI RAMCHANDRA PRASAD SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the prices of wheat in the international market have gone up owing to its low availability and whether India has decided to cash this situation and export wheat;

(b) if so, the details thereof and the quantity of wheat and the prices at which it has been sold during the period from April, 2012 to October, 2012;

(c) whether it is also a fact that due to this sale India is incurring economic loss; and

(d) if so, the quantum of loss per tonne?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI D. PURANDESWARI): (a) and (b) Yes, Sir. The export of wheat was made free which is effective since 9.9.2011. Also, in view of comfortable stock position of wheat in Central Pool far Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 3.7.2012 allowed the export of 20 lakh MT of wheat from the Central Poll stocks of FCI through the CPSUs of the Department of Commerce viz. STC, MMTC and PEC subject to floor price of US \$ 228 per MT.

(c) and (d) The average tender price is more than US\$ 300 per MT. As on 6-12-2012, 8.06 lakh MT of wheat have been exported. The differential amount to be paid to FCI on account of export of 2 million tons of wheat on the basis of floor price of US \$ 228 per MT was originally estimated to be Rs. 1273 crore. From the trend of price quotes in different tenders, the average price quote is above US\$ 300 per MT. Taking this into account, the differential amount for the 2 Million MT of wheat will now work out to be approximately Rs. 549 crore.

Slow down of manufacturing sector

2808. SHRI N. K. SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the manufacturing sector shrank by 1.5 per cent this September as against a growth of 3.1 per cent in the same month last year;

†Original notice of the question was received in Hindi.

(b) whether it is a fact that the manufacturing sector is witnessing a continuous slowdown since the first quarter of 2011-12, despite the measures taken by Government to boost growth; and

(c) if so, what other measures are being contemplated by Government?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. S. JAGATHRAKSHAKAN): (a) Yes, Sir.

(b) Yes, Sir. The quarterly growth rate of manufacturing for 2011-12 and 2012-13, as reflected in the Index of Industrial Production (IIP), is given in the table below:

Period	Quarterly growth rate of Manufacturing (%)	
	2011-12	2012-13
April-June	7.7	-0.8
July-September	3.4	0.3
October-December	1.1	
January-March	0.3	

The growth of manufacturing in the month of October, 2012, however, was 9.6% compared to (-) 6% in October, 2011.

(c) Government has already taken confidence building measures for improving the industrial climate and manufacturing in the country. One of the measures taken by the Government is the announcement of the National Manufacturing Policy (NMP) with the objective of enhancing the share of manufacturing in GDP to 25 per cent and creating 100 million jobs over a decade or so. The Policy also seeks to put in place measures to improve industrial infrastructure including setting up of National Investment and Manufacturing Zones (NIMZs), simplify business regulation and incentivize clean technology; skill development; and investment in Micro, Small and Medium Enterprises (MSME).

The Delhi Mumbai Industrial Corridor (DMIC) Project is under implementation to create a strong economic base with globally competitive environment and state-of-the-art infrastructure along the Delhi-Mumbai Dedicated Freight Corridor of the Railways.

Other measures include promotion and facilitation of industrial investment including promotion of Foreign Direct Investment (FDI) through consolidation of

various press notes into a single document; gradual liberalization and rationalization of FDI Policy; regular meetings with industry associations and stakeholders to fast track implementation of industrial projects etc.

Expected quantum of FDI in Organized Retail Market

2809. SHRI DEVENDER GOUD T: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that country's organized retail market is expected to attract nearly US 20 billion dollar Foreign Direct Investment (FDI) in the coming three years;

(b) if so, the details thereof; and

(c) to what extent this will benefit the farmers and small shopkeepers in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. S. JAGATHRAKSHAKAN): (a) and (b) No targets are fixed for FDI inflows, nor is an assessment of future inflows possible, as FDI is largely a matter of private business decisions.

(c) Opening up of FDI in multi-brand retail trade is expected to bring in much needed investments, technologies and efficiencies to unlock the true potential of the agriculture value chain. The policy mandates minimum investment of \$ 100 million with at least half going towards back end infrastructure, including cold chains, refrigerated transportation and logistics. The condition that this investment will have to be made within 3 years of the first tranche of FDI, has been put in to ensure that this purpose is actually achieved. Thus FDI in multi-brand retail trade is expected to bring in, global best practices and benefit farmers in the long run, in terms of quality, price, greater supply chain efficiencies in the agriculture sector and development of critical backend infrastructure. As per the Indian Council for Research on International Economic Relations (ICRIER) report on "Impact of Organized Retailing on the Unorganized Retail Sector", submitted in 2008, farmers would benefit significantly from the option of direct sales to organized retailers. For example, average price realization for cauliflower farmers selling directly to organized retail was about 25 per cent higher than their proceeds from sale to regulated government mandi. Profit realization for farmers selling directly to organized retailers was about 60 per cent higher than that received from selling in mandi.