

SHRI ARUN JAITLEY: Sir, with regard to the reduction in the quantum in both the commodities, I can send it separately to the hon. Member. But the restrictions on gold, apparently, did bear some result. And that is apparent from the fact that when we have a peak amount of current account deficit of over 88 billion, — that is when the current account deficit reached 4.7 per cent — it came down to 32 billion — 32 billion is the manageable current account deficit. So, it came down to 1.7 per cent. Obviously, steps which were taken with regard to restricting gold both in terms of duty increase, restricting the number of people who could bring it in, as also other conditions like 80:20 policy, apparently, seem to have worked because the proof is in the eating itself.

SHRI TAPAN KUMAR SEN: What is the share of domestic investment in gold and jewellery?

SHRI ARUN JAITLEY: That is a separate figure which I will send separately.

SHRI TAPAN KUMAR SEN: Sir, my second supplementary is this. Certain steps have been taken to contain non-essential imports. Now there is still room for containing some more non-essential imports in the country, like, steel, where you are bound by a Regional Agreement, and the import duty on steel will come to zero. That will create a disaster for domestic steel producers. Similarly, there are certain other areas. I would like to know whether the Government will scrutinize and further contain non-essential imports in the domestic market.

SHRI ARUN JAITLEY: Sir, interventions in the market, in order to contain these things, take place when there is a situation which calls for a radical action. If the situation stabilizes, then, the Governments normally do not interfere in the markets. Governments intervene only when a crisis situation seems to have happened.

SHRI TAPAN KUMAR SEN: Preventive process is also required.

SHRI ARUN JAITLEY: I will pass the suggestion of the hon. Member to the Commerce Ministry which deals with it.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS

Concession offered by airlines to students

†*206. SHRI MAHENDRA SINGH MAHRA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether students studying abroad are offered special concession in international flights;

†Original notice of the question was received in Hindi.

(b) if so, whether such concession would also be extended to the students studying in the country;

(c) if so, by when the decision regarding such concession is likely to be taken; and

(d) if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION (SHRI ASHOK GAJAPATHI RAJU PUSAPATI): (a) No, Sir. No concessions are offered to students studying abroad by Government as airfares are not regulated by the Government whether international or domestic. Airlines are commercial organizations which fix air fares based on interplay of market forces. Providing concessions on air fare to any class of passenger is a commercial decision and prerogative of the airline.

(b) to (d) Do not arise in view of (a).

FDI in the defence sector

*207. SHRIMATI NAZNIN FARUQUE: Will the Minister of DEFENCE be pleased to state:

(a) the details of the agreements executed by Government with other countries relating to Foreign Direct Investment (FDI) in the defence sector; and

(b) the details of future plans of Government in this regard ?

THE MINISTER OF DEFENCE (SHRI ARUN JAITLEY): (a) and (b) No agreement has been executed by Government with other countries relating to FDI in defence sector. However, in pursuance to the Inter-Governmental Agreement between India and Russia signed in February, 1998, a Joint Venture Company, BrahMos Aerospace, between the Defence Research and Development Organisation (DRDO) of India and NPO Mashinostroyenia of Russia has been formed for design, development, production of a supersonic cruise missile.

As per the current FDI Policy, upto 26% FDI is permissible in the defence sector subject to licensing through Government route and wherever FDI beyond 26% is likely to result in access to modern and state-of-the art technology in the country, decisions can be taken to allow higher FDI on a case-to-case basis with the approval of Cabinet Committee on Security. However, in the Union Budget 2014-15, it has been announced that the composite cap of foreign exchange is being raised to 49% with full Indian management and control through the FIPB route for defence sector.