

- (b) whether the panel has opined that existing rules under SEZ Act had failed to protect the farmers' interest and 'New Special Economic Zones' should be put on hold;
- (c) if so, what are the other recommendations made by the panel; and
- (d) whether Government propose to bring forward draft legislation to amend the Act during the ensuing Winter Session of Parliament?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) and (c) The recommendations of the Committee mainly relate to usage of land, environmental measures, inputs from the State Government, replacement of Land Acquisition Act, 1894 by a modern legislation, due addressal of public concerns before the further Special Economic Zones (SEZs) are notified, management and governance issues of (SEZs), facilities in (SEZs), fiscal incentives, performance evaluation, application of labour laws, security aspects in (SEZs), appraisal of SEZ Scheme. Various issues relating to SEZs have been deliberated upon by the Empowered Group of Ministers (EGOM) and in pursuance of the decision taken by the EGOM, the State Government have been advised that the Board of approval will not approve any SEZs where the State Governments have carried out or propose to carry out compulsory acquisition of land for such SEZs after 5th April, 2007. Besides, the minimum processing area limit has been fixed uniformly at 50% for multi-product SEZs as well as sector specific SEZs and upper limit of area required for multi-product SEZs has been fixed at 5000 hectares with an option to the State Governments to prescribe a lower limit. All SEZ approvals granted after 5th April 2007 are in terms of these guidelines only. Further, requisites follow up action wherever required have already been initiated in the light of the recommendations of the Committee and necessary guidelines/instructions have been issued to the State Governments.

(d) Considering that the SEZ Act, 2005 was passed by the Parliament only in May 2005, there is no proposal to bring a draft legislation to amend the SEZ Act.

#### Abnormal increase in cement price

294. SHRI T.T.V. DHINAKARAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether there has been an abnormal increase in cement price especially in some State;
- (b) if so, the reasons therefor; and
- (c) the action taken to regulate the price of cement?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) Cement is decontrolled commodity and its prices are governed by market forces depending upon factors like demand and supply, cost of production distance from manufacturing centres, local taxes imposed by the State Governments etc. The average price of cement has increased from Rs. 158 per bag in December, 2005 to Rs. 231 per bag in October, 2007 mainly due to demand-supply mismatch.

(c) The Government has taken a number of measures to increase the supply of cement in the market to cater to the increased demand. These include facilitating import by reducing the import duty on cement to 'Nil', removal of countervailing duty and special additional custom duty, etc. Further, MMTC Ltd., a Government of India enterprise and TANCEN, a State Government enterprise of Tamil Nadu have been given a special dispensation to import cement under the provisions of Cement (Quality Control) Order, 2003 to enable availability of significant quantities of imported cement in the market. With these measures, the prices of cement have stabilized to a large extent showing an increase of only 2.67% between March and October, 2007. The Government

is monitoring the prices with a view to ensuring price stability through such measures as are feasible and necessary.

### **High heavy metal content in herbs exported**

295. SHRI C. PERUMAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Indian herbal exports often face rejection on grounds of high heavy metal content and the presence of other unwanted ingredients; and

(b) if so, the details of action taken by Government to prevent such rejection due to high heavy metal content?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Occasionally herbal products have faced rejections due to heavy metal levels being higher than the pharmacopoeia limits. Ayurvedic Siddha and Unani (ASU) medicinal herbal products may naturally contain purified metals as ingredients and such products need to be assessed differently due to fact that the presence of these minerals and metals contribute to the therapeutic efficacy as prescribed in the Ancient pharmacopoeia of ASU products.

Government of India has initiated awareness programmes for educating the industry through its Export Promotion Council, Pharmexcil. Besides, Government has introduced mandatory testing of metals in all purely herbal ASU medicines for exports w.e.f. 01.01.2006 onwards. Testing facilities for ASU drugs in the country have been strengthened by upgradation of State Drug Testing Laboratories and accreditation of private drug testing laboratories.

### **Trade with Gulf, Western Asian and African countries**

†296. SHRI JAI PARKASH AGGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the extent of trade carried out by the country with the Gulf, West Asian and African countries;

(b) whether Government propose to hold talks with Gulf Co-operation Council on Free Trade Agreement and with West Asian and African countries on Investment Promotion Agreements; and

(c) if so, the details of the benefits derived as a result of these agreements?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Total trade carried out by the country with the Gulf Cooperation Council countries, West Asian and African countries, during 2006-07 was (Source-DGCIS)

(i) African countries	: US \$ 24988.25 mn.
(ii) West Asian countries (excluding GCC countries)	: US \$ 21624.45 mn.
(iii) Gulf Cooperation Council (GCC) Countries; Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE	: US \$ 47361.88 mn.

(b) and (c) First round of negotiations with Gulf Cooperation Council on Free Trade Agreement was held in Riyadh, Saudi Arabia, on 21-22 March, 2006. The response of GCC Secretariat for convening the 2nd round of negotiations is being awaited. Government has signed bilateral investment promotion and production agreement with Sri Lanka. The agreement has

†Original notice of the question was received in Hindi.