

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

L/1897/Add.1  
8 February 1963

Limited Distribution

Original: English

REPORT OF THE COMMITTEE ON BALANCE-OF-PAYMENTS  
RESTRICTIONS ON THE CONSULTATION UNDER  
ARTICLE XVIII:12 WITH

I N D I A

Addendum

By letter dated 28 January, the Indian authorities have submitted to the secretariat a note on recent changes in the import policy of India for the licensing period October 1962-March 1963. The note was submitted for the information of the CONTRACTING PARTIES, pursuant to an undertaking by the Indian representatives given during the last consultation on balance-of-payments restrictions with India in October 1962 (see paragraph 7 of document L/1897). The text of the note is as follows:

"1. At the start of the last consultations of India with the CONTRACTING PARTIES regarding Indian import restrictions, the Indian delegation stated that announcements regarding licensing during the six months, October 1962-March 1963, were proposed to be made shortly. It was indicated that apart from unforeseen circumstances, the reduction in import allocations would not exceed 8 per cent.

"2. The policy for the half-year, October 1962-March 1963, has now been formulated. The Ministry of Commerce and Industry's Public Notice No. 167-ITC(PN)/62 dated 24 December 1962 gives details regarding the policy to be followed for various categories of commercial imports.<sup>1</sup> A copy of a press note issued by the Ministry of Commerce and Industry, explaining the policy is also attached. (Annexed)

"3. The reduction in allocations for commercial imports (i.e. imports of components, raw materials, and spare parts by private industrial units as actual users and imports of these items and of essential consumer goods for stock and sale by traders) has been of the order of only 5 per cent. In view of increased allocations made, primarily against assistance (which is being utilized more rapidly), for other items such as capital equipment, total import allocations are somewhat higher than in April-September 1962."

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<sup>1</sup>A copy of this Notice is available for reference at the secretariat.



ANNEX

Note to the Press on Changes in the Import  
Licensing Policy Issued by the Indian  
Ministry of Commerce and Industry,  
New Delhi on 24 December 1962

1. The changes made in the import policy for the second half-year, October 1962-March 1963 of the current licensing period, April 1962-March 1963 are being announced in the Ministry of Commerce and Industry Public Notice No. 167-ITC(PN)/62 dated 24 December 1962. Copies of this Public Notice will be available for sale with the licensing authorities at ports on 25/26 December 1962. In formulating these changes the Government have had regard not only to the foreign exchange position, but also the needs created by the present emergency.
2. It has been decided to confine the issue of supplementary licences to established importers for the half-year, October 1962-March 1963 to specific items of special importance to the economy, such as drugs and medicines, books, X-ray films, rubber contraceptives, hides and skins, wattle bark, wattle extract, motor vehicle parts and printing and lithographic materials. Supplementary licences for such items will be issued subject to prescribed cuts. The second half of annual licences granted to established importers will be revalidated (subject to prescribed cuts) only in the case of component parts of tea, jute, coal, textile and knitting machinery. Annual licences granted against United States non-project assistance for the whole year, April 1962-March 1963 will not be affected by the cuts.
3. The second half of the annual licences granted to actual users for import of raw materials and components from free resources for the period April 1962-March 1963, will be validated subject to a cut. The extent of the cuts will depend on the priority attached to the industry in the context of the present emergency. Similarly, supplementary licences where granted to actual users for the second half-year, i.e. October 1962-March 1963 will also be subject to a cut which will be decided on merits in each case.
4. The supplementary licences which may be issued to the Consumers' Co-operative Societies for the half-year October 1962-March 1963, will also be subject to a cut of 50 per cent in their entitlement calculated in terms of the provisions contained in Appendix 41 of the current Red Book.
5. It has been decided to canalize the import of tin block and tin scrap falling under S.No. 45(a) of Part I of the I.T.C. Schedule and of ball, roller and taper bearings and components thereof falling under S.No. 19 of Part II of the I.T.C. Schedule, through an agency approved by the Government. This step has been taken in order to ensure that high profits do not accrue to middle men.

6. The import policy, as has been stated, has been framed with regard to the priorities called for by the emergency. While imports of a large number of less essential items, including raw materials for manufacture of luxury and semi-luxury articles, will not be licensed or will be subject to cuts, imports of high priority items will be sustained and in some instances, even increased.

7. Only small reductions have been effected in the quotas for import of drugs and medicines. It has also been decided that the quotas for this item for the next licensing period will be announced promptly early in April 1963. The Government expects that supplies of imported drugs will be adequate to hold the price line. Established importers of drugs are required to comply with the provisions of Sub-rule (2) or Rule 125 of the Defence of India Rules, 1962, under which every manufacturer/importer or distributor of any drug intended for sale shall supply to every dealer buying such drug from him, price lists showing the wholesale and retail prices beyond which such drug shall not be sold and also to take steps to maintain the prices of imported drugs and medicines at a reasonable level in line with the general policy of the Government to stabilize prices.