

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4007

12 March 1974

Limited Distribution

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INDIA - AUXILIARY DUTY OF CUSTOMS

Extension of Waiver

The following communication, dated 5 March 1974, has been received from the Resident Representative of India

1. I have the honour to refer to the decision of the CONTRACTING PARTIES (L/3969), to waive, until 31 March 1974, the application of the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to enable the Government of India to apply the temporary auxiliary duty of customs as notified in document L/3969 and to state that since the special circumstances which necessitated the imposition of the auxiliary duty continue to exist the Government of India have had to continue the auxiliary duty for another year as one of the measures to mobilize resources to meet compelling development needs limited to the level needed to raise resources for the Central Government by granting exemptions wherever and to the extent necessary. The terms and conditions remain the same except that the rate applicable to the middle slab has been raised from 10 per cent to 15 per cent. The three differential rates of auxiliary duty would now be 20 per cent, 15 per cent and 5 per cent. However, as before, almost all the items included in Schedule XII annexed to the General Agreement continue to be subject to either nil or only 5 per cent duty. Furthermore foodgrains, books, family planning appliances, tallow, raw cotton, machinery items and a few other selected categories of goods continue to remain exempted from this duty.

2. The above levies have become effective, on a provisional basis, from 1 March 1974, and are subject to approval with or without modification by the Indian Parliament. The final position in this regard will be intimated to the CONTRACTING PARTIES after approval by the Parliament.

The communication from the Government of India will be considered by the Council at its meeting on 28 March 1974.

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