

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.IND/4/Add.4  
17 October 1968

Limited Distribution

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Committee on Trade in Industrial Products

Original: English

## INVENTORY OF NON-TARIFF BARRIERS

### Addendum

The following notification, submitted by the Indian delegation, supplements the notifications contained in COM.IND/4 as amended. The information was compiled on the basis of information collected from trade and industry sources in India and the Indian authorities had no opportunity of verifying fully its correctness. The Government of India hopes that necessary clarifications will be forthcoming from the countries concerned. India reserves the right to make additional submissions and to participate in discussions on measures not notified. It is noted that there are and have been bilateral consultations with concerned governments in the case of several of the barriers mentioned, and these have been conducted in a cordial atmosphere; but in many cases progress in amelioration has been very slow.

Add to Part I - General section, in its alphabetical order, for India:

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INDIA

Restriction	Products affected	Notified by	Comments
<u>Quantitative restrictions</u>			
Many products of major export interest to India's trade are affected by quantitative restrictions maintained by a number of developed countries. Mostly these restrictions have been maintained contrary to the basic provisions of the GATT and in practice apply in a discriminatory manner against imports from developing countries. An inventory of the products and the nature of restrictions maintained by different developed countries is already available in document COM.TD/W/76 dated 13 September 1968.			
One developed country maintains quantitative restrictions on some of the products of export interest to India which are not being notified to the Committee on Trade and Development. These products are:			
(i) Jute cloth and bags (ii) Coir mats and mattings (iii) Fabrics made from synthetic and artificial fibres (iv) Articles of woollen hosiery (v) Dried mushrooms (vi) Orange segments, canned guavas, nangoes, litchies and exotic fruit juices			
Licensing. The systems adopted for administration of quotas and procedures for licensing in some developed countries are such that they do not assist the developing countries in utilizing quotas allotted fully.			

INDIA (cont'd)

Restriction	Products affected	Notified by	Comments
<b>Quantitative restrictions (cont'd)</b>			
			For example, India's trade in jute goods has experienced the following types of difficulties:
(i)			Often the quota which itself is small is fragmented and allotted to a number of parties, with the result that it becomes uneconomical for them to import. Further, quantities are allotted to applicants on the basis of their past import performance and because of small and fragmented quotas even the genuine importer does not get a sufficiently large quota.
(ii)			Licences are in many cases granted to parties, such as domestic producers of like goods, who are not at all interested in importing those goods.
(iii)			Licences are issued to importers on the conditions that the goods are exported after processing and not sold in the domestic markets.
(iv)			Existing administrative procedures for temporary importation do not enable jute goods, imported for re-export, to enjoy the unrestricted duty-free treatment to which such imports are eligible under normal international practice, for example: jute fabric imported for use as carpet backing and utilized for the manufacture of carpets which are exported.
(v)			Period of validity of licences is often very short. Further, the period provided for conclusion of import contracts is too short to enable the importer to complete all the necessary administrative formalities.

INDIA (cont'd)

Restriction	Products affected	Notified by	Comments
<b>Quantitative restrictions (cont'd)</b>			
(vi)	In some cases the licensing procedures are operated in such a way as to restrict import of jute fabrics over a certain width, so as to provide indirect protection to domestic industry in that line of manufacture.		
<u>Export restraints</u>	India's exports of cotton textiles to the EEC countries, the United States and the United Kingdom are subjected to export restraint. But these restrictions are covered by arrangements entered into under the Long-Term Arrangement on Cotton Textiles.		
<u>Valuation for customs purposes</u>			
	Differences in the legislation of the contracting parties in regard to the valuation for customs purposes create difficulties in the smooth flow of trade. India's trade has experienced special difficulty in the case of Australia, Canada and the United States because of their customs valuation procedures. These countries do not follow the principles laid down in the Brussels Convention on the Valuation of Goods for Customs Purposes and those laid down in Article VII of the General Agreement. (See examples under countries mentioned and Federal Republic of Germany.)		

INDIA (cont'd)

Restriction	Products affected	Notified by	Comments
<u>Technical and administrative matters</u>			
<u>Sanitary regulations</u>	- Admittedly the establishment of reasonable standards in regard to sanitation and health is necessary for the well being of the people, cattle etc. of the importing country, but it is found that sometimes these sanitary regulations inhibit importation of certain products of developing countries. (See, for examples, Canada, Japan, Switzerland, United States.)		
<u>State trading</u>	The purchase policies followed by State trading or monopoly organizations like producers' associations in some of the developed countries are not conducive to increasing their purchases from developing countries. In many cases there is a general reluctance to import from non-traditional sources even though the goods are available from these countries at competitive prices. Such organizations exist in France for imports of tobacco and manganese ore; in Italy and Austria for tobacco and mineral ores.		
<u>Other restrictions</u>	The Indian authorities reserve the right to refer to some aspects of the practices followed by these organizations in the course of Committee's work, if this should appear relevant.		
	Mixing regulations. In some of the developed countries, licences for imports are issued on condition that importers purchase at least a part of their requirement from domestic sources. (For example see Belgium, France, Italy.)		

Add to Part II - Country sections, under the appropriate headings:

AUSTRALIA

Restriction	Products affected	Notified by	Comments
Para-tariff barriers	Various.	India	This protection and the fact that there is no time-limit for the Tariff Board to present its report, create uncertainty to the normal flow of trade and also perhaps afford the domestic industry means to secure for itself a monopoly position in the domestic market.
Valuation for customs purposes	Various, especially coir mats and matting, light engineering goods, such as hand-tools, electric fans etc.	India	In the case of Australia, the dutiable value is determined on the basis of the import value which the Australian importer actually pays or the current domestic value in the exporting country, whichever is higher. These systems of valuation introduce an element of uncertainty as to the amount of duty which the importer has to pay and have an inhibiting effect on the development of trade. Further, these systems of levying duty on the basis of current domestic values in the exporting country works more to the disadvantage of developing countries, as in many cases the prevailing domestic prices in these countries have

AUSTRALIA (cont'd)

Restriction	Products affected	Notified by	Comments
<u>Valuation for customs purposes (cont'd)</u>			

no direct relationship with the prices at which they can sell these goods in the international markets. The structural imbalances and the supply scarcities which often exist in developing countries, coupled with inflationary conditions, result in the domestic price ruling at artificially high levels. In addition, in some cases, goods which are products of newly-established export-oriented industries in developing countries are not at all sold in the domestic markets. In such cases comparable current domestic values do not exist.

It may be pointed out that the procedures for levy of customs duty on the basis of domestic price in the exporting country instead of the invoice price has had a discouraging effect on the development of India's exports.

AUSTRIA

Restriction	Products affected	Notified by	Comments
State trading organizations for the import of tobacco and mineral ores.	Tobacco, mineral ores.	India	In many cases there is a general reluctance to import from non-traditional sources even though the goods are available from these countries at competitive prices.

CANADA

Restriction	Products affected	Notified by	Comments
<u>Valuation for customs purposes</u>			
The Customs Act authorizes the Canadian authorities to fix any "fair market value" for imported goods whenever they consider that the invoice price is less than the prevailing domestic selling price in the exporting country.	Various, especially textiles.	India	These systems of valuation introduce an element of uncertainty as to the amount of duty which the importer has to pay and have an inhibiting effect on the development of trade. Further, these systems of levying duty on the basis of current domestic values in the exporting country works more to the disadvantage of developing countries, as in many cases the prevailing domestic prices in these countries have no direct relationship with the prices at which they can sell these goods in the international markets. The structural imbalances and the supply scarcities which often exist in developing countries, coupled with inflationary conditions, result in the domestic price ruling at artificially high levels.

CANADA (cont'd)

<u>Valuation for customs purposes (cont'd)</u>	<u>Restriction</u>	<u>Products affected</u>	<u>Notified by</u>	<u>Comments</u>
				<p>In addition, in some cases, goods which are products of newly-established export-oriented industries in developing countries are not at all sold in the domestic markets.</p> <p>In such cases comparable current domestic values do not exist.</p> <p>It may be pointed out that the procedures for levy of customs duty on the basis of domestic price in the exporting country instead of the invoice price has had a discouraging effect on the development of India's exports.</p> <p>Growth of exports of textiles has generally been adversely affected.</p>

CANADA (cont'd)

Restriction	Products affected	Notified by	Comments
<b>Technical and administrative matters</b>			
Sanitary regulations applied by Canada.	Hides and skins, sausage casings.	India	It is found that some times these sanitary regulations inhibit importation of certain products of developing countries.

BELGIUM

Restriction	Products affected	Notified by	Comment
<u>Other restrictions</u>			
Mixing requirements.	Cotton yarn.	India	Manufacturers of carpets are required to purchase certain specified proportions of cotton yarn required by them from domestic producers and imports are allowed only for the balance of their requirements.

FRANCE

Restriction	Products affected	Notified by	Comments
<u>State trading</u>			
State trading or monopoly organizations like producers' associations.	Tobacco, manganese ore.	India	Not conducive to increased purchases from developing countries... a general reluctance to import from non-traditional sources even though the goods are available from these sources at competitive prices.
<u>Other restrictions</u>			
Mixing requirements.	Jute sacks.	India	No-export from France to the franc-zone area is permitted on the condition that for each three units exported, one should be the product of the French jute industry.

FEDERAL REPUBLIC OF GERMANY

Restriction	Products affected	Notified by	Comments
<u>Valuation for customs purposes</u>			
In the case of the Federal Republic of Germany, the importers generally prefer to obtain their requirements through the agents of Indian exporters in that country. It is understood that the fee charged by the agents is added to the value of the goods for the purpose of calculation of the import duty.	Various.	India	This practice does not appear to be based on accepted international tariff valuation principles. It also imposes an unnecessary burden on the trade.

ITALY

<u>Restriction</u>	<u>Products affected</u>	<u>Notified by</u>	<u>Comments</u>
<u>State trading</u>	Tobacco, mineral ores. India		Not conducive to increased purchases from developing countries... a general reluctance to import from non-traditional sources even though the goods are available from these sources at competitive prices.
<u>Other restrictions</u> <u>Mixing requirements</u>	Vegetable oils.	India	Imports are licensed on the basis of purchase of a proportion of vegetable oil of indigenous origin.

JAPAN

Restriction	Products affected	Notified by	Comments
<u>Technical and administrative matters</u>			
Sanitary regulations.	Hides and skins.	India	<p>Understood that Japan requires imports to be accompanied by a certificate that the animals to which the hides and skins belong had not suffered from any infectious disease. The certificates to the effect that the hides and skins themselves are free from any such disease do not meet the requirements of the Japanese sanitary regulations. This inhibits the import.</p>

SWITZERLAND

Restriction	Products affected	Notified by	Comments
<u>Valuation for customs purposes</u>			
Minimum prices. It is understood that minimum prices are fixed for the importation of these products.	Cotton, woollen and other textiles.	India	The minimum prices afford undue protection to domestic industries and deny normal trade opportunities to exporters to compete in the Swiss market on the basis of comparative cost advantage.
<u>Technical and administrative matters</u>			
Sanitary regulations.	Canned fish and shrimps.		Regulations create an obstacle to export of the products concerned.

UNITED STATES

Restriction	Products affected	Notified by	Comments
<u>Valuation for customs purposes</u> American selling price system.	Various, especially rubber footwear.	India	... has resulted in duty being levied at a substantially higher level than the official tariff rate, in the case of such exports as that mentioned.
<u>Technical and administrative matters</u> Sanitary regulations.	Certain fresh fruits.	India	... creates an obstacle in the way of export of these products.