

INDIA

I N D I A

Statement of contribution

List of offers

Note on administrative procedures

SECRET

No 1

CONFIDENTIAL

AMBASSADOR OF INDIA
FOR
ECONOMIC AFFAIRS

~~SECRET~~
565 AVENUE LOUISE (TEL. NO. 46 79 76)

BRUSSELS

No. Bru/241.3/10/65.

October 18, 1965.

The Director-General,
GATT Secretariat,
Villa les Bocage,
Palais des Nations,
Geneva.

Subject: Kennedy Round of trade negotiations -
India's offers.

Sir,

I have the honour to refer to the notification made to you on 12th April on behalf of the Government of India (copy circulated by you in document No. TN 64/43 dated the 26th April 1965) regarding their readiness to table a statement of the offers which they would make as a contribution to the objectives of the Kennedy Round of trade negotiations and to state as follows:

2. The Government of India have carefully examined the lists of exceptions notified to them, as also the information supplied therewith, by the countries participating in the trade negotiations on the basis of a linear reduction in tariffs and have reached the conclusion that until substantial changes are made in these lists and further positive steps are taken in pursuance of the decisions incorporated in the Resolution, particularly part D thereof, adopted by the Trade Negotiations Committee on 6th May 1964, these negotiations might result in a net loss in trading opportunities to India.

3. The Government of India have, nevertheless, been encouraged by the statements made by the Representatives of the participating countries in the course of the examination of the exceptions lists, carried out in accordance with the procedure set out in para 2(c) of document No. TN 64/41/Rev. dated 18th March 1965, to believe that further negotiations may help to reach conclusions beneficial to the trade of India.

CONFIDENTIAL

AMBASSADOR OF INDIA
FOR
ECONOMIC AFFAIRS
~~XXXXXXXXXXXXXXXXXXXX~~
565 AVENUE LOUISE (TEL. NO 48 79 76)
BRUSSELS

Consequently, the Government of India, bearing in mind the suggestions made by the participants in the trade negotiations as to the offers which India might make as a contribution towards the overall objectives of the trade negotiations, and desirous of making, at this stage of the negotiations, an appropriate contribution to their ultimate success, make the following initial offers:

(i) To agree to reduction in the margin of preference enjoyed by India in respect of products included in the linear or specific offers made by the concerned importing countries, e.g. United Kingdom and Canada, provided that adequate compensation by way of comparable concessions or like advantages is offered, in the course of these negotiations, in respect of these and other products, by other developed countries participating in these negotiations;

(ii) To negotiate, subject to prior consultation with the United Kingdom, in respect of a limited number of products of interest to other developed countries participating in these negotiations, a reduction in the margin of preference granted by India to such products originating in the United Kingdom;

(iii) To bear in mind, while drawing up the Fourth Plan for economic development, the need for maximising imports from countries participating in these negotiations, consistent with the country's financial resources and trade and development needs;

(iv) To take other appropriate steps to facilitate imports from countries participating in these negotiations by means of (a) rationalising the Indian Customs Tariff, and (b) simplifying the administrative procedures for the regulation of imports and the control of foreign exchange expenditure;

(v) To negotiate with other less developed countries participating in these negotiations, so willing, tariff and non-tariff measures with a view to enlarging trade exchanges with less-developed countries on the



4000 200

AMBASSADOR OF INDIA
FOR
ECONOMIC AFFAIRS
~~XXXXXXXXXXXXXXXXXXXX~~
585 AVENUE LOUISE (TEL. NO 48 79 76)
BRUSSELS

lines envisaged in Article XXXVII(4) of the GATT;

(vi) To give, having regard to India's known and well recognised limitations to grant tariff concessions in favour of developed countries and to the provisions of the Resolution adopted by the Trade Negotiations Committee on 6th May 1964 in respect of reciprocity from less developed countries, best possible consideration, in the course of further negotiations, to the suggestions which have been or may be put forward by developed countries participating in these negotiations for binding the import duty on specific products of interest to them.

4. The Government of India being convinced that the enlargement of trading opportunities for their products in the markets of the countries participating in these negotiations will increase their capacity to promote the expansion of imports into their country, look forward to full participation in these negotiations in the expectation of being able to make their maximum contribution to the liberalisation of world trade, compatible with their own trade and development needs.

5. I am to add that this offer has no bearing on our relations with contracting parties against whom Article XXXV of the GATT has been invoked by us.

I have the honour, Sir, to be
Yours faithfully,

A handwritten signature in dark ink, appearing to read 'K.B. Lall', is written over a vertical line.

(K.B. LALL)
Permanent Representative
of India to the GATT

Confidential

~~संयुक्त राष्ट्र-संघ के प्रमुखीक-सचिवालय में~~
 भारत का स्थायी मिशन ।
 PERMANENT MISSION OF INDIA to GATT
~~TO THE EUROPEAN OFFICE OF THE UNITED NATIONS~~
 2, PLACE DES EAUX-VIVES
 GENEVA

April 12, 1967.

To

The Director-General,
 GATT Secretariat,
 Villa la Bocage,
 Palais des Nations,
 Geneva.

RECEIVED

Subject: Kennedy Round of Trade Negotiations - India's offers

Sir,

I have the honour to refer to letter No. BRU/241.3/10/65, dated the 18th October, 1965 from Shri K.B. Lall, the then India's Permanent Representative to GATT, communicating India's initial offers of contributions towards the overall objectives of the Kennedy Round Negotiations.

2. Taking into account her economic development and trade needs, India offers concessions as set out in the succeeding paragraphs. These offers are contingent upon her securing in return concessions of value to her export trade in the markets of other participating countries. Accordingly, India may, in the light of her own assessment of the offers by other countries, amend, or delete, the offers made in respect of any particular item.

3. India offers concessions in the existing Most-Favoured-Nation duties in the Indian Customs Tariff on the following items:-

Tariff classification.	Description	MFN Tariff (as on 1.4.1967)	Offer
1.	2.	3.	4.
Ex. 10	Maize.	Free	Free
24(3)	Tobacco, unmanufactured.	Rs.50/- per kg.	Rs.25/- per kg.
Ex. 28	Alumina imported for the manufacture of aluminium.	60%	15%
Ex. 28	Chloroquine diphosphate and Chloroquine sulphate.	60%	27½%
Ex. 72	Reciprocating pumps.	40%	27½%
Ex. 72	Air compressors.	40%	27½%
Ex. 72	Centrifugal pumps.	40%	27½%
Ex. 72	Automatic weighing machines (excl. laboratory)	40%	27½%

R

Confidential

1.	2.	3.	4.
Ex. 72(1)	Cotton combing machinery.	40%	27½%
Ex. 72(1)	Cotton winding machinery.	40%	27½%
Ex. 72(3)	Component parts of boilers as are essential for the working of boilers and have been given for that purpose some special shape or quality which would not be essential for use for any other purpose.	40%	27½%
Ex. 72(3)	Component parts of centrifugal pumps, as are essential for the working of centrifugal pumps and have been given for that purpose some special shape or quality which would not be essential for use for any other purpose.	40%	27½%
Ex. 87	Synthetic abrasive grains, imported for the manufacture of grinding wheels, or coated abrasive.	60%	27½%

4. Subject to consent of the British Government, India offers to eliminate margins of preference in the Indian Customs Tariff in respect of the following products of the United Kingdom origin:-

Tariff classification.	Description.	Margins of preference.
22(5)(b)	Drugs and medicines containing spirit.	Rs.0.90 per litre or 10% (whichever is higher).
Ex. 28	Chloroquine.	10%
Ex. 28	Alumina imported for the manufacture of Aluminium.	10%
28(28)(b)	Vitamins and Vitamin preparations excluding fish liver oil free from other therapeutic ingredients.	6%
73(13)	Wireless transmission apparatus.	10%

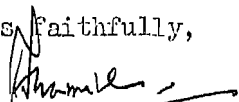
5. Since June 1966, effective rates of customs duty on a large number of essential products have been substantially reduced. The regulatory duty of 10% has also been withdrawn. Imports to meet the requirements of raw materials, and of components and spare parts of industries accounting for between 75% to 80% of the industrial production of the country, have been liberalised. These, and other measures taken for simplification and rationalisation of administrative procedures for regulation of imports are described in the annexed note.

R

6. In accordance with the objectives of the Kennedy Round Trade Negotiations, India is actively engaged in negotiations for enlarging trade exchanges amongst the less-developed countries. To this end, India hopes shortly to be able to table her offers of concessions to the trade of other less-developed countries.

I have the honour, Sir, to be

Yours faithfully,



(T. Swaminathan)

Permanent Representative of India to GATT.

ANNEX

Note referred to in para 5 of the offer list

India continues to be in serious Balance-of-Payment difficulties, and the position regarding the availability of foreign exchange resources in the form of credits or otherwise remains uncertain. In spite of this situation, important measures for liberalising imports have been effected very recently.

2. In June 1966, the rates of Customs duty on a number of essential products were reduced by a substantial extent. The regulatory duty of 10% was also withdrawn.

3. Liberal licensing has been introduced to meet the requirements of imported raw materials, components and spare parts of a large number of industries. A list of these industries is enclosed. These account for more than 75% to 80% of industrial production in the country. The system of import licensing in their case is now need-based, and geared to maximising their production. Similar liberal policy is now extended to other large scale as well as small scale industries.

4. Under the new policy, all categories of imports are freely given import licences for spare parts of essential machinery and equipment. In respect of such imports, the licensee is now given discretion to import any permissible products within the total value of the licence granted to him.

5. The administration of import licensing was recently reviewed by two Expert Committees, and in the light of their recommendations, improvements in import licensing procedures have been effected. The simplification and rationalisation introduced in the procedures are intended to remove possibilities of delays and uncertainties in granting import licences, and to facilitate their utilisation by the licensees.

6. The new procedures are intended to emphasise the role of import control machinery as a servicing organisation, and minimising the points of control. They are also designed to avoid any delays, and difficulties in clearance of goods owing to possibilities of technical or unintentional infringements of import control regulations.

7. The Government of India have accepted the recommended action of an Expert Committee for transposing the Indian Customs Tariff into the internationally accepted Brussels Tariff Nomenclature. It is expected that the proposed reform will considerably reduce the scope for doubts and disputes about customs classification and the rate of duty to

particular imports.

8. A study for establishing close alignment between the classification of products for customs, import licensing, and trade statistics purposes is also being carried out by the Expert Committee.

✓ l.s.
LIST OF INDUSTRIES

referred to in paragraphs
of the Annex

Industries engaged in the manufacture of:

1. Motorcycles.
2. Scooters.
3. Bicycles.
4. Mopeds.
5. Agricultural Tractors.
6. Agricultural machinery and implements.
7. Pumps.
8. Fertilizers.
9. Pesticides.
10. Basic metal - iron and steel, copper, aluminium, zinc and lead.
11. Industrial and mining machinery.
12. Iron and steel castings, forgings, pipes and structures.
13. Internal combustion engines.
14. Machine tools and accessories.
15. Workshop machinery and equipment other than machine tools.
16. Small tools including cutting tools, power tools and other workshop tools.
17. Coated and bonded abrasives and polishing wheels.
18. Industrial furnaces.
19. Welding electrodes.
20. Ball and roller bearings.
21. Transformers, switchgears, motors, generators, power capacitors, rectifiers, relays and electric stampings.
22. Electrical cables and wires.
23. Storage batteries, dry batteries.
24. Electronic components.
25. Construction and earth moving equipment.
26. Cranes and hoist blocks.
27. Industrial fasteners.
28. Wire ropes.
29. Scientific and industrial instruments.
30. Cement.
31. Organic and inorganic heavy chemicals.
32. Fine chemicals.
33. Pulp, paper and newsprint.
34. Synthetic rubber.
35. Tyres and tubes.
36. Industrial explosives.

37. Industrial gases.
 38. Drugs.
 39. Medical and surgical equipment and appliances.
 40. Electro-medical and X-ray equipment.
 41. Refractories, fire bricks and insulators.
 42. Commercial vehicles including jeeps and three wheelers.
 43. Automobile ancillaries.
 44. Trawlers, dredgers and fishing boats.
 45. Leather and leather goods.
 46. Optical and laboratory glass and glass wool.
 47. Jute textiles.
 48. Tea.
 49. Coffee.
 50. Canned and preserved fish.
 51. Sanitary cans.
 52. Paints and varnishes and enamels.
 53. Man-made fibres.
 54. Matches.
 55. Telecommunication equipment.
 56. Wagons.
 57. Industrial refrigeration equipment.
 58. Sugar.
 59. Cotton textiles.
-