

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5603/Add.6  
19 March 1984

Limited Distribution

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## SUBSIDIES

### Notifications Pursuant to Article XVI:1

#### INDIA

Recognizing that moderation in export subsidies is desirable, the Government of India does not maintain any export assistance programme which is inconsistent with the provisions of the Agreement on Interpretation and Application of Article VI, XVI and XXIII of the GATT. The Government of India would, however, like to notify some important export assistance programmes in operation in their country as per details given below:

(i) Cash Compensatory Support (CCS)

The CCS is designed basically to compensate for taxes and levies on inputs used in export production. It is given on a selective basis after calculating the incidence of such duties and levies and after taking into consideration the existence of other disincentives to exports, and competitive and development needs. In many cases, particularly for traditional manufactured and non-manufactured goods, the CCS payment does not fully compensate for taxes and levies on inputs used in export production. The CCS programme is subject to periodic review to ensure that the payments are at all times fully justified by the incidence of duties and levies, and competitive and development needs.

(ii) In addition to the Cash Compensatory Support, Government assistance is also given on a selective basis for partially meeting expenditure on various measures undertaken to stimulate and diversify India's export trade by Export Promotion Councils. The incidence of benefit under these programmes is, however, small.

(iii) It is not possible to make an assessment of the trade effects of the above export assistance programmes.