

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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STATE TRADING

Notifications pursuant to Article XVII:4(a)

INDIA

The attached notification, dated 22 August 1989, has been received from the Permanent Mission of India.

NOTIFICATION PURSUANT TO ARTICLE XVII:4(a)

1. Enumeration of State Trading Enterprises

Information relating to State Trading Enterprises as per the definition under Article XVII of the General Agreement and items which are canalized for imports and exports through these enterprises, is available in the Import and Export Policy (April 1988 - March 1991) of the Government of India. Appendix 5 of Volume I and Volume II of the Import Export Policy Book contain the list of items and the enterprises designated for imports and exports of these items. A consolidated list of canalizing agencies may be seen in Annex I.

2. Reason and purpose for introduction and maintaining State Trading Enterprises

Strictly speaking, there are only two State-Trading Enterprises being maintained in India (State Trading Corporation of India and Minerals and Metals Trading Corporation of India). All the other enterprises listed as canalizing agencies for various items are product specific with primary functions other than trading. Because of their product specialisation, they have been assigned the role of canalizing agency with the objective of providing domestic stability in terms of availability and prices and facilitating the removal of structural bottlenecks related to trade in these products.

In general, the objective of canalizing certain products are the following:-

- (i) obtain better terms of trade through bulk transactions, than would otherwise have been possible;
- (ii) realize economies of scale in trade operations.

3. Description of the functioning of the State Trading Enterprises

- (i) The enterprises dealing with exports or imports or both are listed in Appendix 5 of Volume I and Volume II of the Import Export Policy (April 1988 - March 1991). The Import Export Policy of the Government of India is a published document.
- (ii) On the basis of the representations received from actual users/administrative Ministry concerned, a review is undertaken to permit imports directly by actual users also.

- (iii) The quantum of imports is based on prices, availability of foreign exchange etc.
- (iv) An inter-ministerial committee comprising concerned departments decides on the distribution and pricing of some of the canalized imports in Appendix 5 Part A of Volume I of the Import Export Policy. Imports, distribution and pricing of the items appearing in Appendix 5 Part B are governed by the connected policies of the government. Canalized exports are generally effected through specific agencies. Offers for exports are based on quotations received. In some cases prices are negotiated.
- (v) State Trading Enterprises may enter into long term contracts to fulfil contractual obligations entered into by the Government.

4. Statistical Information

The agency-wise imports and exports of canalized items undertaken in last three years are enclosed at Annexes II and III.

5. Reasons why no foreign trade has taken place in products

Even though items have been canalized, imports have not been made in some cases because of foreign exchange constraints.

ANNEX I

List of Canalizing Agencies and the products or Group of products for which they are canalized (as per April 1988-March 1991 Import-Export Policy as amended up to 31 March 1989)

Serial No.	Canalizing Agency	Nature of Trade	Products/Group of Products
1.	Balmer Lawrie & Company	Imports	Paraffin wax
		Exports	Paraffin wax type-III
2.	Central Silk Board	Imports	Raw silk, silk worm (cocoon)
3.	Cotton Corporation of India	Imports	Raw cotton
4.	Electronics Trade & Technology Development Corporation	Imports	Floppy diskette/media
		Exports	Colour picture tubes and sub-assemblies of colour T.V. containing colour TV picture tube
5.	Food Corporation of India	Imports	Cereals
6.	Indian Oil Corporation	Imports	Crude oil & petroleum products
		Exports	All petroleum products including lubricants greases and crude oil
7.	Indian Petrochemicals Corporation Ltd.	Exports	Polyethylene (low density)
		Imports	Paraxylene

Serial No.	Canalizing Agency	Nature of Trade	Products/Group of Products
8.	Indian Rare Earths Limited	Exports	Mineral ores and concentrates of thorium granular sillimanite and some other minerals containing columbite monazite, samerskite, ores and concentrates of radium, thorium, zircon and uranium
9.	Jute Corporation of India	Imports	Jute pulp, raw manila hemp (fibre), raw sisal fibre and raw jute including mesta and cuttings
		Exports	Raw jute, mesta and jute cuttings excluding caddies
10.	Kudremukh Iron Ore Company Ltd.	Exports	Iron ore concentrates and iron ore pellets produced by the company
11.	Metal Scrap Trade Corporation Ltd.	Imports	Direct reduced iron in any form, waste and scrap for remelting (melting scrap) of alloy and non-alloy steel in any form/condition (including remelting scrap ingots but excluding rerollable scrap and stainless steel melting scrap of alloy steel), old ships and vessels (except Indian Flag vessels), etc. for breaking
		Exports	Mill scale scrap

Serial No.	Canalizing Agency	Nature of Trade	Products/Group of Products
12.	Mica Trading Corporation of India Ltd.	Exports	Processed mica including mica blocks, mica films and splittings of all grades and varieties (excluding manufactured and fabricated mica), mica waste and scrap (obtained from processing mica which because of size and colour is considered below the specifications of processed mica)
13.	Minerals and Metals Trading Corporation	Imports	Asbestos raw, non-ferrous metals like lead, nickel, platinum, palladium, tin, zinc, etc. certain alloy and non-alloy steel items, all grades of pig iron (excluding pig iron chips) sulphur and fertilizers
		Exports	Iron ore (except of Goa origin), bimetal ore (of Goa origin) of certain specifications, manganese ore (excluding chemically processed manganese dioxide), all grades of bauxite (except calcined bauxite), coal and coke, chrome ore and concentrates of certain specifications
14.	National Agricultural Co-operative Marketing Federation of India	Exports	Onions
15.	National Film Development Corporation	Imports	(a) Cinematograph films (not exposed) all types and sizes, excluding black and white positive and sound negative, 8 mm (colour) and 8 mm black and white negative films

Serial No.	Canalizing Agency	Nature of Trade	Products/Group of Products
(b)			Feature films (Cinematograph films exposed) including video rights of foreign feature and video films (except when imported by Doordarshan, All India Radio, National Film Archives of India, Film and Television Institute of India and Children's Film Society of India)
Exports			Exposed cinematographic films (feature films) including sale of video rights of Indian feature films excluding low budget feature films (cost not exceeding Rs. 20 lakhs) and video taped cinema films (including cassettes)
16.	Project and Equipment Corporation of India Ltd.	Exports	Railway wagons, passenger coaches and locomotives
17.	State Trading Corporation of India	Imports	Certain chemicals, natural rubber, drugs like dapson, di-amino, diphenyl sulphone, streptomycin sulphate, vitamin A and premixes of vitamin A, oils/seeds, fatty acids and acid oils and newsprint
		Exports	Sugar molasses, ethyl alcohol or rectified spirit, benzene, jute carpet backing cloth, castor oil when exported to rupee payment areas

Serial No.	Canalizing Agency	Nature of Trade	Products/Group of Products
18.	Steel Authority of India Ltd.	Imports	HR coils of certain specifications
		Exports	Steel produced by integrated steel plants, alloy steel plants, mini steel plants, secondary producers and rerollers
19.	The Tribal Co-operative Marketing Federation of India Ltd.	Exports	Gum Karaya

ANNEX II

Imports of canalized items during 1985-86, 1986-87 and 1987-88

Serial No.	Canalizing Agency	Product/Group of products ¹	Value in Rs. million		
			1985-86	1986-87	1987-88
1.	Balmer Lawrie and Company	Paraffin wax	152.80 ²	122.10 ²	76.30 ²
2.	Central Silk Board	Raw silk	8.25	Nil	10.50
3.	Cotton Corporation of India	Raw cotton	Nil	Nil	Nil
4.	Electronics Trade and Development Corporation	Floppy Diskettes/Media	Nil	50,000 ³	Nil
5.	Food Corporation of India	Cereals	N.A.	Nil	Nil
6.	Indian Oil Corporation	Crude Oil	34,907.70	20,280.50	29,583.90
		Petroleum products	11,718.50	5,400.40	9,494.90
7.	Jute Corporation of India	Raw jute and jute cuttings	61.38	25.46	N.A.
		Sisal fibre and waste	4.28	4.51	N.A.
		Raw manila hemp	0.41	2.28	N.A.
8.	Metal Scrap Trade Corporation Ltd.	Metal scrap	1,590.00 ⁴	2,487.00 ⁴	1,969.00 ⁴
		Ships for breaking	615.00 ⁵	386.00 ⁵	149.00 ⁵
9.	Minerals and Metals Trading Corporation	Copper	1,271.00	783.00	2,304.70
		Zinc	554.00	468.00	800.60
		Lead	217.00	206.00	204.20
		Tin	239.00	273.00	190.00
		Nickel	449.00	180.00	493.00
		Aluminium	286.00	1,078.00	1,217.00
	Palladium	11.00	9.00	10.30	
	Platinum	10.00	12.00	1.60	

Serial No.	Canalizing Agency	Product/Group of products ¹	Value in Rs. million		
			1985-86	1986-87	1987-88
		Steel	2,013.13	3,345.94	3,346.00
		Asbestos raw	372.00	346.00	390.50
		Flourspar	39.00	29.00	33.50
		Sulphur	1,986.00	1,846.00	1,689.60
		Rockphosphate	744.00	915.00	912.90
		Urea	5,149.00	2,683.00	477.90
		MOP	1,512.00	1,316.00	1,247.10
		DAP	3,651.00	1,379.00	Nil
		SOP	Nil	33.00	21.70
		Calcium cynamide	0.89	0.38	1.90
10.	National Film Development Corporation	Feature films	13.00	16.00	16.80
		Cine raw stock	0.99	0.95	0.97
11.	State Trading Corporation of India	Edible oils	7,681.90	5,285.10	9,477.70
		Newsprint	1,182.30	1,198.30	1,813.00
		Natural rubber	366.20	452.00	487.40
		Fatty acids	237.40	127.30	405.40
		LA Benzene	337.10	485.50	651.00
		Other chemicals and drugs	288.10	260.80	316.20
12.	Steel Authority of India Ltd.	Saleable steel	618.00 ⁶	73.10 ⁶	-

¹Canalized during the relevant year.

²Figures are for calendar years 1985, 1986 and January to July for 1988.

³Figure in quantity (No. of pieces).

⁴Thousand tonnes in quantity.

⁵Thousand LDT in quantity.

⁶Figures relate to thousand tonnes in quantity and relate to residual imports of saleable steel.

ANNEX III

Exports of Canalized Items during 1985-86, 1986-87 and 1987-88

Serial No.	Canalizing Agency	Product/Group of products ¹	Value in Rs. million		
			1985-86	1986-87	1987-88
1.	Indian Oil Corporation	Petroleum products	4,494.90	3,551.30	5,947.90
2.	Indian Petrochemicals Corporation Ltd.	Polyethylene (low density)	Nil	Nil	Nil
3.	Indian Rare Earths Ltd.	Rare earths, minerals and compounds	131.88	143.73	154.90
4.	Jute Corporation of India	Raw jute Jute cuttings	29.29 0.17	51.75 0.75	N.A. N.A.
5.	Kudremukh Iron Ore Company Ltd.	Iron ore concentrates	383.30	573.70	56.40
6.	Mica Trading Corporation of India Ltd.	Processed mica and waste	241.40	218.60	230.80
7.	Minerals and Metals Trading Corporation limited	Iron ore Manganese ore Chrome ore Coal Bauxite	3,357.00 211.00 224.00 90.00 24.00	3,628.00 108.00 78.00 93.00 17.00	2,994.20 85.20 146.30 132.70 24.40

Serial No.	Canalizing Agency	Product/Group of products ¹	Value in Rs. million		
			1985-86	1986-87	1987-88
8.	National Agricultural Co-operative Marketing Federation of India Ltd.	Onions	412.44	527.53	N.A.
9.	National Film Development Corporation	Feature films	73.40	69.13	88.18
10.	Projects and Equipments Corporation of India Ltd.	Wagons, locos, spares and coaches	79.87	152.32	20.07
11.	State Trading Corporation of India Ltd.	Jute goods (jute carpet backing cloth)	8.63	17.82	10.00
		Molasses	0.64	-	-
		Castor oil	20.17	15.26	51.17
12.	Steel Authority of India Ltd.	Saleable steel	Nil	27.30 ²	42.45 ²
13.	Tribal Co-operative Marketing Federation of India Ltd.	Gum Karaya	71.03	57.35	N.A.

¹Canalized during the relevant years.

²Figures are thousand tonnes quantity.