

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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NOTIFICATION UNDER PARAGRAPH 3 OF THE DECLARATION ON
TRADE MEASURES TAKEN FOR BALANCE-OF-PAYMENTS PURPOSES¹

India

The Secretariat has received the following communication from India, dated 8 November 1990.

1. As you are aware, the Government of India announced a new Import and Export Policy for the period April 1990 to March 1993 in April 1990. However, keeping in view the deterioration in the balance-of-payments position, the Government announced in July 1990, a series of measures to compress imports. I enclose a full set of notifications issued in July 1990 in pursuance of the above objective. Also enclosed are the following documents:

- (1) Import and Export Policy
1990-93 (Volumes I and II)
- (2) Hand Book of Procedures
1990-93 (Volumes I and II)
- (3) Press Note on Import and Export Policy.²

2. Copies of the notifications issued in July 1990 are being made available in terms of Paragraph 3 of the³ 1979 Declaration on Trade Measures Taken for Balance-of-Payments Purposes.

¹BISD 265/205.

²Copies of these documents are available for consultation in Room 1064, Centre William Rappard.

³English only/anglais seulement/inglés solamente.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

IMPORT TRADE CONTROL

Public Notice No. 44-ITC(PN)/90-93
New Delhi: dated 20 July 1990

Subject: Import and Export Policy for April 1990-March 1993

1. Attention is invited to the Import and Export Policy for April 1990-March 1993, published under the Ministry of Commerce Public Notice No. 1-ITC(PN)/90-93 dated 30 March 1990, as amended.

2. The following amendments shall be made in the Policy at appropriate places indicated below:

Sl. No.	Page No. of Import and Export Policy, 1990-93 (Volume I)	Reference	Amendment
1.	22	Chapter V 63(1)	The following may be added at the end of this sub-paragraph: "However, Actual Users engaged in the manufacture of automobiles, electronic items and consumer durables will be required to follow List Attestation Procedure for import of raw materials and components under Open General Licence as mentioned in this policy irrespective of whether they are subject to Phased Manufacturing Programme of Indigenization or not."
2.	23	Chapter V Paragraph 64 Sub-paragraph (3)	The word "not" appearing in the first line of this sub-paragraph may be substituted by the word "also".
3.	23	Chapter V Paragraph 64	After the existing sub-paragraph (4) the following new sub-paragraph shall be added: "(5) Notwithstanding anything contained in this policy, Actual Users engaged in the manufacture of automobiles, electronic items and consumer durables will be required to follow the List Attestation Procedure for import of components as well as raw materials under Open General Licence irrespective of whether they are subject to Phased Manufacturing Programme of Indigenization or not. In the case of large scale units, the list attestation will be done by the concerned sponsoring authority, while in the case of Small Scale Units, the list attestation is to be done by the Development Commissioner (SSI), New Delhi or the Small Industries Development Organization (SIDO) on his behalf."

(cont'd)

1	2	3	4
4.	23	Chapter V Paragraph 65 Sub-paragraph (2)	This sub-paragraph shall be substituted by the following: "(2) Entitlement for Supplementary licences will be worked out on the basis of requirements for a period of 18 months, after allowing a growth rate of 10 per cent and deducting the value of unutilized licences, stocks in hand and those in the pipeline. In the case of units under the Phased Manufacturing Programme of Indigenization the application should be as per the Phased Manufacturing Programme of Indigenization. However, the recommendation for grant of supplementary licence shall be limited to the actual requirements for a period of 12 months only".

3. The above amendments in the Import and Export Policy have been made in public interest.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

IMPORT TRADE CONTROL

Public Notice No. 45-ITC(PN)/90-93
New Delhi: dated 20 July 1990

Subject: Import and Export Policy for April 1990-March 1993

1. Attention is invited to the Import and Export Policy for April 1990-March 1993, published under the Ministry of Commerce Public Notice No. 1-ITC(PN)/90-93 dated 30 March 1990, as amended.

2. The following amendments shall be made in the Policy at appropriate places indicated below:

Sl. No.	Page No. of Import and Export Policy, 1990-93 (Volume I)	Reference	Amendment
1	2	3	4
1.	108	Appendix 1, Part B, Item No. 1 Machinery for jute industry <u>Sub-entry No. (1)</u> Baling press (hydraulic)	The item appearing at Sub-entry No. (1) shall be deleted
2.	108	Appendix 1, Part B, Item No. 2 Machinery and equipment for printing and allied processes <u>Sub-entry No. (7)</u> Electronic image assembly and page make-up systems and <u>Sub-entry No. (9)</u> Fully programmed paper cutting machine and three knife trimmers	The items appearing at Sub-entry Nos. (7) and (9) shall be deleted
3.	109-111	Appendix 1, Part B, Item No. 3(1) Machine Tools Sub-entry No. (12) Automatic hydraulic straightening press with programmable sequence for checking and straightening <u>Sub-entry No. (30)</u> Centreless grinding machine with peripheral speed higher than 45 metres per second <u>Sub-entry No. (66)</u> High pressure continuous moulding machine lines/systems with or without flasks for foundry <u>Sub-entry No. (67)</u> High pressure moulding machine for foundry	The items appearing at Sub-entry Nos. (12), (30), (66), (67), (87), (94), (99), (103), (109), (117) and (126) shall be deleted

(cont'd)

1	2	3	4
		<u>Sub-entry No. (87)</u> NC/CNC/Optional profile Oxy-Acetylene flame cutting machine	
		<u>Sub-entry No. (94)</u> Polygon milling machine/polygon profile machine	
		<u>Sub-entry No. 99)</u> Profile projector with co-ordinate table - 200 x 160mm. and above with accuracy 5 micron and better	
		<u>Sub-entry No. (103)</u> Reprogrammable point to point or continuous path industrial robots	
		<u>Sub-entry No. (109)</u> Spark erosion machine, 3-axis CNC with metal removal rate above 1000 cu. mm./minutes	
		<u>Sub-entry No. (117)</u> Thermal deburring machine	
		and <u>sub-entry No. (126)</u> Turning, milling, lapping and thread chasing machines for watch case manufacture	
4.	118	Appendix 1, Part B, Item No. 10 Cinematographic studio and film laboratory equipment	The items appearing at at sub-entry Nos. (8), (9) and (12) shall be deleted
		<u>Sub-entry No. (8)</u> Automatic or semi-automatic film developing and processing machine with micro-processor based system	
		<u>Sub-entry No. (9)</u> Automatic/semi-automatic film developing processing and printing machines with micro-processor based system for still colour photography for photographic studies	
		and <u>Sub-entry No. (12)</u> Colour film printing machines	
5.	119	Appendix 1, Part B, Item No. 10 Cinematographic studio and film laboratory equipment	The item appearing at sub-entry No. (38) shall be deleted
		<u>Sub-entry No. (38)</u> Sound mixing equipment	

(cont'd)

1	2	3	4
6.	121-124	Appendix 1, Part B, Item No. 12 Machinery for manufacture of electronic and telecommunication equipment and components	The items appearing at sub-entry Nos. (59), (69), (70), (78), (97), (117), (141), (145), (154), (189), (190), (194), (199), (204) and (228) shall be deleted
		<u>Sub-entry No. (59)</u> CNC automat, bar capacity up to 25mm., for manufacture of connectors, relays or switches	
		<u>Sub-entry No. (69)</u> Chemical vapour depressing/ cleaning/desmearing equipment	
		<u>Sub-entry No. (70)</u> Cold chamber minus 30 degrees centigrade and below	
		<u>Sub-entry No. (78)</u> Conveyor furnace with or without atmosphere control/gas handling system with accessories and options, for electronic components	
		<u>Sub-entry No. (97)</u> Etching system complete with etchant regeneration in-line ink removal and washing for PCB production	
		<u>Sub-entry No. (117)</u> High speed duplicating system (excluding cassette to cassette type) for manufacture of pre-recorded audio cassettes above 1:8 ratio	
		<u>Sub-entry No. (141)</u> Metallurgical microscope for semi- conductor manufacture (magnification) equal to or greater than 400	
		<u>Sub-entry No. (145)</u> Multi-slide punching and forming machine	
		<u>Sub-entry No. (154)</u> Oxygen monitor to measure oxygen in gases used in the semi-conductor device manufacture with sensitivity 500 ppm. or better	
		<u>Sub-entry No. (189)</u> Slurry agitator for manufacture of magnetic tape	

(cont'd)

1	2	3	4
		<u>Sub-entry No. (190)</u> Slurry mixture for manufacture of magnetic tape	
		<u>Sub-entry No. (194)</u> Spin driers/rinser driers/ scrubbing machine/rubbing machine for PCBs	
		<u>Sub-entry No. 199)</u> Stripper for PCB production	
		<u>Sub-entry No. (204)</u> Temperature cycling and environmental oven for heat stabilization of electronic components	
		and <u>sub-entry No. (228)</u> Viscosity meter	
7.	128	Appendix 1, Part B, Item No. 19 Dairy industry equipment <u>Sub-entry No. (4)</u> Homogenisers	The item appearing at Sub-entry No. (4) shall be deleted

3. The above amendments in the Import and Export Policy have been made in the public interest.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

IMPORT TRADE CONTROL

Public Notice No. 71-ITC(PN)/90-93
New Delhi: dated 9 October 1990

Subject: Restoration of cut of 15 per cent on import of raw materials, components and spares by Actual Users

1. As a measure of import compression, a cut of 15 per cent is being imposed on import of raw materials, components and after-sales service spares by Actual Users engaged in the manufacture of automobiles, electronic items and consumer durables. The 15 per cent cut is applicable in respect of imports of raw materials and components under Open General Licence (OGL) as well as against the Supplementary Licences. However, the cut of 15 per cent will not be applicable to Actual Users engaged in the manufacture of the following items:

- (i) Automobile head lamps/automobile bulbs (including tungsten filament incandescent electric lamp bulbs for use on automobiles);
- (ii) Automobile bodies;
- (iii) Plastic products manufactured by use of imported polymers;
- (iv) Automotive tyres and tubes.

2. In order to ensure that there is no curtailment in the industrial production, it has been decided to restore the cut of 15 per cent on import of raw materials and components as well as against after-sales service spares, on surrender of REP/Additional Licences, as indicated below:

- (i) Quantity and value of Supplementary Licences and after-sales service spares licences subjected to the cut of 15 per cent will be enhanced by the concerned licensing authority on surrender of REP/Additional Licences of equivalent value and having a minimum validity of 3 months.
- (ii) As regards import of Open General Licence raw materials and components under List Attestation Procedure, Actual Users will be required to surrender REP/Additional Licences of equivalent value and having a minimum validity of three months to the concerned licensing authority and obtain a certificate therefor. On the basis of such certificate, the concerned List Attestation authority will restore the cut of 15 per cent applied on import of Open General Licence raw materials and components.

- (iii) All types of REP/Additional Licences - both flexible and non-flexible, will be acceptable for surrender provided there is a minimum validity of 3 months on the date of surrender. Proforma for surrender of REP/Additional Licences and grant of Certificate therefor are given in Annexures A and B.
- (iv) The sponsoring authority will consider grant of duty concession for such imports.

3. This has been issued in public interest.

ANNEX A

Annexure to Ministry of Commerce Public Notice No. 71-ITC(PN)/90-93
Dated 9 October 1990

Proforma for Surrender of REP and Additional Licences

To

(Name of the concerned Licensing Authority)

Subject: Surrender of REP and Additional Licences
for restoration of 15 per cent cut

Dear Sir

1. In accordance with the Ministry of Commerce Public Notice No. 71-ITC/(PN)/90-93 dated 9 October 1990, we are sending herewith REP/Additional Licences, as per attached list, having a minimum validity of three months and for a total value of Rs. _____ for the purpose of restorate of 15 per cent cut imposed on import of raw materials, components and after-sales service spares under Open General Licence/Supplementary Licence No. _____ dated _____. The said Supplementary Licence in duplicate is also sent herewith for necessary enhancement in value and quantity.

2. You are also requested to grant us a Certificate in respect of the total value of REP/Additional Licence surrendered in order to enable us to approach the List Attestation Authority for restoration of the 15 per cent cut imposed on the OGL items.

Yours faithfully

()

Place _____

Name and factory address
of the Actual User _____

Date _____

ANNEX B

Annexure to Ministry of Commerce Public Notice No. 71-ITC(PN)/90-93
Dated 9 October 1990

Form of Certificate in Respect of Surrender
of REP and Additional Licences

This is to certify that M/s. _____
of _____

(indicate here the factory address)

have surrendered to this office REP/Additional Licences (as per details given in the list enclosed) having a minimum validity of three months and for a total value of Rs. _____, towards restoration of the cut of 15 per cent imposed in respect of import of OGL raw materials and components under List Attestation Procedure, in terms of Ministry of Commerce Public Notice No. 71-ITC(PN)/90-93 dated 9 October 1990.

Signature _____

Name and address
of the Licensing
Authority under
whose jurisdiction
the factory of the
applicant is located

Place _____

Date _____

IPC Circular No. 3/90-93

F. No. IPC/4/5(31)/90-93/
Government of India
Ministry of Commerce
Office of the Chief Controller of Imports and Exports

New Delhi, 24 July 1990

To:

ALL SPONSORING AUTHORITIES
ALL LICENSING AUTHORITIES

Subject: Import of raw materials, components, consumables and spares
under Open General Licence and against Supplementary Licences

Sir

1. Attention is invited to the provisions contained in Paragraphs 63 to 65 of the Import and Export Policy, 1990-93 (Volume I) and Paragraph 220 of the Hand Book of Procedures, 1990-93 (Volume I) regarding import of raw materials and components under OGL and against Supplementary Licences. Attention is also invited to Paragraph 80 of the Import Policy and Paragraph 241 of the Hand Book of Procedures regarding granting of licences for after-sales service spares.

2. In the context of the present difficult balance-of-payment situation, it has been decided, as a matter of import compression, to impose a cut of 15 per cent on import entitlements of Actual Users engaged in the manufacture of automobiles, electronic items and consumer durables during the licensing year 1990-91. The 15 per cent cut will be on imports of raw materials and components under OGL as well as against Supplementary Licences. This cut will also be applicable in respect of grant of licences for after-sales service spares. In this connection attention is invited to Ministry of Commerce Public Notice No. 44-ITC(PN)/90-93 dated 20 July 1990 laying down that the List Attestation Procedure will be required to be followed for import of raw materials and components under OGL by all Actual Users engaged in the manufacture of automobiles, electronic items and consumer durables irrespective whether they are subject to Phased Manufacturing Programme of Indigenization or not.

3. In accordance with the provisions contained in the Import Policy and Procedures, recommendation for granting Supplementary Licences to Actual Users engaged in the above-mentioned sectors is to be made on the basis of foreign exchange provided in the Supplementary Licence(s) granted for the previous licensing year after allowing a growth rate of 10 per cent and imposition of a cut of 15 per cent. Import of raw materials and components under OGL by the above-mentioned actual users will also be subject to a cut of 15 per cent. As provided in Public Notice No. 44-ITC(PN)/90-93, dated

20 July 1990, such Actual Users are required to follow List Attestation Procedure and while attesting the list, the cut of 15 per cent is to be applied on the c.i.f. value of actual imports made by an Actual User during the previous licensing year. In this case also a growth of 10 per cent may be provided.

4. A growth rate of higher than 10 per cent may be allowed by the sponsoring authority where considered necessary but the growth rate should be in inverse proportion to import intensity of the item being manufactured. In other words, where the dependence on imports is high the growth rate should not be more than 10 per cent. However, there may be no objection to allowing a higher growth rate where the import content is small.

5. The cut will be applicable in respect of both raw materials and components and will be applied by value on the aggregate value of the assessed requirement of imported inputs for the unit.

6. In the case of large scale units the list attestation is to be done by the concerned sponsoring authority while in the case of small scale units list attestation will be done by the Development Commissioner (Small Scale Industries), New Delhi or Small Industries Development Organization (SIDO) on his behalf.