

**EUROPEAN COMMUNITIES – ANTI-DUMPING INVESTIGATIONS  
REGARDING UNBLEACHED COTTON FABRICS FROM INDIA**

Request for Consultations from India

The following communication, dated 3 August 1998, from the Permanent Mission of India to the Permanent Delegation of the European Commission and the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the European Commission (EC) pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article 17, including Article 17.4, of the Agreement on Implementation of Article VI of GATT 1994 regarding Commission Regulation (EC) N°773/98<sup>1</sup> (hereinafter "Regulation 773/98").

2. Additionally, my authorities have instructed me to request consultations on the repeated recourse by the EC to anti-dumping actions on unbleached cotton fabrics (UCF).

3. The Government of India considers, in the light of the information which has become available before and after the adoption of Regulation 773/98, that the determination of standing, the initiation, the selection of the sample, the determination of dumping and the injury are inconsistent with WTO law. India is also of the view that EC's establishment of the facts was not proper and that EC's evaluation of facts was not unbiased and objective. Moreover, the EC authorities have not taken into account the special situation of India as a developing country.

4. The Government of India considers that infringements of the following provisions have taken place:

(i) The following provisions of the Agreement on Implementation of Article VI of GATT 1994:

- (a) Article 2, specially Articles 2.2.1, 2.4.1, 2.4.2 and 2.6,
- (b) Article 3, specially Articles 3.1, 3.2, 3.4 and 3.5,
- (c) Article 4.1 (i), and Article 5.4, alone and both in conjunction with Article 3.1,

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<sup>1</sup> In Full: Commission Regulation (EC) N°773/98 of 7 April 1998 imposing a provisional anti-dumping duty on imports of certain unbleached cotton fabrics originating in the People's Republic of China, Egypt, India, Indonesia, Pakistan and Turkey, Official Journal of the European Communities L111/19 of 9.4.98.

- (d) Article 5, specially Articles 5.2, 5.3, 5.4, 5.5 and 5.8,
- (e) Article 6.10,
- (f) Article 7, specially Article 7.1 (i) and 7.4,
- (g) Article 9, specially Articles 9.1 and 9.2,
- (h) Article 15,
- (i) (a) through (h), each alone and in conjunction with Article 12,  
as well as
- (j) Article 12, specially Articles 12.1 and 12.2;
- (ii) Article VI of GATT 1994;
- (iii) Article I of GATT 1994.

5. In view of the fact that the definitive determination has not yet been adopted by the EC Council of Ministers, the Government of India would like to state that the present request for consultations is without prejudice to its position regarding possible imposition of definitive anti-dumping measures by the EC authorities.

6. Since 1994, the EC has initiated three<sup>2</sup> anti-dumping investigations against import of cotton fabrics (which included unbleached cotton fabrics) from India, the last two being targeted only at unbleached cotton fabrics. These investigations have been carried out back to back, with the termination of one investigation being immediately or almost immediately followed by the initiation of the next.

7. The repeated recourse to anti-dumping action on an item which is already under quantitative restriction without the EC authorities having ever adopted a definitive determination that imports of UCF from India were dumped and caused injury to the EC's domestic industry has resulted in a tangible decline of exports of UCF to the EC and, as a result, nullifies or impairs the benefits accruing to India under the WTO Agreement. India requests consultations on this aspect in the light of Article XXIII(i)(b) of GATT 1994.

We look forward to receiving your reply to the present request and to fixing a mutually convenient date for consultations in this regard.

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<sup>2</sup> These anti-dumping proceedings are the proceeding concerning cotton fabrics from *inter alia* India [OJ 1994 C17/3 (initiation), OJ 1996 –42/16 (termination)]; the proceeding concerning unbleached cotton fabrics from *inter alia* India [OJ 1996 C50/3 (initiation), OJ 1996 L295/3 (provisional anti-dumping duties)]; and the current anti-dumping proceeding concerning unbleached cotton fabrics from *inter alia* India [OJ 1997 C210/12 (initiation), OJ 1997 C235/16 (corrigendum), OJ 1998 L111/19 (provisional), OJ 1998 L154/37 (corrigendum)].