

**INDIA – MEASURES AFFECTING EXPORT OF CERTAIN COMMODITIES**

Request for the Establishment of a Panel by the European Communities

The following communication, dated 12 October 2000, from the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

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On 19 November 1997, the European Communities (EC) requested consultations with the Government of India (India) pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (the DSU), and Article XXIII:1 of the General Agreement on Tariffs and Trade 1994 (the GATT 1994) with respect to certain measures affecting the exportation of raw hides and skins from India (WT/DS120/1). Due to administrative problems in the WTO secretariat the original request for consultation was not circulated. Therefore the EC made a second request of consultation on 11 March 1998 which was circulated to WTO Members in accordance with Article 4.4 of the DSU on 23 March 1998.

The EC and India held consultations in Geneva on 16 January 1998. Although those consultations have allowed a better understanding of the position of the parties, they have failed to resolve the dispute.

The measures concerned are contained in the Foreign Trade (Development and Regulation) Act of 1992, in the Export and Import Policy 1997-2002 issued by India's Ministry of Commerce, as well as amendments thereto and implementing measures and administrative actions taken thereunder.

A negative list for the export of several commodities is maintained under the above measures. Pursuant to Part II, point 16.2, item no. 10 of the Export and Import Policy, 1997-2002, the exportation of raw hides and skins (all types excluding lamb fur skin) is subject to an export licence, to be granted by the Director General of Foreign Trade by means of a Public Notice. Export licences are not granted automatically under this scheme. Moreover, no export licences for these products have been issued.

The EC considers that the import licensing requirement laid down in Part II, point 16.2, item no. 10 of the Export and Import Policy as such amounts to an export restriction in violation of India's obligations under Article XI:1 of GATT 1994. The EC notes that on 13 January 2000 one specific product has been removed from the list of items the exportation of which is restricted by non-automatic licences. However, all the other categories of leather, including raw hides and skins, continue to be subject to the export restriction.

In addition, the EC considers that the way in which the Indian authorities administer this export licence regime amounts in fact to a ban on export which is also in violation of Article XI:1 of GATT 1994.

In view of the above, the EC hereby requests that a panel be established at the next meeting of the Dispute Settlement Body pursuant to Articles 4.7 and 6 of the DSU, and Article XXIII of GATT 1994, in accordance with the standard terms of reference provided for in Article 7.1 of the DSU.

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