

INDIA - MEASURES AFFECTING EXPORT OF CERTAIN COMMODITIES

Request for Consultations from the European Communities

The following communication, from the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, dated 11 March 1998 and received on 16 March 1998, transmits a request for consultations with India under Article XXIII of GATT 1994, is circulated to the Dispute Settlement Body in accordance with Article 4.4 of the DSU.

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My authorities have instructed me to request consultations with India pursuant to Article XXIII:1 of the General Agreement on Tariffs and Trade (GATT 1994) and Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes with regard to the provision of the EXIM Policy (1997-2002), which sets up a negative list for the export of several commodities. Under these provisions (Part II, point 16.2, item no. 10) raw hides and skins, all types excluding lamb fur skin, are listed as products the export of which requires an export licence granted by the Director General of Foreign Trade. However, licences for these products are systematically refused. The absence of significant exports for the above commodities is also supported by trade statistics drawn by international agencies. There is no evidence that such restrictions are temporary nor that they have the objective of relieving a critical shortage of products essential to the exports of India.

The European Communities have therefore come to the conclusion that an export embargo for raw hides and skins is in place. The European Communities consider that the practice described above violates the obligations of India under GATT 1994: in particular, the European Communities are of the view that the above practice contravenes, though not necessarily exclusively, the provision of Article XI of GATT 1994.

The European Communities are very concerned by this practice as it appears to nullify or impair the benefits accruing to the European Communities under GATT 1994, particularly because such practice limits the access of EC industry to competitive sourcing of raw and semi-finished materials.

I look forward to receiving your reply to this request and to fixing a mutually acceptable date for consultations.

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