

IMPORT LICENSING SYSTEM OF INDIA

Replies by INDIA to the questions from the Republic of Korea on Indian
Import Licensing Scheme for Steel Product and Other items

The following communication, dated 19 October 2009 is being circulated at the request of the delegation of India.

India thanks Republic of Korea for the questions on its Import Licensing System for steel product and other item dated 17 April 2009 and circulated in document **G/LIC/Q/IND/13** dated 20 April 2009.

Questions for India on the Import Licensing Questionnaire

Question 1: According to Article 5 of the WTO Agreement on Import Licensing Procedures (“Agreement”), “Members which institute licensing procedures or changes in these procedures shall notify the Import Licensing Committee (“Committee”) of such within 60 days of publication.” Has India notified the above mentioned measure to the Committee? If not, when does India plan to do so?

Reply: India has notified its Foreign Trade Policy 2009-14 to this Committee. The ITC(HS) Schedule for Imports which incorporates the import restrictions on some steel products is part of this Foreign Trade Policy.

Question 2(i) Whether the licensing procedure is automatic or non-automatic according to the definitions contained in Articles 2 and 3 of the Agreement?

Reply: The licensing procedure is automatic.

(ii) Expected duration of the procedure;

Reply: The government is constantly monitoring the situation and appropriate measures would be taken as and when necessary.

(iii) Reasons for the imposition of the licensing requirement;

Reply: The licensing requirement has been introduced to monitor imports in the country so that necessary safeguard measures may be taken if a further surge in imports is observed.

(iv) Criteria to select products subject to the requirement;

Reply: The government constantly monitors the situation and takes appropriate action on specific products as and when necessary.

(v) Market share of the domestically produced subject products;

Reply: Data for this is presently being collected.

(vi) The number of licenses that have been issued since the scheme went into effect;

Reply: Since introduction of the import licensing scheme on HR coils, 25 licenses have been issued until 22.4.2009.

(vii) Criteria for issuing the license;

Reply: The licenses are issued if the conditions mentioned in the Foreign Trade Policy are met.

(viii) The definition of “actual users”; and

Reply: Actual user is defined under Para 9.5 of Foreign Trade Policy, which reads as – “Actual user (industrial) means a person who utilises imported goods for manufacturing in his own industrial unit or manufacturing for his own use in their unit including a jobbing unit”.

(ix) Trade statistics during recent years.

Reply: The import data for HR coils (HS 7208) is as under:

Year	Quantity in Kgs.	Value in Indian Rupee
2005-06	2648973977	66,419,413,707
2006-07	3020665125	84,186,021,882
2007-08	3947995331	122,680,534,244
April,08-Nov,08	1950974697	94,971,781,005

Question 3: How is India’s new import licensing scheme consistent with its obligation under the GATT 1994 and WTO Agreement on Import Licensing Procedures *inter alia* the substantive provision of Article 2 and 3 of the Agreement? What measures are being taken by the Indian government to ensure that the licensing scheme does not have import restrictive effects irrespective of whether the licensing scheme concerned is automatic or non-automatic as required in the Agreement?

Reply: India’s import licensing measures are consistent with its obligation under the GATT 1994 and WTO Agreement on Import Licensing Procedures. Based on stakeholder consultations and internal deliberations, the Government takes all precautions to ensure that licensing measures minimise the import restrictive effects.
