

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/W/466

24 September 2001

(01-4519)

**Committee on Subsidies
and Countervailing Measures**

Original: English

IMPLEMENTATION-RELATED ISSUES REFERRED TO THE COMMITTEE AT THE REQUEST OF THE CHAIRMAN OF THE GENERAL COUNCIL ON 31 JULY 2001

Review by the SCM Committee of the Provisions of the Agreement on Subsidies and Countervailing Measures Regarding Countervailing Duty Investigations

Communication from India

The following communication, dated 21 September 2001, has been received from the Permanent Mission of India.

In reference to India's proposal on tiret-80 of the implementation issues regarding countervailing duty measures, in our view the issues which require clarification/amendments etc. are as under:

- | | | |
|-----|--|---|
| (a) | Limiting the countervailing duty to the amount of remission, exemption and drawback of duty in excess of these levied on inputs consumed and addition of an amount of interest on the benefit conferred. | - India is merely seeking that countervailing duty imposed should be in consistency with the obligations under the Agreement. |
| (b) | Suggestion regarding determination of average useful life of an asset. | - SCM Agreement is silent. |
| (c) | Suggestion that subsidy be deemed to exist if the exporter concerned has received the subsidy benefit during the investigation period. | - Clarification of Article 1 of the SCM Agreement. |
| (d) | Deductions and adjustment on account of expenses which the exporter has to incur for obtaining the alleged subsidy. | - Additional disciplines required under Article 14 of the SCM Agreement. |
| (e) | Definition of domestic industry (major proportion of total domestic production). | - Clarification of Article 16 of the ASCM. |
| (f) | Likeness of the product. | - Clarification of footnote 46. |

./.

- | | |
|--|--|
| (g) Review of CVD on submission of positive information regarding procedural mistake or manifest error of apprehension and withdrawal of subsidy schemes considered to confer benefit. | - Additional disciplines required under Article 21.2 of the SCM Agreement. |
| (h) Review regarding benefits conferred by subsidy schemes which have been subsequently terminated. | - Additional disciplines required under Article 12.2 of the SCM Agreement. |
| (i) Resort to facts available. | - Clarification under Article 12.7 of the SCM Agreement. |

No change in the existing provisions is required. At some places as indicated above, additional disciplines may be required to take account of certain concerns in keeping with the thrust of the Agreement.
