

WORLD TRADE ORGANIZATION

RESTRICTED

G/TRIMS/N/1/IND/1/Add.2

8 May 1996

(96-1796)

Committee on Trade-Related Investment Measures

Original: English

NOTIFICATION UNDER ARTICLE 5.1 OF THE AGREEMENT ON TRADE-RELATED INVESTMENT MEASURES

India

Addendum

The following communication, dated 11 April 1996, has been received from the Permanent Mission of India.¹

India has notified through its communication, dated 31 March 1995, *inter alia*, the following measures under Article 5.1 of the Agreement on Trade-Related Investment Measures:

"Mixing requirement in the case of newsprint and certain pharmaceutical products like penicillin and intermediates of Rifampicin."

With effect from 1 May 1995, import of all types of newsprint including glazed newsprint is being permitted without any restrictions. Thus, the measure relating to mixing requirement in the case of newsprint is no longer in force.

As regards mixing requirement in respect of certain pharmaceutical products like Penicillin and intermediates of Rifampicin, etc., I enclose further information in the prescribed format.

¹The replies in this notification follow the order of the agreed format for notifications under Article 5.1 contained in document G/TRIMS/1.

NOTIFICATION

The following notification is being circulated in accordance with Article 5.1 of the Agreement on TRIMs.

1.	Member to Agreement notifying: INDIA
2.	Agency responsible: Department of Chemicals and Petrochemicals, Government of India.
3.	Category: 1(A) of Annexure to the Agreement.
4.	Applied under discretionary authority or mandatory legislation: Discretionary authority, Enterprise subject to the measure - companies utilizing Penicillin G1 st crystal and Rifampicin Intermediates.
5.	Whether the TRIMs is general in nature, the criteria for determination: It is specific to Rifa S, - SV and Penicillin G1 st crystals.
6.	If mandatory legislation, whether the legislation requires the measure to be applied to new enterprises or new investments of existing enterprises: Although there is no mandatory legislation, the stipulation prescribed will apply to new enterprises and new investments of existing enterprises.
7.	Nature of the advantage: Avoids unwarranted imports and enables countering of restrictive business practices of TNCs in the form of price fixing and differential pricing.
8.	Scope of the product specific TRIM: Rifampicin is an important anti-TB and anti-leprosy drug and Penicillin G is one of the most important anti-infection drugs which is used for manufacture of a number of downstream products. The measure establishes a link between lifting from domestic manufactures and imports. (See also Annexure I.)
9.	Date of implementation of the TRIM: For Penicillin G from 1986-1987 and for Rifampicin from 1993-1994.
10.	Provision for phasing down and/or elimination: No.
11.	Nature of implementing agency and procedures governing application of the TRIM: On the basis of actual lifting from the domestic producers the companies are permitted to import requisite quantities on the basis of entitlement issued by the Directorate General of Foreign Trade.
12.	<u>General Information on the Programme in Question</u> : India is a developing country where general standards of health coverage need improvement. The incidence of TB and Leprosy in the country is very high. The country has been making a determined effort to become self-sufficient in the production of the bulk drugs required for treating the major diseases. The measures have been initiated keeping in view the social and economic requirements of the country.

ANNEXURE I

Based on an assessment of bulk drugs locally produced, a ratio is prescribed linking domestic lifting with imports. In accordance with the measures currently in force for Penicillin, the ratio prescribed is 85 (Domestic): 15 (imported) and for Rifampicin Intermediates, the ratio prescribed is 70 (Domestic): 30 (Imported).