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Committee on Import Licensing

Original: English

## IMPORT LICENSING SYSTEM OF INDIA

### REPLIES BY INDIA TO THE ADDITIONAL QUESTIONS FROM THE EUROPEAN UNION

The following communication, dated 16 October 2015, is being circulated at the request of the delegation of India.

**1. India stated that domestic marble mining was also subject to licensing and production control due to concerns on environmental safety and that the domestic industry was also subject to comparable environmental norms<sup>1</sup>.**

- a. Could India provide the references to the exact regulation(s), or policy announcement(s), or notification(s) and production quota allocation(s) regarding its licensing and production control for environmental reasons in force for its domestic marble mining industry?**
- b. Could India provide clarification how its import licensing and quota system applied to imports could be justified from the point of view of conservation of its domestic exhaustible natural resources, bearing in mind that limitations to imports can trigger additional domestic production?**

**Reply:** Mining is closely linked with forestry and environment issues. Further, mining activity is an intervention in the environment and has the potential to disturb the ecological balance of an area. Thus, marble mining in India is subject to licensing and production control due to safety of the environment. Marble is a sensitive item for ecological and health safety reasons. A fine balance has to be maintained between requirement of mineral resource vis-à-vis environment/ecological concerns. Therefore, mining is allowed in India only after environmental clearance and there are several conditions stipulated in mining licenses. The miners are to follow the following Acts / Rules / Orders in addition to other Acts / Laws:

- (a) Mines Regulation 1961.
- (b) Rajasthan Pollution Control (Prevention & Control of Pollution) Act 1961.
- (c) Water (Prevention & Control of Pollution) Act 1974.
- (d) Forest Protection Act 1980.
- (e) Forest Maintenance Order.
- (f) Mines Rules 1955.
- (g) Marble Conservation and Development Rules, 2002.

In India, the State of Rajasthan produces about 95% of the total production of marble. Rajasthan has a very well laid down Marble Policy. Marble is a minor mineral and mining of marble is governed by Rajasthan State Minor Mineral Concession Rules (RMMCR) 1986. It is also governed by Marble Policy. So far two marble policies have been released in the years 1994 & 2002. Violation of any of these conditions attracts action against the violator as per the Act.

This policy on one hand ensures grant of limited licenses for quarrying and on other hand ensures scientific and mechanized mining resulting in protection of environment, preservation of mineral and economic development.

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<sup>1</sup> G/LIC/M/40 points 4.9 and 4.10.

2. India claimed that the Minimum Import Price is justified for quality reasons. In this respect, could India indicate what measures, if any, India has put in place with regards ensuring commensurate quality for India's domestic industry? Could India provide more information on what quality benchmarks it uses for its domestic production of marble and travertine blocks?

**Reply:** India has laid down detailed BIS standards for marble and dimensional stone in line with EN and ASTM standards.

3. India issued the "Policy for issue of import licenses of Rough Marble and Travertine Blocks for the Financial year of 2014/2015" on 20 November 2014 (Notification No 99 (RE-2013)/2009-2014). The EU recognises that this Notification raised the annual overall ceiling from 6 to 8 lakh tonnes, and some other changes, but the main elements of the licensing scheme remained unchanged (such as MIP at 325 USD/tonne). Following Notification No 99, India issued Trade Notice No.12/2014, dated 8<sup>th</sup> January 2015 announcing the allocation of import licenses for the financial year 2014-2015. The notification for marble import policy for financial year 2013-2014 (Notification No37 (RE-2013)/2009-2014 dated 26 August 2013) point VI Validity of Import Licenses states that the licenses issued under the policy for the financial year 2013-2014 "have a validity up to 30th September 2014". (N.B. the validity of the licenses for financial year 2014-2015 is up to 31 December 2015 according to Notification 99)

- a. Could India provide information if imports of marble and travertine blocks took place between 30 September 2014 and 8 January 2015? If no imports took place, could India provide clarification as for the reasons?
- b. If imports took place in the said period, could India provide clarification how import licensing was administered? In particular:
  - i. Has the validity of the original import licenses for financial year 2013-2014 been extended? If so, could India provide the reference of the notification(s) or trade notice(s)?
  - ii. Could India clarify if additional import licenses were issued for the interim period? If so, could India provide the reference of notification(s) or trade notice(s)?

**Reply:** The quota for import of marble was 1.4 lakh MTs in 2007- 2008, which has been increased to 8 lakh MTs for 2014-15. Thus, there is approximately 470% increase within 8 years which is quite substantial. A fine balance is being maintained and opening of this sector is being done in a phased manner.

More than 1.30 lakh MTs of rough Marble has been imported during the period 30.9.2014 to 8.1.2015. Import authorizations are issued with a validity period of 12 months. Validity of 99 import authorizations for the period 2013-14 were increased by the Regional Authorities of DGFT as per para 2.13 of Handbook of Procedure (HBP) Vol 1, 2009-14.

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