QUESTIONS CONCERNING THE LEGISLATION OF INDIA

United States

1. Paragraph 2.9 authorizes the Indian authorities to levy countervailing duties on products benefiting "indirectly" from bounties or subsidies, whether or not the product "is imported in the same condition as when it was exported from the country of manufacture or production or has been changed in condition by manufacture production or otherwise." Does this provision authorize the imposition of countervailing duties on products benefiting from so-called "input subsidies"? Please explain how the provision will operate.

2. Paragraph 2(b) defines the industry to include the domestic producers of a like product and "any activity connected therewith." What are such "connected activities"? How does the inclusion of such activities in the domestic industry relate to Article 6:5 of the Code, which defines the industry as domestic producers of the like product?

3. Paragraph 2(c): Why does the Indian legislation mandate the exclusion from the industry of producers who are also importers?

4. Please explain why some provisions of the text refer to "injury to any established industry in India." Does this mean that injury to any industry, even one not engaged in the production of the like or most similar product, is sufficient to justify the imposition of countervailing duties?

5. Why does Paragraph 21(2) refer to the collection of duties on a "non-discriminatory" basis? Will the Indian authorities apply an across-the-board duty to all firms and all countries in order to meet the non-discrimination requirement?

1 Document SCM/1/Add.25