

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

VAL/18

29 November 1985

Special Distribution

Committee on Customs Valuation

Original: English

REQUEST BY INDIA PURSUANT TO PARAGRAPH I:2 OF THE PROTOCOL
FOR AN EXTENSION OF THE PERIOD ALLOWED UNDER ARTICLE 21:1
FOR DELAYED APPLICATION OF THE AGREEMENT'S PROVISIONS BY
DEVELOPING COUNTRY PARTIES (VAL/17)

Communication from the United States

The attached communication was received from the office of the United States Trade Representative in Geneva on 29 November 1985 with the request that it be circulated to members of the Committee.

At the Committee on Customs Valuation's meeting of 12 - 13 November 1985, the Delegation of India requested that the Committee give sympathetic consideration to India's request for an additional period of three and one-half years, during which India would not apply the provisions of the Agreement. India's request was subsequently circulated in document VAL/17. According to paragraph I:2 of the Protocol to the Agreement, a developing country Party should show good cause for such a request.

In considering the Delegation of India's request, the Committee decided that if no objection were received by November 29, 1985, the Committee shall be deemed to have agreed in principle to the extension requested by India, with the specific duration of the extension to be considered at the Committee's first meeting in 1986. The Committee also decided that if an objection were received, a regular meeting of the Committee would be held on December 9, 1985 to consider the Indian request.

It should be noted that India accepted the Agreement on July 11, 1980, more than five months prior to the Agreement's entry into force and, consequently, the starting date for the period referred to in Article 21:1. While not relevant to the "legal" aspects of the Indian Delegation's request, this fact is relevant to the extent that it demonstrates that Indian authorities have known for nearly five and one-half years that India was expected to apply the Agreement's provisions as of 1 January 1986.

In considering our reaction to the Indian Delegation's request, the United States Delegation recalled the active role which India played in the negotiation of the Agreement and its protocol, as well as the important role played by Indian officials in both the GATT and CCC committees on valuation since the end of the Tokyo Round.

In good faith, the United States has long viewed Indian acceptance of the Agreement as an important part of India's contribution to the results of the Tokyo Round. We can only, therefore, view the Indian request for a further three and one-half year delay in the application of the Agreement's provisions as a serious matter, which needs to be given considerable thought.

Given India's sophisticated administration and established Customs bureaucracy, it is difficult for the U.S. Delegation to understand why it has not proven possible for Indian authorities to have taken the steps necessary to ensure that the Agreement's provisions would be applied on 1 January 1986. In fact, many of the points listed in document VAL/17 would appear to show good cause for applying the Agreement's provisions as scheduled, rather than good cause for further delay. Although we have undertaken a certain amount of analysis of the situation since the Committee's November 12-13 meeting, the U.S. Delegation does not believe that there has been sufficient time to carefully and thoroughly examine the economic and other implications of India's request.

As a result, the U.S. Delegation cannot agree "in principle" to the Indian request prior to a more detailed examination of the implications of this request. In order to protect our rights under the Agreement, as well as in the GATT, the U.S. Delegation requests that the Committee on Customs Valuation meet on December 9, 1985 to consider the Indian request.