WORLD TRADE ORGANIZATION

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Committee on Safeguards

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NOTIFICATIONS OF LAWS, REGULATIONS AND ADMINISTRATIVE PROCEDURES RELATING TO SAFEGUARD MEASURES

INDIA

The following communication, dated 21 September 2011, is being circulated at the request of the Delegation of India.

In pursuance to Article 12.6 of the Agreement on Safeguards, India notifies the amendment to the Foreign Trade (Development and Regulation) Act, 1992 wherein a provision has been introduced under Section 9 A giving power to the Central Government to impose quantitative restrictions as safeguard measures. A copy of the extracts from the Foreign Trade (Development and Regulation) Amendment Act, 2010 of 19 August 2010, containing the amendment to the above Act is forwarded herewith.

Sub Section (3) of Section 9 A provides for framing of Rules to implement the above provisions. India will inform these Rules as and when the Rules are notified.

THE FOREIGN TRADE (DEVELOPMENT AND REGULATION) AMENDMENT ACT, 2010

No. 25 of 2010 dated 19th August 2010

(Extracts of Section 9 A)

Chapter III A

Quantitative Restrictions

"9A (1) If the Central Government, after conducting such enquiry as it deems fit, is satisfied that any goods are imported into India in such increased quantities and under such conditions as to cause or threaten to cause serious injury to domestic industry, it may, by notification in the Official Gazette, impose such quantitative restrictions on the import of such goods as it may deem fit:

Provided that no such quantitative restrictions shall be imposed on any goods originating from a developing country so long as the share of imports of such goods from that country does not exceed three per cent or where such goods originate from more than one developing country, then, so long as the aggregate of the imports from all such countries taken together does not exceed nine per cent of the total imports of such goods into India.

(2) The quantitative restrictions imposed under this section shall, unless revoked earlier, cease to have effect on the expiry of four years from the date of such imposition.

Provided that if the Central Government is of the opinion that the domestic industry has taken measures to adjust to such injury or threat threreof and it is necessary that the quantitative restrictions should continue to be imposed to prevent such injury or threat and to facilitate the adjustments, it may extend the said period beyond four years:

Provided further that in no case the quantitative restrictions shall continue to be imposed beyond a period of ten years from the date on which such restrictions were first imposed.

(3) The Central Government may, by rules provide for the manner in which goods, the import of which shall be subject to quantitative restrictions under this section, may be identified and the manner in which the causes of serious injury or causes of threat of serious injury in relation to such goods may be determined.

(4) For the purposes of this section –

(a) "developing country" means a country notified by the Central Government in the Official Gazette, in this regard;

(b) "domestic industry" means the producers of goods (including producers of agricultural goods

(i) as a whole of the like goods or directly competitive goods in India; or

(ii) whose collective output of the like goods or directly competitive goods in India constitutes a major share of the total production of the said goods in India;

(c) "serious injury" means an injury causing significant overall impairment in the position of a domestic industry;

(d) "threat of serious injury" means a clear and imminent danger of serious injury".