

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/41

3 October 1952

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PAKISTAN LICENCE FEE AND DUTY ON EXPORTS OF JUTE

Communication from the Government of India

At the meeting of the Contracting Parties on 2 October when the adoption of the Agenda was being discussed, the representative of India stated that his Government wished to raise a certain issue under the item "Other Business". The following letter from the Indian Government dated 30 September was received that same afternoon:

.. "The facts of the case are very briefly as follows: With effect from 1 July 1952 Pakistan charged licence fee of rupees two and annas eight per maund on raw jute exports to India and to no other countries. By a notification dated 28 June 1952, Pakistan has also reduced export duty on raw jute from Rs. 7 to Rs. 3 per maund on pucca bales but only from Rs. 7 to Rs. 3-12-0 per maund on loose or katcha bales. Indian purchases are made in loose bales on which there is thus a higher export duty than for other countries. Both these measures are clearly discriminatory and appear to be calculated to place Indian manufactured jute goods at a disadvantage in world markets by making raw jute more costly to Indian mills than to United Kingdom and other Continental manufacturers.

"In our view these measures violate Article I of GATT to which both India and Pakistan are Contracting Parties. Since our efforts to find a solution to this problem during the bilateral trade talks the Government of India had with the Government of Pakistan in July last, have proved unsuccessful, and having regard to Pakistan's refusal to alter her jute policy, the Government of India propose to invoke the provisions of Article XXIII of the GATT....."

The letter states in conclusion that a more detailed document will be available for circulation to the Contracting Parties soon after 5 October.