

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

VAL/33

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Special Distribution

Committee on Customs Valuation

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COMMUNICATION FROM THE UNITED STATES

The Director-General has received the following communication from the office of the United States Trade Representative in Geneva, by letter dated 26 January 1988.

I have been instructed by my authorities to notify you that my government no longer considers the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade to apply between the United States and India.

It will be recalled that in November 1985, the Committee on Customs Valuation granted India an extraordinary eighteen-month extension of the five year delay in implementation of the Agreement that had been granted to India under Article 21 of the Agreement at the time of its accession. In May 1987, the Committee granted a request from India for a further ninety-day extension, to end on 1 July 1987. Nevertheless at the 9 November 1987 meeting of the Committee, we were advised by the representative of India that his government had not yet enacted the legislation necessary to implement the Agreement.

We find it regrettable and troubling that, after the tremendous flexibility shown by the Committee in trying to accommodate India, India has failed to meet its obligations under the Agreement.

This failure has significantly disturbed the balance of concessions achieved in the Tokyo Round. In light of India's failure to meet its obligations under the Agreement, my government sees no choice but to suspend application of the Agreement between the United States and India.