

**NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON
SAFEGUARDS ON INITIATION OF AN INVESTIGATION
AND THE REASONS FOR IT**

Replies to Questions posed by MEXICO¹
Regarding the Notification of INDIA²

The following communication, dated 13 April 1999, has been received from the Permanent Mission of India.

Q.1 Taking into account that Mexico represents 0.64 per cent of total Indian imports of propylene glycol, according to the data of the final decision of the investigation, and that it is the only developing country Member whose individual share does not exceed 3 per cent, what is the legal basis invoked by the authority not to exclude Mexico from the application of the measure.

Reply

Safeguard duty is imposed by the Government of India under Section 8B of the Customs Tariff Act 1975, which provides for exclusion of developing countries having individually a share of less than 3 per cent. The Department of Revenue had issued a list of developing countries eligible for this exemption. Inadvertently, Mexico was left out of this list. Steps are being taken to rectify this error.

Q.2 What is the legal basis invoked by the investigating authority not to give adequate opportunity for prior consultations before applying the measure to Members having a substantial interest as exporters, and specifically Mexico?

Reply

The investigating authority, namely the Director General (Safeguards), during the course of investigation had given all the interested parties (**including Mexico**) due opportunity to participate in the investigation and submit their views. The views given by the interested parties are addressed in the findings of the Director General (Safeguards).

Q.3 On what facts or evidence did the Indian authority base its determination that imports from Mexico threatened to cause injury to its domestic industry, if Mexico has not exported any propylene glycol to India in the last five years?

¹ G/SG/Q2/IND/3

² G/SG/N/6/IND/4

Reply

The safeguard duty is imposed on a non-discriminatory basis on imports originating from all sources. Imports from Mexico, therefore, were no exception and were a part of the total imports which were considered for determination of safeguard investigation.

Q.4 Could India supply data concerning propylene glycol imports from Mexico over the last five years?

Reply

The data regarding imports of propylene glycol from Mexico for the last three years is given below:

<u>Year</u> (Qty. in MT)	<u>Imports</u>
1995-96	577.14
1996-97	847.66
1997-98	11.18
(Up to August 1997)	
