

**Bill No. XXXVI of 2001.**

**THE FOREIGN TRADE (DEVELOPMENT AND REGULATION)  
AMENDMENT BILL, 2001**

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BILL

*to amend the Foreign Trade (Development and Regulation) Act, 1992.*

BE it enacted by Parliament in the Fifty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Foreign Trade (Development and Regulation) Amendment Act, 2001.

Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification, appoint.

22 of 1992.

2. In the Foreign Trade (Development and Regulation) Act, 1992 (hereinafter referred to as the principal Act), after Chapter III, the following Chapter shall be inserted, namely:—

Insertion of new Chapter IIIA.

**'CHAPTER IIIA**

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**QUANTITATIVE RESTRICTIONS**

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

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Power of Central Government to impose quantitative restrictions.

Provided that no such quantitative restrictions shall be imposed on an article originating from a developing country so long as the share of imports of that article from that country does not exceed three per cent. or where that article originates from more than one developing countries, 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 that article into India. 5

(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 thereof 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 period of such imposition: 10

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. 15

(3) The Central Government may, by rules provide for the manner in which articles, 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 articles may be determined.

(4) For the purposes of this section,— 20

(a) "developing country" means a country notified by the Central Government in the Official Gazette for the purposes of this section;

(b) "domestic industry" means the producers—

(i) as a whole of the like article or a directly competitive article in India; or 25

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

(c) "serious injury" means an injury causing significant overall impairment in the position of a domestic industry; 30

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

Amendment of section 19.

3. In section 19 of the principal Act,—

(i) in sub-section (2), after clause (e), the following clause shall be inserted, namely:— 35

"(ea) the manner in which articles, the import of which shall be subject to quantitative restrictions, may be identified and the manner in which the causes of serious injury or causes of threat of serious injury in relation to such articles may be determined under sub-section (3) of section 9A;"

(ii) in sub-section (3),— 40

(A) for the words "Every rule and every Order made", the words "Every notification issued, every rule and every Order made" shall be substituted;

(B) for the words "the rule" wherever they occur, the words "the notification or the rule" shall be substituted. 45

## STATEMENT OF OBJECTS AND REASONS

The Foreign Trade (Development and Regulation) Act, 1992 was enacted to provide for the development and regulation of foreign trade in the overall context of the new trade policy aimed at increasing productivity and competitiveness and achieving a strong export performance. As part of the new liberalized economic policy and with a view to fulfilling international obligations, India continues to remove quantitative restrictions on imports.

2. The Agreement on Safeguards enables member countries to impose quantitative restrictions by way of emergency action, if imports of such articles are in such increased quantities as to cause or threaten to cause serious injury to domestic producers of like or directly competitive articles, with a more liberal dispensation for such imports from the developing countries.

3. It is, therefore, considered necessary to amend the Foreign Trade (Development and Regulation) Act to enable the Government to impose such quantitative restrictions on imports in accordance with the Agreement on Safeguards. It is also necessary to empower the Union Government to make rules to provide for the manner in which articles liable for import restrictions may be identified and for the manner in which the causes of serious injury or causes of threat of serious injury in relation to such articles may be determined and for the manner in which import restrictions may be imposed.

4. The Bill seeks to achieve these objectives.

NEW DELHI;

MURASOLI MARAN.

*The 8th March, 2001.*

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill seeks to amend section 19 of the principal Act empowering the Central Government to make rules for the purposes of the Act. Such rules may provide, *inter alia*, the manner in which the articles, import for which shall be subject to quantitative restrictions may be identified and the manner in which the causes of serious injury in relation to such articles may be determined under sub-section (3) of section 9A.

2. The matters in respect of which rules may be made by the Central Government are matters of administrative detail or procedure. The delegation of legislative power is, therefore, of a normal character.

ANNEXURE

EXTRACT FROM THE FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992

(22 OF 1992)

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**19. (1)** \* \* \* \* \* Power to make rules

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

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(3) Every rule and every Order made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or the Order or both Houses agree that the rule or the Order should not be made, the rule or the Order, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or the Order.

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RAJYA SABHA

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to amend the Foreign Trade (Development and Regulation) Act, 1992.

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*(Shri Murasoli Maran, Minister of Commerce & Industry)*