

Postal Regn.No. DL(C)-01/1251/12-14  
Licence to Post without  
Prepayment U(C)-30/12-14  
RNI No. 42906/84

# WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 \$2

**Vol. XXIX No 04 18-24 April 2012**

Promoted by Indian Institute of Foreign Trade, World Trade Centre,  
Academy of Business Studies

Annual subscription Rs 750

## WORLD TRADE 2011, PROSPECTS FOR 2012

### India Tops Export Growth in World Trade 2011

China is No. 1 in Exports, US Keeps the World Trade Going with Imports at 12.3%

World trade expanded in 2011 by 5.0%, a sharp deceleration from the 2010 rebound of 13.8%, and growth will slow further still to 3.7% in 2012, WTO economists project. They attributed the slowdown to the global economy losing momentum due to a number of shocks, including the European sovereign debt crisis.

A significant braking of trade expansion had been forecast for 2011, but multiple economic setbacks during the year dampened growth beyond expectations and led to a stronger than anticipated easing in the fourth quarter.

WTO economists cautioned that preliminary trade figures for 2011 and forecasts for 2012 were difficult to gauge due to the extraordinary levels of volatility in financial markets and in the broader economy for the last few years.

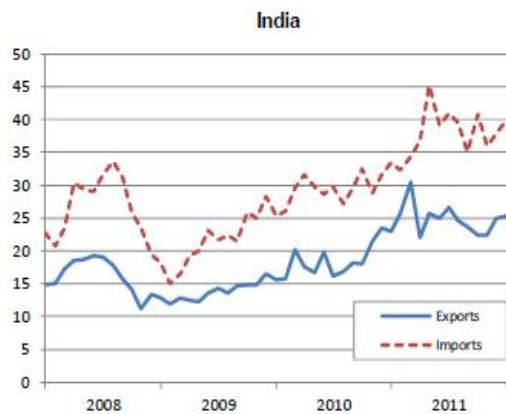
The preliminary figure of 5.0% for world merchandise trade growth in 2011 is down 0.8 points from their most recent forecast update in September 2011. These figures are in "real" terms, ie, adjusted to account for inflation and exchange rate fluctuations.

The present trade forecast assumes global output growth of 2.1% in 2012 at market exchange rates, down from 2.4% in 2011, based on a consensus of economic forecasters.

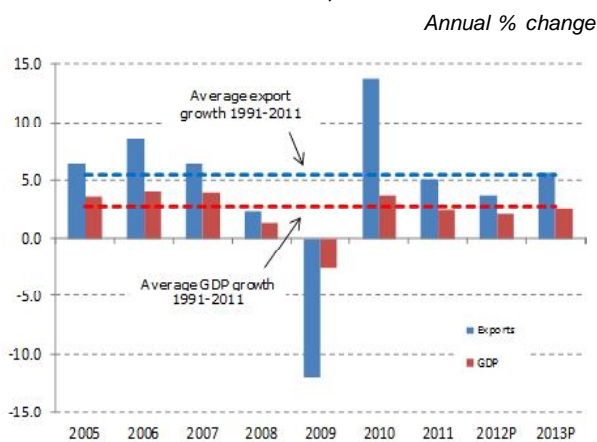
However, there are severe downside risks for growth that could have even greater negative consequences for trade if they came to pass. These include a steeper than expected downturn in Europe, financial contagion related to the sovereign debt crisis, rapidly rising oil prices, and geopolitical risks.

Developed economies exceeded expectations with export growth of 4.7% in 2011 while developing economies (for the purposes of the analysis this includes the Commonwealth of Independent States, or CIS) did worse than expected, recording an increase of just 5.4%.

Significant exchange rate fluctuations occurred during the year, which shifted the competitive positions of some major traders and prompted policy responses (e.g. Switzerland, Brazil). Fluctuations were driven in large part by attitudes toward risk related to the euro sovereign debt crisis. The value of the US dollar fell 4.6% in

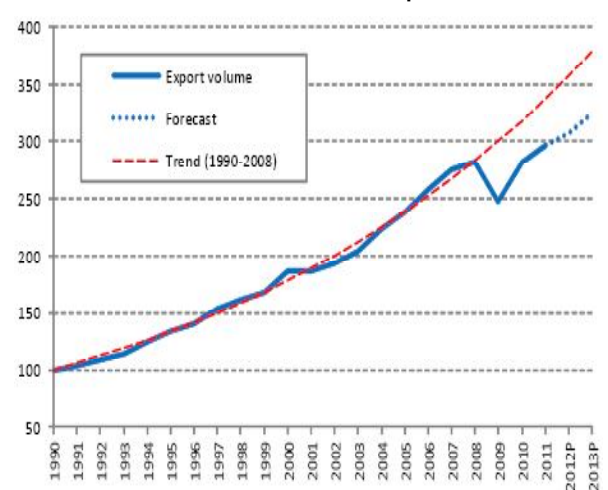


**Growth in volume of world merchandise trade and GDP, 2005-13<sup>a</sup>**



<sup>a</sup> Figures for 2012 and 2013 are projections  
Source: WTO Secretariat.

**Volume of World Merchandise Exports 1990-2011**



<sup>a</sup> Figures for 2011 are projections  
Source: WTO Secretariat

## India Moves Up to 19th Place in World Exports and Keeps 13th Position in World Imports

### Merchandise Trade: Leading Exporters and Importers, 2011

\$bn and %

Rank 2011	Rank 2010	Exporters	Value	Share	Annual % change	Rank 2011	Rank 2010	Importers	Value	Share	Annual % change
1	(1)	China	1899	10.4	20	1	(1)	United States	2265	12.3	15
2	(2)	United States	1481	8.1	16	2	(2)	China	1743	9.5	25
3	(3)	Germany	1474	8.1	17	3	(3)	Germany	1254	6.8	19
4	(4)	Japan	823	4.5	7	4	(4)	Japan	854	4.6	23
5	(5)	Netherlands	660	3.6	15	5	(5)	France	715	3.9	17
6	(6)	France	597	3.3	14	6	(6)	United Kingdom	636	3.5	13
7	(7)	Korea, Republic of	555	3.0	19	7	(7)	Netherlands	597	3.2	16
8	(8)	Italy	523	2.9	17	8	(8)	Italy	557	3.0	14
9	(12)	Russian Federation	522	2.9	30	9	(10)	Korea, Republic of	524	2.9	23
10	(9)	Belgium	476	2.6	17	10	(9)	Hong Kong, China	511	2.8	16
								- retained imports	130	0.7	16
11	(10)	United Kingdom	473	2.6	17	11	(11)	Canada a	462	2.5	15
12	(11)	Hong Kong, China	456	2.5	14	12	(12)	Belgium	461	2.5	17
		- domestic exports	17	0.1	14						
		- re-exports	439	2.4	14						
13	(13)	Canada	452	2.5	17	<b>13</b>	<b>(13)</b>	<b>India</b>	<b>451</b>	<b>2.5</b>	<b>29</b>
14	(14)	Singapore	410	2.2	16	14	(15)	Singapore	366	2.0	18
		- domestic exports	224	1.2	23			- retained imports b	180	1.0	27
		- re-exports	186	1.0	10						
15	(17)	Saudi Arabia, Kingdom of c	356	2.0	45	15	(14)	Spain	362	2.0	11
16	(15)	Mexico	350	1.9	17	16	(16)	Mexico	361	2.0	16
17	(16)	Taipei, Chinese	308	1.7	12	17	(18)	Russian Federation a	323	1.8	30
18	(18)	Spain	297	1.6	17	18	(17)	Taipei, Chinese	281	1.5	12
<b>19</b>	<b>(20)</b>	<b>India</b>	<b>297</b>	<b>1.6</b>	<b>35</b>	19	(19)	Australia	244	1.3	21
20	(19)	United Arab Emirates c	285	1.6	30	20	(21)	Turkey	241	1.3	30
21	(21)	Australia	271	1.5	27	21	(20)	Brazil	237	1.3	24
22	(22)	Brazil	256	1.4	27	22	(22)	Thailand	228	1.2	25
23	(24)	Switzerland	235	1.3	20	23	(23)	Switzerland	208	1.1	18
24	(25)	Thailand	229	1.3	17	24	(24)	Poland	208	1.1	17
25	(23)	Malaysia	227	1.2	14	25	(25)	United Arab Emirates c	205	1.1	28
26	(27)	Indonesia	201	1.1	27	26	(27)	Austria	192	1.0	20
27	(28)	Poland	187	1.0	17	27	(26)	Malaysia	188	1.0	14
28	(26)	Sweden	187	1.0	18	28	(29)	Indonesia	176	1.0	30
29	(29)	Austria	179	1.0	17	29	(28)	Sweden	175	1.0	18
30	(30)	Czech Republic	162	0.9	22	30	(30)	Czech Republic	151	0.8	<b>20</b>
		<b>Total of above d</b>	<b>14835</b>	<b>81.4</b>	<b>-</b>			<b>Total of above d</b>	<b>15180</b>	<b>82.6</b>	<b>-</b>
		World d	18215	100.0	19			World d	18380	100.0	19

a. Imports are valued f.o.b.

b. Singapore's retained imports are defined as imports less re-exports.

c. Secretariat estimates.

d. Includes significant re-exports or imports for re-export.

Source: WTO Secretariat.

nominal terms against a broad basket of currencies according to data from the Federal Reserve, and 4.9% in real terms according to data from the International Monetary Fund, making US goods generally less expensive in export.

Nominal US dollar depreciation also would have inflated the dollar values of some international transactions.

The value of world commercial services exports increased by 11% in 2011 to \$4.2 trillion,

with strong differences in annual growth rates for particular countries and regions. African exports were hit hard by the turmoil in Arab countries, recording zero growth as Egypt's exports of travel services plunged more than 30%. New quarterly data on services jointly prepared by the WTO and UNCTAD also displayed a sharp slowdown in the fourth quarter coinciding with the heightened level of financial market turmoil surrounding the euro debt crisis.

#### Dollar-Rupee Rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
17-Apr-12	51.7775	51.8000	51.5875	51.6275	51.6275	1243406	1647333	851509	51.6265
16-Apr-12	51.7700	51.8600	51.7250	51.8050	51.8050	1274462	1420968	735988	51.6590
13-Apr-12	51.4700	51.6725	51.4525	51.5100	51.5100	1294454	1696423	874797	51.4175
12-Apr-12	51.6200	51.7600	51.4700	51.7050	51.7050	1235583	1542394	796055	51.4420
11-Apr-12	51.7825	52.0000	51.5850	51.6625	51.6625	1136607	2143245	1108509	51.5470

[Source: NSE and RBI Website]

Subscription rate for the Weekly Index with World Trade Scanner

- 1 Year Rs. 750 US\$70
- 2 Years Rs. 1400 US\$140
- 3 Years Rs. 2100 US\$200

## Prospects for 2012 and 2013

The outlook for world trade darkened in recent months as the euro sovereign debt crisis threatened to undermine global growth. The agreement on a debt restructuring plan for Greece has provided some respite for governments, but at least a mild recession in the European Union may now be looming, with negative consequences for global trade and output. Emerging and developing countries would certainly be adversely affected by falling import demand in the European Union, which is the single largest market for their exports.

In light of this information, WTO economists are forecasting a slowdown in merchandise trade volume growth to 3.7% in 2012, with 2.0% export growth anticipated for developed economies and 5.6% for developing economies (including the Commonwealth of Independent States). On the import side, the WTO is projecting 1.9% growth for developed countries and 6.2% for developing economies and CIS.

Figures for 2013 are provisional estimates based on assumptions about the longer term trajectory of gross domestic product (GDP, total production in a country) and should be interpreted with an appropriate degree of caution. World trade volume for that year is expected to recover to 5.6%. Exports of developed and developing economies should increase by 4.1% and 7.2%, respectively. On the import side, developed economies should record growth of 3.9% while developing economies should advance 7.8%.

Overall, risks to the current forecast are firmly on the downside. A deeper recession in the euro area would increase social transfer payments, deprive cash strapped governments of much needed revenue, and cast doubt on the ability and willingness of countries to service their debts. This would drive up borrowing costs for countries with challenging finances and reinforce any downturn.

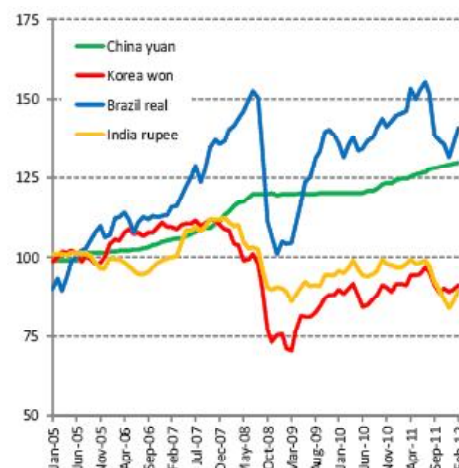
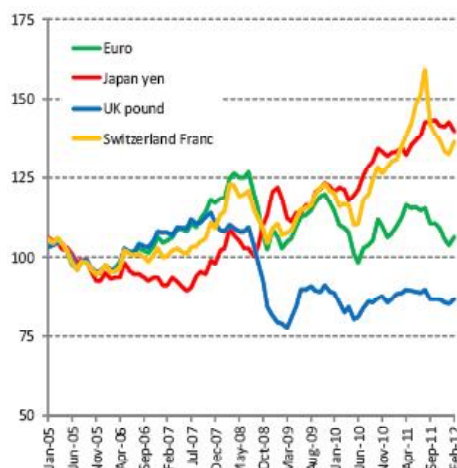
Rising commodity prices also constitute a risk factor, but their distributional effects are more ambiguous. High oil prices in particular constrain economic activity and are associated with recessions in importing countries. However, buoyant prices also boost the export earnings of resource producers, which are disproportionately emerging and developing economies.

### Additional perspective on the trade forecast

The WTO's projected 3.7% growth rate for world merchandise trade in 2012 is below the long-term average of 6.0% for 1990-2008, and it is even below the average over the last 20

## Nominal dollar exchange rates, January 2000 - February 2011

Indices of US dollars per unit of national currency, 2000=100



Source: Federal Reserve Bank of St. Louis

years including the period of the trade collapse (5.5%). Should it come to pass, the baseline forecast for 2012 and 2013 would not bring the volume of world trade any closer to its pre-crisis trend. In fact, the gap should grow larger as long as the rate of trade expansion continues to fall short of earlier levels.

### The state of the world economy and trade in 2011

#### Economic growth

The rate of world output growth fell to 2.4% in 2011 from 3.8% in the previous year, weighed down by the ongoing sovereign debt crisis in Europe, supply chain disruptions from natural disasters in Japan and Thailand, and turmoil in Arab countries. This pace of expansion was well below the 3.2% average over the 20 years leading up to the financial crisis in 2008.

The fastest growing regions were the Middle East at 4.9%, followed by the Commonwealth of Independent States at 4.6% and South and Central America at 4.5%. Africa, with GDP growth of 2.3%, might have grown even faster but for the uprisings that occurred in Libya, Tunisia, Egypt and elsewhere.

Once again, China's GDP growth outpaced the rest of the world at 9.2%, but this rate was no better than what the country achieved at the peak of the global financial crisis in 2009. In contrast to this performance, the newly industrialized economies of Hong Kong (China),

the Republic of Korea, Singapore and Chinese Taipei together grew at less than half the rate of China (4.2%). Developing economies and the CIS together recorded a 5.7% increase in 2011

Aggregate quarterly figures for world GDP growth are not readily available, but such growth likely slowed toward the end of the year in the face of headwinds from the European sovereign debt crisis. Economies using the euro currency (officially referred to as the euro area) contracted at the equivalent of a 1.3% annual rate in the fourth quarter, marking the first quarter of negative growth since the currency bloc emerged from recession in 2009. At the same time, China's economy slowed and Japan remained mired in recession. Growth picked up in the United States in the fourth quarter as unemployment eased, but this was likely outweighed by developments elsewhere.

#### Merchandise trade in volume (i.e., real) terms

World merchandise trade volume grew 5.0% in 2011, and Asia's 6.6% increase led all regions. One of the more significant developments in 2011 was the 8.3% contraction in the volume of Africa's exports. This was largely due to the civil war in Libya, which reduced the country's oil shipments by an estimated 75%. Japan's exports also fell by the same 0.5% as the country's GDP, while shipments from the CIS advanced just 1.8%.

Although Africa recorded a respectable 5.0% increase in imports, other resource exporting regions performed better. Imports of the CIS grew faster than those of any other region at 16.7%, followed by South and Central America's at 10.4%. Meanwhile, Japan's import growth was the slowest of any major economy or region last year at 1.9%.

**India had the fastest export growth among major traders in 2011, with shipments rising 16.1%. Meanwhile, China had the second fastest export growth of many major economy at 9.3%.**

**The combination of low export volume growth and high import volume growth seen in the Commonwealth of Independent States**

### World prices of selected primary products, 2000-11

Annual % change

	2009	2010	2011	2000-11	2005-11
All commodities	-30	26	26	12	14
Metals	-19	48	14	15	18
Beverages <sup>a</sup>	-15	11	20	8	11
Food	2	14	17	10	13
Agricultural raw materials	-17	33	23	5	9
Energy	-37	26	32	15	15
Memo: Crude oil price in \$/barrel <sup>b</sup>	62	79	104	56	76

a. Comprising coffee, cocoa beans and tea

b. Average of Brent, Dubai and West Texas Intermediate

Source: IMF International Financial Statistics.

## India Moves Up to 6th Position Among Service Exporters

### Leading exporters and importers in world trade in commercial services, 2011

\$bn and %

Rank 2011	Rank 2010	Exporters	Value	Share	Annual % change	Rank 2011	Rank 2010	Importers	Value	Share	Annual % change
1	(1)	United States	578	13.9	11	1	(1)	United States	391	10.1	6
2	(3)	United Kingdom	274	6.6	11	2	(2)	Germany	284	7.3	8
3	(2)	Germany	253	6.1	9	3	(3)	China <b>a</b>	236	6.1	23
4	(4)	China	182	4.4	7	4	(4)	United Kingdom	171	4.4	7
5	(5)	France	181	3.9	11	5	(5)	Japan	165	4.3	6
<b>6</b>	<b>(10)</b>	<b>India</b>	<b>148</b>	<b>3.6</b>	<b>20</b>	<b>6</b>	<b>(6)</b>	France	141	3.6	7
7	(6)	Japan	143	3.4	3	<b>7</b>	<b>(7)</b>	<b>India</b>	130	3.4	12
8	(7)	Spain	141	3.4	14	8	(8)	Netherlands	118	3.1	12
9	(9)	Netherlands	128	3.1	11	9	(9)	Italy	115	3.0	5
10	(8)	Singapore	125	3.0	12	10	(10)	Ireland	113	2.9	6
11	(11)	Hong Kong, China	121	2.9	14	11	(11)	Singapore	110	2.9	15
12	(13)	Ireland	107	2.6	10	12	(13)	Canada	99	2.6	10
13	(12)	Italy	107	2.6	9	13	(12)	Korea, Republic of	98	2.5	3
14	(16)	Switzerland	96	2.3	17	14	(14)	Spain	91	2.4	5
15	(14)	Korea, Republic of	94	2.3	8	15	(16)	Russian Federation	90	2.3	24
16	(15)	Belgium	86	2.1	7	16	(15)	Belgium	82	2.1	5
17	(19)	Sweden	76	1.8	16	17	(17)	Brazil	73	1.9	22
18	(18)	Canada	74	1.8	10	18	(19)	Australia	59	1.5	18
19	(17)	Luxembourg	72	1.7	8	19	(21)	Denmark	56	1.5	11
20	(20)	Denmark	66	1.6	11	20	(18)	Hong Kong, China	56	1.4	10
21	(21)	Austria	60	1.4	11	21	(22)	Sweden	56	1.4	15
22	(23)	Russian Federation	54	1.3	22	22	(20)	Saudi Arabia	55	1.4	8
23	(22)	Australia	50	1.2	6	23	(23)	Thailand	50	1.3	13
24	(24)	Taipei, Chinese	46	1.1	14	24	(26)	Switzerland	47	1.2	18
25	(25)	Norway	42	1.0	7	25	(24)	United Arab Emirates <b>a</b>	46	1.2	-
26	(27)	Thailand	40	1.0	19	26	(29)	Austria	44	1.2	20
27	(26)	Greece	40	1.0	7	27	(25)	Norway	44	1.1	4
28	(32)	Macao, China	39	0.9	36	28	(28)	Taipei, Chinese	41	1.1	11
29	(28)	Turkey	38	0.9	12	29	(27)	Luxembourg <b>a</b>	40	1.0	10
30	(30)	Poland	37	0.9	12	30	(31)	Malaysia	37	1.0	17
<b>Total of above</b>			<b>3480</b>	<b>83.8</b>	<b>-</b>	<b>Total of above</b>			<b>3140</b>	<b>81.2</b>	<b>-</b>
World			4150	100.0	11	World			3865	100.0	10

a. Preliminary estimate.

Note: Figures for a number of countries and territories have been estimated by the Secretariat. Annual percentage changes and rankings are affected by continuity breaks in the series for a large number of economies, and by limitations in cross-country comparability. See the Metadata.

Source: WTO Secretariat

**in 2011 can be attributed to the 32% rise in energy prices for the year, which boosted export earnings and allowed more foreign goods to be imported.**

#### Merchandise and commercial services trade in value (i.e., dollar) terms

The total dollar value of world merchandise exports jumped 19% to \$18.2 trillion in 2011<sup>1</sup>. This increase was nearly as large as the 22% rise in 2010 and was driven in large part by higher primary commodity prices.

Commercial Services exports also grew 11% in 2011 to \$4.1 trillion. The share of commercial services in total goods plus commercial services trade (technically, on a balance of payments basis) was 18.6, the smallest such share since 1990.

Transport services recorded the slowest growth of any sub-category services (8%), followed by other commercial services (11%) and travel (12%).

#### Sectoral developments

Prices for traded manufactured goods have tended to be more stable than those of primary

products, both before and after the economic crisis. As a result, movements in nominal trade flows reflect changes in quantities reasonably well. With this in mind, Chart 5 shows year-on-year growth in the quarterly value of world trade in several classes of manufactured goods.

All types of manufactured goods saw year-over-year growth fall toward zero over the course of 2011. For example, world trade in automotive products slid from 44% in the first quarter of 2010 to 10% in fourth quarter of 2011. Office and telecom equipment went from positive to negative, as year-on-year growth rates fell from around plus 14% in the first quarter to minus 2% in the fourth quarter.

#### Exchange rates

The Japanese yen and the Swiss franc both recorded significant nominal appreciations against the US dollar in 2011. The yen was up 10% year-on-year, partly due to the safe haven role of the currency during times of uncertainty. Meanwhile the franc jumped 17%, prompting interventions by the Swiss National Bank in currency markets to forcing down the value of

the currency, especially against the euro. The Brazilian real was also up 5.4% against the dollar, and the Chinese yuan and Korean won rose 4.7% and 4.3%, respectively. Despite the sovereign debt crisis in Europe, the euro appreciated 5% against the dollar.

Nominal exchange rates such as these may over- or under-state the competitive effects of exchange rate movements. As a result, "real effective" rates that average the exchange value of a currency against many trading partners while adjusting for differences in inflation rates may provide a better indication of the competitiveness of a country's exports.

Real effective exchange rates supplied by the International Monetary Fund show that the US dollar's depreciation in 2011 was even stronger in real effective terms (-4.9%) than in nominal terms. On the other hand, the average appreciation of other major currencies was overstated. The Japanese yen only appreciated 1.7% in real terms while the Chinese yuan rose 2.7%. Brazil's currency registered a strong increase of 4.7% in real effective terms, while the euro's rise of 1.8% was relatively small.





## DGAD Initiates Investigation on Electrical Insulators from China on Complaint of Four Indian Companies

[Ref: F.No.14/6/2011-DGAD dated 9<sup>th</sup> April 2012]

Subject: Initiation of Anti-Dumping Duty investigation concerning imports of 'Electrical Insulators' originating in or exported from China PR.

M/s WS Industries (India) Ltd., M/s Modern Insulators Limited; M/s Insulators and Electrical Company and M/s Aditya Birla Nuvo Ltd have filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of Anti-Dumping Duty investigation concerning imports of electrical Insulators (hereinafter also referred to as the subject goods) originating in or exported from China PR (hereinafter also referred to as the subject country). M/s WS Industries (India) Ltd., M/s Modern Insulators Limited; M/s Insulators and Electrical Company and M/s Aditya Birla Nuvo Ltd have provided the relevant information.

2. AND WHEREAS, the Authority finds that sufficient evidence of dumping of the subject goods originating in or exported from the subject country; 'injury' to the domestic industry; and causal link between the alleged dumping and 'injury' exist to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the AD Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

### Domestic Industry & Standing

3. The petition has been filed by WS Industries (India) Ltd., Modern Insulators Limited; Insulators and Electrical Company and Aditya Birla Nuvo Ltd. There are a number of other producers of the product under consideration in India. The Authority has noted that Modern Insulators Limited, Insulators and Electrical Company and Aditya Birla Nuvo Ltd have certified that there are no imports of the product under consideration. The Authority has also noted that WS Industries (India) Ltd has made significant imports during the period of investigation (POI). The Authority has, therefore, considered WS Industries (India) Ltd as ineligible domestic industry in view of significant imports made by the company. The Authority further notes that the total production of the remaining three petitioners, viz., Modern Insulators Limited; Insulators and Electrical Company and Aditya Birla Nuvo Ltd during the Period of Investigation (POI) is 67 % after excluding production of WS Industries from Indian production. The

Authority, therefore, concludes that these three petitioners have standing to file the present petition and constitute the Domestic Industry within the meaning of the Anti Dumping Rules.

### Product under consideration

4. The product under consideration for the purpose of present investigation is "Electrical Insulators made of porcelain/ ceramic or glass, whether assembled or unassembled" originating in or exported from China PR.

The petitioners have submitted that Insulators can be either of porcelain or of glass. Porcelain Insulators are produced using clay, silica, feldspar and metal parts; while glass insulators are produced using silica and metal parts. Both constitute one article, considering the characteristics of these two types, manufacturing process, functions, uses and prices. In fact, the product is a technology neutral product. Power Grid Corporation has floated tenders for procurement of insulators which can be of glass or porcelain. The Corporation has placed no distinction between glass and porcelain insulators and has placed orders solely on the basis of prices. The Corporation has not made any technical distinction between the two products. Further, it is noted that the product is sometimes invoiced by the suppliers without reference to "glass" or "porcelain". The commercial invoice available in respect of manufacturers of glass insulators does not refer to "glass". Import data of the product under consideration also at several instances does not refer to "glass". It is, thus, evident that the mere difference in the two types is in the form of raw material and production technology, which does not lead to two distinct articles. The article produced through two different technologies clearly constitutes one article only. That is why the product is a technology neutral product.

The main function of Electrical Insulator is to insulate one conducting body from another at high voltage areas, or to insulate a body which can transmit electrical energy to the surrounding, at areas where such transmission of electrical energy has to be avoided. Typical applications of electrical insulators are in Bushings, Disconnectors, Circuit breakers, Transformers, Power transmission and distribution lines, including railways, Electrostatic Precipitators etc. Glass or Porcelain insulators are classified under customs heading 8546 under Chapter 85 of the Customs Tariff Act.

### Like Articles

5. The Petitioners have claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no differences either in the technical specifications, quality,

## Corrigendum dated 12 April 2012 to Ntfn 12/17.03.2012 – 6

[Corrigendum dated 12<sup>th</sup> April 2012]

In the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2012-Customs, dated the 17<sup>th</sup> March, 2012 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 185 (E), dated the 17<sup>th</sup> March, 2012,-

(A) in the Table,

(i) in S. No. 386, against item (A), in column (5), for "Nil" read "-";

(ii) in S. No. 413, in column (6), for "52 or 53 or 55, and 62" read "52 or 53 or 54, and 62";

(B) in the Annexure, in Condition No. 28, in clause (a), for the words "handloom made ups or polyester made ups" read "handloom made ups or cotton made-ups or polyester made ups".

[F.No.334/1/2012-TRU]

## Corrigendum dated 13 April 2012 to 12/17.03.2012 – 7

[Corrigendum dated 13<sup>th</sup> April 2012]

In the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2012-Customs, dated the 17<sup>th</sup> March, 2012 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 185 (E), dated the 17<sup>th</sup> March, 2012, in the Table,

(i) in S. No. 405, in column (3), for "Part of manufacturers of printers falling under sub-heading 844332" read "Parts for manufacture of printers falling under sub heading 8443 32"; (ii) in S. No. 439, in column (3), for "S. No. 296" read "S. No. 274";

(iii) in S. No. 440, in column (3), for "S. No. 297" read "S. No. 278".

[F.No.334/1/2012-TRU]

functions or end-uses of the dumped imported goods and the domestically produced subject goods. The two are technically and commercially substitutable and, hence, should be treated as 'like article' under the AD Rules.

Therefore, for the purpose of the present investigation, the Authority treats the subject goods produced by the applicant in India as 'Like Article' to the subject goods being imported from the subject country.

### Subject Country

6. The country involved in the present investigation is China PR.

### Normal value

7. The Petitioners have submitted that China PR should be treated as a non-market economy and the normal value should be determined in accordance with para-7 of Annexure-I to the Rules. The petitioners have claimed normal value on the basis of cost of production in India, duly adjusted; stating that consideration of cost or price in a market economy third country is not

available. The Normal value claims by the Petitioners have been considered for the purposes of initiation.

#### **Export Price**

8. The Petitioners have claimed export prices on the basis of China Customs data to assess the volume and value of imports in India. Price adjustments have been made on account of commission, port expenses, inland freight and bank charges to arrive at the net export price.

#### **Dumping Margin**

9. The Petitioners have provided sufficient evidence that the normal values of the subject goods in the subject country are significantly higher than the net export prices, prima-facie, indicating that the subject goods originating in or exported from the subject country are being dumped, to justify initiation of an antidumping investigation.

#### **Injury and Causal Link**

10. Information of three petitioner companies, after excluding WS Industries, has been considered for assessment of injury to the domestic industry. The Petitioners have furnished evidence regarding the 'injury' having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to production and consumption in India, significant price undercutting and price depression and consequent significant adverse impact in terms of production, capacity utilization, domestic sales volumes, inventories, market share, profits, return on capital employed, and cash flow for the domestic industry. There is sufficient evidence of the 'injury' being suffered by the domestic industry caused by dumped imports from subject country to justify initiation of an antidumping investigation.

#### **Period of Investigation**

11. The period of investigation (POI) for the purpose of present investigation is from 1st January, 2011 to 31st December, 2011. However, for the purpose of analyzing injury, the data of previous three years, i.e. Apr'08-Mar'09, Apr'09-Mar'10, Apr'10-Mar'11 and the proposed period of investigation has been considered. For threat of material injury, the data beyond the POI would also be examined.

#### **Submission of information**

12. The known exporters in the subject country and its Government through its Embassy in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties, Ministry of Commerce & Industry,  
Department of Commerce, Room No.240,  
Udyog Bhawan, New Delhi -110107.

#### **Time limit**

13. Any information relating to this investigation should be sent in writing so as to reach the

Authority at the above address not later than 40 days from the date of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the 'facts available' on record in accordance with the AD Rules.

#### **Submission of Information on Non-Confidential basis**

14. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2) of the AD Rules for the confidential information provided as per Rule 7 (1) of the AD Rules. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the opinion of the party providing information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

### **DGAD Initiates Investigation on Cefadroxil Monohydrate Bulk Drug from EU on Complaint of Lupin Mumbai**

*[Ref: F.No.14/8/2011-DGAD dated 22<sup>nd</sup> February 2012]*

*Subject: Initiation of anti-dumping investigation concerning imports of bulk drug Cefadroxil Monohydrate from the European Union.*

Whereas M/s Lupin Limited, Mumbai (herein after referred to as the applicant) has filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975, as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the Rules or the AD Rules), alleging dumping of bulk drug Cefadroxil Monohydrate (hereinafter referred to as the subject goods), originating in or exported from the member countries of the European Union (hereinafter referred to as "subject Territory") and requested the Authority for initiation of anti dumping investigation for levy of anti dumping duties on the subject goods.

And whereas, the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject Territory; injury to the domestic industry; and causal link between dumping and the injury exists, and, therefore, hereby, initiates an anti dumping investigation into the alleged dumping of the subject goods from the subject Territory, and consequent injury to the domestic industry in terms of the Rules 5 of the Anti Dumping Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of anti dumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

#### **Product under Consideration**

The product under consideration in the present investigation is bulk drug Cefadroxil Monohydrate of all forms including USP and other Pharmacopoeial grades, and salts of the drug, if any. Cefadroxil Monohydrate is a white to yellowish-white crystalline powder. It is soluble in

15. Notwithstanding anything contained in para above, if the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalised or summary form, it may disregard such information.

#### **Inspection of Public File**

16. In terms of Rule 6(7), any interested party may inspect the public file containing the non-confidential versions of the evidence submitted by other interested parties.

#### **Non-cooperation**

17. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

water and is acid-stable. Bulk drug Cefadroxil Monohydrate is an active pharmaceutical ingredient used for the manufacturing of pharmaceutical formulations. This bulk drug is used to manufacture formulations, which are consumed by the patients on the prescription of the doctors. Single doses of 500 mg and 1000 mg are available as single dose or double dose per day. It is also available in the form of syrup. The drug is well absorbed orally. Bulk drug Cefadroxil Monohydrate falls under the group Oral Cephalosporins. Cephalosporins, in general, are broad spectrum bactericidal agents which inhibit bacterial cell wall synthesis. It is also used for urinary tract infections and skin infections. Bulk drug Cefadroxil Monohydrate is classified under Chapter Heading 29, Sub-heading No. 29420011 under the Customs Tariff Act, 1975. However, the customs classification is indicative only and in no way binding on the scope of the present investigation.

#### **Domestic Industry Standing**

The application has been filed by M/s Lupin Limited, Mumbai, and supported by M/s Aurobindo Pharma Ltd., Hyderabad. Based on the information on record, these two producers are the only producers of the subject goods in India at present. Further, based on the information on record, the Authority has ascertained that (a) production of the applicant constitutes a major proportion in Indian production during the period of investigation (POI); (b) the domestic producer expressly supporting the application account for more than 50 per cent of the total production of the like product produced by the domestic industry; and (c) the application has been made by or on behalf of the domestic industry.

The Authority, after examining the above, determines that the applicant constitutes domestic industry within the meaning of Rule 2 of

the Anti Dumping Rules, and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

### Country Involved

The countries involved in the present investigation are the member countries of the European Union.

### Like Article

The applicant has claimed that there are no known differences in the subject goods produced by the petitioner and exported from the European Union. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing, tariff classification, etc. The goods produced by the domestic industry are comparable to the imported goods from the subject Territory in terms of essential product properties. The goods offered by the domestic industry are like article to the goods imported from the member countries of the European Union. The Authority, prima facie, accepts the claim of the applicant and, therefore, for the purpose of present investigation, subject goods produced by the applicant are being treated as "like article" to the subject goods imported from subject Territory within the meaning of the Anti Dumping Rules.

### Normal Value

The Authority notes that the applicant has claimed normal value of the subject goods in the subject Territory based on the price at which the exporter from one of the member subject countries of the subject Territory supplied the subject goods to a third country, after making adjustment on account of freight and insurance.

### Export Price

Export price of the subject goods from the subject Territory has been determined by considering transaction-wise import data collected from Secondary Sources. Adjustments have been made on account of ocean freight, marine insurance, commission, and port expenses in the exporting countries to arrive at ex-factory export price.

### Dumping Margin

Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in the member countries of the subject Territory is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by exporters from the member countries of the subject Territory.

### Injury and Causal Link

The applicant has furnished information on various parameters relating to material injury, analysis of which shows that the imports from the subject Territory have broadly maintained their share at about 40% of the total demand whereas the performance of the domestic industry has deteriorated in terms of profitability, return on capital employed and cash profit. Level of price undercutting and underselling is significant. The domestic industry has, thus, suffered material injury. Analysis of the various economic parameters shows, prima facie, that domestic industry

## Commodity Spot Prices in India – 13 – 17 April 2012

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day.

(Rs.)					
Commodity	Unit	Market	13-Apr	16-Apr	17-Apr
CER (Carbon Trading)	1 MT	Mumbai	NA	NA	NA
Chana	100 KGS	Delhi	3574	3566	3535
Masur	100 KGS	Indore	3150	3252	3265
Potato	100 KGS	Agra	1020.2	1012.6	1013.4
Potato TKR	100 KGS	Tarkeshwar	940.6	913.7	909.7
Areca nut	100 KGS	Mangalore	NA	NA	NA
Cashew kern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	980.6	970.8	1001.2
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA
Jeera	100 KGS	Unjha	NA	NA	NA
Pepper	100 KGS	Kochi	NA	NA	NA
Red Chili	100 KGS	Guntur	NA	NA	NA
Turmeric	100 KGS	Nzmbad	3361	3343	3362
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1171	1173.5	1160.5
Wheat	100 KGS	Delhi	1335	1329.2	1319.6
Mentha Oil	1 KGS	Chandausi	2538.4	2583.1	2518.7
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	3509	3462	3445.5
Guar Seed	100 KGS	Bikaner	30087	30129	30003
Soya Bean	100 KGS	Indore	3236.5	3221	3221
Mustrdsd JPR	20 KGS	Jaipur	786.9	781.55	771.6
Sesame Seed	100 KGS	Rajkot	6725	6725	6775
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1295.9	1287.5	1281.9
Coconut Oil	100 KGS	Kochi	6864	6864	6864
Refsoy Oil	10 KGS	Indore	760.5	760.4	755.05
CPO	10 KGS	Kandla	618.4	614.2	615.7
Mustard Oil	10 KGS	Jaipur	806	803.6	791.1
Gnutoilexp	10 KGS	Rajkot	1250	1240	1220
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	5331	5287	5317
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	6251	6232	6131
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2802	2808	2807
Sugarm	100 KGS	Delhi	3085	3085	3075
Natural Gas	1 mmBtu	Hazirabad	102	101.9	104.1
Rubber	100 KGS	Kochi	19759	19676	19653
Cotton	1 Bales	Rajkot	16280	16250	16240
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	2473	2482.5	2497
Gold	10 GRMS	Ahmd	28638	28414	28464
Gold Guinea	8 GRMS	Ahmd	23003	22822	22863
Silver	1 KGS	Ahmd	56593	55458	55795
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	NA	NA	NA
Copper	1 KGS	Mumbai	421.95	411.15	413.2
Nickel	1 KGS	Mumbai	946	926.9	916.5
Aluminium	1 KGS	Mumbai	105.2	104.7	105.35
Lead	1 KGS	Mumbai	106.55	105.05	106.65
Zinc	1 KGS	Mumbai	103.45	102.8	102.65
Tin	1 KGS	Mumbai	1164	1117.25	1095.75

(Source: MCX Spot Prices)

## Customs Valuation Exchange Rates

April 2012	Imports	Exports	
<b>Schedule I</b>			
1 Australian Dollar	54.30	53.05	Rate of exchange of one unit of foreign currency equivalent to Indian Rupees
2 Canadian Dollar	52.15	50.90	
3 Danish Kroner	9.30	9.05	
4 EURO	69.00	67.40	
5 Hong Kong Dollar	6.65	6.50	
6 Norwegian Kroner	9.15	8.85	
7 Pound Sterling	82.50	80.70	
8 Swedish Kroner	7.80	7.55	
9 Swiss Franc	57.20	55.80	
10 Singapore Dollar	41.00	40.15	
11 U.S. Dollar	51.50	50.65	
<b>Schedule II</b>			
1 Japanese Yen	62.45	60.80	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 26(NT)/28.03.2012)

has suffered material injury from dumped imports from the subject Territory.

**Initiation of Anti-dumping Investigations**

The Authority, in view of the foregoing, initiates anti-dumping investigation into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the member countries of the European Union.

**Period of Investigation**

The period of investigation (POI) proposed by the applicant for the investigation is from 1st April, 2010 to 31st December, 2010 (9 months). However, the Authority has fixed the period of investigation from 1st April, 2010 to 30th September, 2011. Injury period includes the financial years 2007-2008, 2008-2009 and 2009-2010 and the period of investigation.

**Submission of Information**

The exporters in the member countries of the subject Territory, their Governments through their Embassy in India, importers/users/Associations in India known to be concerned with this investigation and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address:

The Designated Authority,  
Directorate General of Anti Dumping & Allied Duties, Ministry of Commerce & Industry, Department of Commerce, Government of India, Udyog Bhavan, Room No. 240, New Delhi – 110011.

As per Rule 6(5) of the Rules supra, the Designated Authority is also providing opportunity to the industrial users of the article under investi-

gation and to representative consumer organizations, who can furnish information relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

**Time Limit**

Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of the Initiation Notification. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

**Submission of Information on Non-Confidential Basis**

In terms of Rule 6(7) of the Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reasons thereof, is required to be provided to the Authority. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Designated Authority may record findings on the basis of the facts available and make such recommendations to the Central Government as deemed fit.

**Inspection of Public File**

In terms of Rule 6(7) of the Rules, the Designated Authority maintains a public file containing the non-confidential version of the evidence submitted by the interested parties. Any interested party may inspect the public file, if so desired.

(hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of 'Vitamin A Palmitate', originating in, or exported from, China PR and Switzerland imposed vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 112/2007-Customs, dated the 30<sup>th</sup> October, 2007, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 683(E), dated the 30<sup>th</sup> October, 2007, and had requested for extension of anti-dumping duty upto one more year, in terms of sub-section (5) of Section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of Section 9A of the said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 112/2007-Customs, dated the 30<sup>th</sup> October, 2007, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 683(E), dated the 30<sup>th</sup> October, 2007, namely: -

In the said notification, at the end, the following shall be added, namely: -

"This notification shall remain in force up to and inclusive of the 27<sup>th</sup> day of March, 2013, unless revoked earlier".

F.No.354/31/2007-TRU (Pt-I)

**Rupee Value under Indo-USSR Deferred Payment Protocol Revised to Rs. 70.965327 w.e.f 13 March, 2012**

Sub: *Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR*

AP(DIR Srs) Attention of Authorised Dealer  
Cir.105 Category-I (AD Category-I)  
10.04.2012 banks is invited to A.P. (DIR  
(RBI) Series) Circular No. 91 dated  
March 13, 2012, wherein the

Rupee value of the Special Currency Basket was indicated as Rs. 68.838139 effective from February 9, 2012.

2. AD Category-I banks are advised that a further revision has taken place on March 7, 2012 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs.70.965327 with effect from March 13, 2012.

3. AD Category-I banks may bring the contents of this Circular to the notice of their constituents concerned.

4. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

**Anti-dumping Duty on Vitamin A Palmitate from China and Switzerland Extended upto 27 March, 2013 after Review**

Ntnf 21-ADD 12.04.2012 (DoR) Part I, Section 1 of the Gazette of India, Extraordinary, dated the 23<sup>rd</sup> March, 2012, had initiated

Whereas, the designated authority vide notification No. 15/7/2011-DGAD, dated the 23<sup>rd</sup> March, 2012, published in the Gazette of India, Extraordinary, dated the 23<sup>rd</sup> March, 2012, had initiated review, in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995

<b>WORLD TRADE SCANNER</b>		
India Tops Export Growth in World Trade 2011		<b>33</b>
Commodity Spot Prices in India – 13 – 17 April 2012		<b>39</b>
<b>BIG's WEEKLY INDEX OF CHANGES</b>		
<b>Customs</b>		
F.No.14/8/2011-DGAD/ 22.02.2012	DGAD Initiates Investigation on Cefadroxil Monohydrate Bulk Drug from EU on Complaint of Lupin Mumbai	<b>38</b>
F.No.14/6/2011-DGAD/ 09.04.2012	DGAD Initiates Investigation on Electrical Insulators from China on Complaint of Four Indian Companies	<b>37</b>
Corrigendum/12.04.12	Corrigendum dated 12 April 2012 to Ntnf 12/17.03.2012 – 6	<b>37</b>
Corrigendum/13.04.12	Corrigendum dated 13 April 2012 to 12/17.03.2012 – 7	<b>37</b>
21-ADD/12.04.2012	Anti-dumping Duty on Vitamin A Palmitate from China and Switzerland Extended upto 27 March, 2013 after Review	<b>40</b>
<b>RBI Circulars [AP(DIR Series)]</b>		
Cir.105/10.04.2012	Rupee Value under Indo-USSR Deferred Payment Protocol Revised to Rs. 70.965327 w.e.f 13 March, 2012	<b>40</b>