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## Border Haats at Meghalata

### US\$ 3.5 bn Indian Investment in Pipeline for Bangladesh

The Union Commerce and Industry Minister, Anand Sharma, during his ongoing Bangladesh visit addressed the need to further strengthen economic integration between the two countries. He noted that private sector investment from India to Bangladesh to the tune of US \$ 3.5 billion is in the pipeline. Increased Indian investments in Bangladesh will provide employment and value addition for Bangladesh exports to the rest of the world.

Both sides noted that trade has increased significantly between the two sides. Bangladesh exports have increased 6 times in the last few years. In the first three quarters of the current year, it has reached the level of US \$ 359 million, which is higher than the exports of US \$ 304 million last year.

India and Bangladesh agreed to take further steps to promote trade and economic cooperation. These include

- (a) India has offered a tariff-free quota of 10 million pieces of apparel exports from Bangladesh, marking an increase of 25% over previous years.
- (b) Countervailing Duties was lifted on all jute exports from Bangladesh.
- (c) Strengthening of infrastructure at borders, including construction of Land Custom Stations and Integrated Check Posts, particularly at Petrapole and Agartala such that trade is facilitated. A Working Group on Infrastructure will coordinate implementation.
- (d) Stepping up schedule for completion of border haats in Meghalaya for a formal launch in June 2011.
- (e) India offered assistance for the upgradation of BSTI such that their certification and level of standards improve. It has also been agreed to provide training facilities for capacity building.
- (f) India welcomed the submission of DPRs by the

Bangladesh side for infrastructure projects under the US \$ 1 billion LOC. These projects are expected to be implemented shortly.

- (g) India has offered assistance in the construction of the bridge over river Feni, including the construction of the connecting road on the Bangladesh side.
- (h) India renewed its offer to export 300,000 tonnes of par-boiled rice to Bangladesh and finalise options for lifting of the grain at the earliest.
- (i) India welcomed the offer of use of Chittagong and Mongola ports and noted that this will provide tremendous benefit for trade and development of Bangladesh and the North-East of India. India is awaiting Bangladesh's response to the draft modalities that have been proposed.

Anand Sharma is visiting Bangladesh from April 23-24, 2011 at the invitation of Bangladesh Commerce Minister, Lt. Col.(Retd.) Muhammad Faruk Khan. He met his counterpart and held delegation-level talks, on 23 April. Later in the afternoon, he met with Food and Disaster Management Minister and Foreign Minister, and will call on the Hon'ble Prime Minister of Bangladesh.

The Minister noted with satisfaction with the steady development in trade and the economic relations between the two countries, which has received stimulus after the historic visit of PM Sheikh Hasina to India in January 2010, during which she and Prime Minister Dr. Manmohan Singh concluded the Joint Communiqué.

Both sides agreed to intensify discussions at official and technical levels to provide further impetus to trade and economic exchanges.

[Source: PIB Press Release dated 23 April 2011]

## BRICS Make Sanya Declaration Calls for Reform of World Finance System

The one-day summit resulted in the Sanya Declaration, named after the host city. The declaration addressed the groups "broad vision" for "shared prosperity" and echoed calls for reform made during previous summit meetings. BRICS leaders, for instance, reiterated their view that the UN Security Council should be more representative, while supporting Brazil's, India's, and newly-joined South Africa's aspirations to play a greater role in the multilateral institution. The declaration also repeated calls for reform of the Bretton Woods institutions - the World Bank and International Monetary Fund - that constitute the international monetary system. Specifically, the statement called for a larger role for emerging and developing economies in those institutions,

which have been dominated by developed countries since their emergence after World War II.

Unlike previous summits, however, the group addressed specifics on changes to the world financial system other than greater representation at the IMF. Among the recommendations listed in the declaration were an agreement for development banks in BRICS countries to open mutual credit lines in local currencies and a call for "a broad-based international reserve currency system providing stability and certainty." This constituted a knock on the current dollar-based system and Washington's monetary policy, which the BRICS leaders think has allowed the dollar to depreciate. While failing to cite specifically what the new

reserve currency would be, the members mentioned the currencies that comprise the Special Drawing Rights (SDR), the IMF's reserve asset, supporting continued debate over the composition of the SDR basket of currencies. The declaration noted that the reforms stem in part from concerns about the potential for "massive" capital flows that can have a destabilising effect on emerging economies.

In addition, the countries called for cooperation on climate change measures and support for the development and use of renewable energy. The leaders also found common ground in expressing their concern for the situation in the Middle East and North Africa, urging all parties to resolve their differences peacefully.

### Emerging economies

The five BRICS countries together represent around \$12 trillion in value, compared to the \$15 trillion US economy, but are on pace to surpass the US by 2020, economists say. More importantly, they represent the engines of growth in the global economy, with China expected to grow by 9.5 percent a year and India 8 percent, while Russia and Brazil are expected to grow at

4 percent.

Given their position as the engine for global growth, BRICS leaders have come together to demand a greater voice on the world stage. Nevertheless, the five countries represent divergent political and economic systems and are often competing instead of cooperating. Brazil and India have been worried about the negative effects of an undervalued Chinese currency on their exports. Russia, on the other hand, has been benefiting from soaring oil and commodities prices while China, a major importer, has been criticising those prices. In fact, the declaration calls for a stabilisation of commodities prices through regulation of derivatives markets for commodities, among others.

Despite their differences, the five countries, at least in statements, have agreed to "continue further expanding and deepening economic, trade and investment cooperation" between each other.

The meeting brought together Brazilian President Dilma Rousseff, Russian President Dmitry Medvedev, Indian Prime Minister Manmohan Singh, Chinese President Hu Jintao, and South African President Jacob Zuma.

## EU States to Decide on GM Crop Ban in Proposed Decentralization Move

The European Parliament's environment committee has voted to include "general environmental policy objectives" onto a list of grounds for legal justification for member states to independently outlaw the cultivation of genetically modified (GM) crops. The 12 April vote amended a European Commission draft policy proposal that, if approved, would grant member states the right to ban GM crop cultivation within their borders if such bans are based on certain criteria.

Last February, the European Commission (EC) approved a list of possible grounds based on the premise that such a ban would help "maintain public order." According to the initial draft, bans could be enacted in the face of popular opposition or on grounds of public morality, such as religious or philosophical concerns.

The public order and environmental policies additions are designed to address concerns that biotechnology policies enacted independently by European member states would leave those countries open to legal challenges at the WTO.

According to the draft proposal, as long as all restrictions are justified, proportionate, and non-discriminatory, they would be permitted within the EU. But there are currently no plans to add the list to the GM cultivation proposals currently under consideration which some experts say calls into question the strength of any

legislation derived from the draft.

### GM puzzle a difficult one for Brussels

Last year, the Commission proposed that the decision-making process on GM crop cultivation be partially decentralised in response to a deadlock in the crop approval process. Only two genetically modified seeds have been approved for cultivation in Europe: a strain of maize produced by biotech giant Monsanto and a type of starch potato from Amflora, which was approved in March 2010, but only for industrial uses.

Brussels has also been struggling with how to deal with several member states that had defied the centralised policy on the issue and unilaterally implemented GM crop bans. Member states Austria, Bulgaria, Germany, Greece, Hungary, Ireland and Luxembourg have all issued bans on the cultivation of GM seeds, citing health and environmental concerns under a safeguard clause contained in the 2001 directive. Other countries, however - including the Czech Republic, the Netherlands and the United Kingdom - appear more open to allowing their farmers to grow the altered crops.

In another controversial move, the EC has recently adopted a measure that allows trace amounts - up to 0.1 percent of unapproved GM crops - to be imported into the EU for animal feed. Some countries have called for the Commission to allow the unapproved GM crops to be permitted for human consumption as well, pointing out that it would be nearly impossible to

distinguish the world's crop supplies between food and feed.

### Reducing or igniting internal tensions?

For its part, the Commission says its proposed policy on GM crops aims to reduce tensions surrounding the lack of compliance on GM issues by establishing clear parameters for countries' national policies on biotech cultivation that would lessen uncertainty for farmers and agri-business across Europe.

However, opposition continues to mount against the proposal, with the UK most recently joining the faction spearheaded by France, Germany and Spain. The apprehensions stem from concern arising from the legal uncertainties internal fragmentation of biotechnology policy could create for the European agriculture industry and the unexpected trade barriers that could result.

In her statement at the EU environment ministers' meeting on 17 March, Caroline Spelman - Britain's farm minister - also cautioned that GM bans under the proposal would be in direct violation of the EU's WTO commitments.

The MEP and European green groups in favour of the position maintain that the decentralisation proposal is necessary to help avert the negative consequences that GM contamination could have on more traditional forms of agriculture.

## Colombia, Peru, EU Sign Trade Agreement

The EU, Colombia, and Peru have inked their much-anticipated free trade agreement, which analysts estimate will slash up to half a billion Euros in duties. EU Trade Commissioner Karel De Gucht praised the treaty as a "milestone" in the trade relationship between Europe and the Andean region.

The deal includes an overarching pact to protect human rights and a commitment to efficiently implement international conventions on labour rights. It also includes a clause guaranteeing sustainable trade and investment between all three participating economies by preserving a high level of environmental protection.

Once implemented, the trade agreement will eliminate tariffs on all industrial and fisheries products, increase market access for agricultural products and improve access to public procurement, services, and investment markets. In addition, the pact will reduce technical barriers to trade and establish common disciplines on intellectual property rights, transparency, and competition.

Analysts have predicted the pact will be a boon for Latin American countries. Imports and exports in Colombia and Peru are estimated to grow by eight per cent in the long run. GDP too will be affected in the long run, analysts say,

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### 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
26-Apr-11	44.5300	44.6350	44.4800	44.5200	44.5200	852025	3327794	1482907	44.5900
25-Apr-11	44.4500	44.5625	44.3900	44.5075	44.5075	991712	3477719	1547777	44.4500
21-Apr-11	44.3000	44.4150	44.2625	44.3775	44.3775	1010324	3066791	1359671	44.3000
20-Apr-11	44.4300	44.4925	44.3375	44.3725	44.3725	977513	3956340	1756793	44.3800

[Source: NSE and RBI Website]

### Dumping Investigation Initiated on Non Fertiliser Grade Phosphoric Acid from Israel and Taiwan

[Ref: F.No. 14/44/2010-DGAD dated 4<sup>th</sup> February 2011]

*Subject: Initiation of anti-dumping investigation concerning imports of 'Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)' originating in or exported from Israel and Taiwan.*

Whereas M/s. Gujarat Alkalies & Chemicals Limited, Baroda (hereinafter 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 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), alleging dumping of 'Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)' (hereinafter also referred to as the subject goods) originating in or exported from Israel and Taiwan (hereinafter also referred to as the subject countries) and has requested for initiation of anti-dumping investigation and levy of anti-dumping measures.

#### Product under consideration

2. The product under consideration is 'Phosphoric Acid of all grades and all concentrations (excluding Agriculture/Fertilizer Grade)'. Phosphoric Acid is an inorganic chemical used for the production of sodium phosphate, calcium phosphate, magnesium phosphate, ammonium phosphate, etc. The subject goods are also being used in pharmaceutical applications, beverages, seed processing, sugar juice clarification and sugar refining, food phosphate manufacturing etc.

3. Though Phosphoric Acid is classified under subheading no 28092010 in the Customs Tariff Act but there is no dedicated custom classification for the product under consideration. Customs classifications are indicative only and in no way binding on the scope of this investigation.

#### Domestic Like Article

4. The Applicant has claimed that there is no known significant difference in the subject goods produced by the Indian industry and the subject goods exported from the subject countries. The subject goods produced by the Indian industry and imported from the subject countries are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. Though producers of phosphoric acid world over broadly follow either of the two paths, viz. the wet process or the dry process but the technology and production process of the two are comparable to the best of knowledge of the Applicant.

5. Thus, the subject goods produced by the

Applicant are being treated as like article to the product under consideration imported from the subject countries within the meaning of the AD Rules for the purpose of this investigation.

#### Domestic industry & 'Standing'

The application has been filed by M/s. Gujarat Alkalies & Chemicals Limited, Baroda on behalf of the domestic industry and has been supported by M/s Punjab Chemicals & Crop Protection Ltd. As per information available on record, the Applicant accounts for about 45 % of the total Indian production and thus the production of the Applicant accounts for a major proportion of the domestic production. Further, the production of the Applicant along with the supporter is more than 50% of the Indian production.

6. Thus, the Authority has determined that the application satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules and the Applicant is being treated as 'domestic industry' within the meaning of Rule 2(b) of the AD Rules.

#### Countries involved

7. The countries involved in the present investigation are Israel and Taiwan (hereinafter also referred to as the subject countries).

#### Normal value

8. The applicant has constructed the normal values in respect of the subject countries stating that neither they were able to get any documentary evidence or reliable information with regard to domestic prices of the subject goods in the subject countries nor the same are available in the public domain. The Authority has prima-facie considered the normal value of subject goods in subject countries on the basis of constructed values for the purpose of the initiation of this investigation.

#### Export price

9. The Applicant has determined export prices based on the data compiled by IBIS, Mumbai. The export prices have been adjusted for ocean freight, marine insurance, port handling and inland transportation etc to arrive at net export price at ex-factory level.

#### Dumping margin

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

#### 'Injury' and causal link

11. The Applicant has claimed material injury and threat of material injury as a result of the alleged dumping. It has been claimed that the imports have increased in absolute terms and in

relation to consumption in India and that the imports are significantly undercutting the prices of the domestic industry and as well depressing the prices of the domestic industry. The Applicant has further claimed deterioration in performance of the domestic industry in terms of production, capacity utilization, market share, profits, return on capital employed and inventories.

12. There is sufficient evidence of the 'injury' being suffered by the domestic industry caused by the dumped imports from the subject countries to justify initiation of an antidumping investigation in terms of the AD Rules.

#### Initiation of Anti Dumping Investigation

13. In view of the foregoing, the Authority finds that sufficient evidence of dumping of the subject goods from the subject countries, 'injury' to the domestic industry and causal link between the dumping and 'injury' exists to justify initiation of an anti-dumping investigation. Accordingly, 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 alleged dumping and to recommend the amount of anti-dumping measure, which, if levied, would be adequate to remove the injury to the domestic industry.

#### Period of investigation

14. The period of investigation for the purpose of present investigation is **1st April 2009 to 30th June 2010**. The injury investigation period will, however, cover the periods April 2006-March 2007, April 2007-March 2008, April 2008-March 2009 and the Period of Investigation (POI) viz. 1st April 2009 to 30th June 2010. For threat of material injury, the data beyond the POI may also be examined.

#### Submission of information

15. The known exporters in the subject countries and their Governments through their Embassy/Economic and Cultural Centre 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.243,  
Udyog Bhawan, New Delhi -110107.

16. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

#### Time limit

18. Any information relating to this investigation and any request for hearing should be sent in writing so as to reach the Authority at the above mentioned address, not later than forty days (40 Days) from the date of publication 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 Confidential basis.**

19. In case confidentiality is claimed on any part of the questionnaire's response/ submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc. ) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

20. Information supplied without any mark shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies each of the confidential version and the non-confidential version must be submitted.

21. For information claimed as confidential; the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed and/or why summarization of such information is not possible.

22. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out / summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information fur-

nished on confidential basis. However, in exceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible of summary, a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Designated Authority.

23. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Designated 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 authorize its disclosure in generalized or summary form, it may disregard such information.

24. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Designated Authority. The Designated Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

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

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

#### **Use of 'facts available'**

26. 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 Authority may record its findings on the basis of the 'facts available' to it and make such recommendations to the Central Government as deemed fit

## **Another Five Years of Anti-dumping Duty on Acetone from Thailand and Japan**

### **PTT Phenol Company Thailand and Mitsui Co. Japan Exempted from Anti-dumping Duty**

Ntfn 36                      Whereas in the matter of  
18.04.2011                imports of Acetone [herein-  
(DoR)                      after referred to as the subject  
                                  goods], falling under sub-  
                                  heading 2914 11 00 of the First Schedule to the  
Customs Tariff Act, 1975 (51 of 1975), originat-  
ing in, or exported from, Thailand and Japan  
(hereinafter referred as the subject countries)  
and imported into India, the designated author-  
ity in its preliminary findings vide notification No.  
14/31/2009-DGAD, dated the 16th February,  
2010, published in the Gazette of India, Extraor-  
dinary, Part I, section 1, dated the 16th Febru-  
ary, 2010, had come to the conclusion that-

(a) the subject goods had been exported to India from the subject countries below its normal value;

(b) the domestic industry had suffered material injury;

(c) the injury had been caused by the dumped imports from subject countries;

and had recommended imposition of provisional anti-dumping duty on the imports of subject goods, originating in, or exported from, the

subject countries;

And whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods vide notification No. 45/2010-Customs, dated the 9<sup>th</sup> April, 2010, published in the Gazette of India, Extraordinary Part II, Section 3, sub-section (i), vide number G.S.R. 309(E), dated the 9<sup>th</sup> April, 2010;

And whereas, the designated authority, in its final findings vide notification No. 14/31/2009-DGAD dated the 19<sup>th</sup> January, 2011, published in the Gazette of India, Extraordinary, Part I, section 1, dated the 19<sup>th</sup> January, 2011, had come to the conclusion that-

(a) the product under consideration has been exported to India from the subject countries below its associated normal value, thus resulting in dumping of the product;

(b) the domestic industry has suffered material injury in respect of the subject goods;

(c) the material injury has been caused by dumped imports of the subject goods from the subject countries;

## **Anti-dumping Duty on Silk Fabrics Extended upto 5 Dec. 2011**

Ntfn 37                      Whereas, the designated  
21.04.2011                authority vide notification  
(DoR)                      No. 15/24/2010-DGAD,  
                                  dated the 6<sup>th</sup> December,

2010, published in the Gazette of India, Extraordinary, Part I, section 1, dated the 6<sup>th</sup> December, 2010, had initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act) 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 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of Silk fabric of weight 20 to 100 gms per metre falling under tariff item 5007 of the First Schedule to the said Customs Tariff Act, originating in, or exported from People's Republic of China, imposed vide notification of the Government of India, in the Ministry of Finance (Department of Revenue), **No.121/2006-Customs, dated the 26<sup>th</sup> December, 2006**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.769(E), dated the 26<sup>th</sup> December, 2006, and had recommended for extension of anti-dumping duty, 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-section (1) and the proviso to sub-section (5) of section 9A of the said Customs Tariff 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. 121/2006-Customs, dated the 26<sup>th</sup> December, 2006, published in the Gazette of India, Extraordinary, Part II, section 3, Sub-section (i), vide number G.S.R.769(E), dated the 26<sup>th</sup> December, 2006, namely: -

In the said notification, for **paragraph 2**, the following paragraph shall be **substituted**, namely: -

"2. The anti-dumping duty imposed under this notification shall be effective on the date of the notification in the official gazette & shall be paid in Indian currency and shall remain in force up to and inclusive of the 5<sup>th</sup> December, 2011, unless it is revoked earlier".

[F.No.354/64/2006-TRU (Pt.)]

Now, therefore, in exercise of the powers conferred by sub-section (1) read with sub-section (5) of section 9A of the said Customs Tariff Act, 1975 read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of

the aforesaid findings of the designated authority, hereby imposes definitive anti-dumping duty on the goods, the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the said Customs Tariff Act, as specified in the corresponding entry in column (2), originat-

ing in the country specified in the corresponding entry in column (4), and exported from the country specified in the corresponding entry in column (5) and produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into

India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table.

**Table**

SNo	Sub heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	2914 11 00	Acetone	Thailand	Thailand	M/s PTT Phenol Company Limited, Thailand	M/s PTT Phenol Company Limited, Thailand	Nil	MT	USD
2.	2914 11 00	Acetone	Thailand	Thailand	M/s PTT Phenol Company Limited, Thailand.	M/s PTT Public Company Ltd.	Nil	MT	USD
3.	2914 11 00	Acetone	Thailand	Thailand	M/s PTT Phenol Company Limited, Thailand.	Mitsui & Co. Ltd., Japan (MBK) OR Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	Nil	MT	USD
4.	2914 11 00	Acetone	Thailand	Thailand	Any combination other than at Sl.no.1 to3 above.		85.85	MT	USD
5.	2914 11 00	Acetone	Thailand	Any other than Singapore, USA, South Africa, EU, Korea RP, Taiwan and Japan	Any	Any	85.85	MT	USD
6.	2914 11 00	Acetone	Any other than Singapore, USA, South Africa, EU, Korea RP, Taiwan and Japan	Thailand	Any	Any	85.85	MT	USD
7.	2914 11 00	Acetone	Japan	Japan	Mitsui Chemicals Inc. Japan	Mitsui & Co. Ltd., Japan (MBK) & Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore	Nil	MT	USD
8.	2914 11 00	Acetone	Japan	Japan	Any combination other than at Sl.no. 7 above.		94.96	MT	USD
9.	2914 11 00	Acetone	Japan	Any other than Singapore, USA, South Africa, EU, Korea RP Taiwan and Thailand	Any	Any	94.96	MT	USD
10.	2914 11 00	Acetone	Any other than Singapore, USA, South Africa, EU, KoreaRP Taiwan and Thailand	Japan	Any	Any	94.96	MT	USD

2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, the 9<sup>th</sup> April, 2010, and shall be payable in Indian currency.

**Explanation.** - For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the noti-

fication of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/25/2010 –TRU]

2. All applications for grant of registration certificate shall be submitted to the RA, Guwahati alongwith the following documents:

- (i) Copy of Export Contract alongwith,
  - (a) A copy of irrevocable Letter of Credit(LC) duly authenticated by an Indian Bank, or
  - (b) FIRC from Bank showing receipt of remittance from the concerned foreign buyer as proof of having received 100% Advance Payment or a minimum of 25% Advance Payment and balance Cash Against Delivery(CAD),
- (ii) Declaration/Undertaking as given in Annexure-I of this Policy Circular, on the letter head of the firm.
- (iii) Copy of IEC

**Note:** The registration certificates for export to countries, other than Japan, would be issued based on past performance. Hence, applications for export to countries, other than Japan, should accompany proof of past export of Assam

## Modalities for Registration of Contracts of Assam Comilla Cotton with DGFT

*Subject: Conditions and modalities for registration of contracts of Assam Comilla Cotton with DGFT.*

29-Pol.Cir 19.04.2011 (DGFT) As per Notification No. 32(RE-2010)/2009-14 dated 14.03.2011 export of 5000 bales of Assam Comilla Cotton (Tariff Code 5201 00 12) has been exempted from the ceiling of 55 lakh bales imposed on

export of cotton during the Cotton Season, 2010-11 (upto 30.09.2011). Thus, export of this 5000 bales of Assam Comilla Cotton, ITC(HS) Code 5201 00 12 is "Free" subject to registration of export contracts with DGFT. Procedure for registration of contracts is described below.

Comilla Cotton to that country. In case of export to Japan, proof of past performance is not required.

3. If the documents received are found in order, the applicant shall be issued a Registration Certificate. Export against this registration certificate shall be completed within a period of 45 days from the date of issuance of such certificate. The firms would be required to submit proof of export (alongwith Bill of Entry of destination country) to the RA within 10 days of last shipment.

4. While issuing Registration Certificates (RCs), RA, Guwahati will ensure that RCs issued for Assam Comilla Cotton are within the overall ceiling of 5000 bales.

5. Failure to export the allowed quantity within

the stipulated time would invite debarment from further registration. In addition, penal action as per Section 11(2) of the Foreign Trade(D&R) Act would be initiated. For ready reference Section 11(2) is extracted below:-

"11(2). Where any person makes or abets or attempts to make any export or import in contravention of any provisions of this Act or any rules or order made thereunder or the Foreign Trade Policy, he shall be liable to a penalty of not less than ten thousand rupees and not more than five times the value of the goods or services or technology in respect of which any contravention is made or attempted to be made, whichever is more."

6. This issues with the approval of Director General of Foreign Trade.

## Wheat Flour Quota of 32K MT for Maldives through MMTc

*Subject: Prohibition on export of wheat Products- Exemption for export of wheat flour to Maldives for the year 2011-12.*

43-Ntfn(RE) 20.04.2011 (DGFT) In exercise of the powers conferred by Section 5 of Foreign Trade (Development & Regulation) Act, 1992 (No.22



of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes, the following addition with immediate effect at the end of Paragraph No. 2 of Notification No. 33(RE-2007)/2004-2009, dated 08.10.2007, as amended from time to time (pertaining to prohibition on export of wheat and wheat products).

2. In Notification No. 33(RE-2007)/2004-2009, dated 08.10.2007, sub para 2.11 was added on 28.02.2011 vide Notification No. 27(RE-2010)/2009-14. Now another sub-para 2.12 is added as under:

"2.12 The prohibition imposed by Notification No. 33(RE-2007)/2004-2009, dated 08.10.2007 on export of wheat products shall not be applicable to export of 32,094.70 MT of wheat flour to Maldives through M/s. MMTc Ltd."

3. This quantity shall be exported by M/s. MMTc Ltd. during the Financial Year 2011-12 i.e. upto 31.03.2012.

**4. Effect of this notification:**  
The export of 32,094.70 MTs of wheat flour to Maldives, is permitted under the Bi-lateral Trade Agreement between Government of India and the Republic of Maldives through M/s. MMTc Ltd. upto 31.03.2012.

### Service Tax Audit Manual

*Subject: Service Tax Audit Manual 2011.*

### Service Tax Audit Manual

*Subject: Service Tax Audit Manual 2011.*

135-ST 19.04.2011 (DoR) The existing Service Tax Audit Manual has been in use since 2003. With experience gained while conducting audits and

rapid change in service tax law over the years, growth in service tax categories, assessee base as well as revenue, a need was felt to update the manual. The Board had set up a Working Group in 2009. The manual prepared by the Working Group was discussed in Board meetings for considering the various amendments and proposals to be included in the manual. The Board has since approved the Service Tax Audit Manual 2011 and will be circulated by the Directorate General of Audit. All Service Tax audits should henceforth be carried out in accordance with the principles laid down in the said Manual and the extant prevalent instructions. This Manual is for the use of departmental officers only.

2. Any suggestions for improvement, shortcomings, corrections and feedback pertaining to the said Manual should be brought to the notice of Directorate General of Audit.

*Dy. No.116/Commr. (ST)/2009*

### Annexure-1 to Policy Circular No. 29(RE-2010)/2009-14 dated 19.04.2011

#### Declaration / Undertaking

1. I / We hereby declare that the particulars and the statements made in this application are true and correct to the best of my / our knowledge and belief and nothing has been concealed or held there from.

2. I / We fully understand that any information furnished in the application if found incorrect or false will render me / us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.

3. I / We undertake to abide by the provisions of the FT (D & R) Act, 1992, as amended, the Rules and Orders framed there under, FTP, HBP v 1 and HBP v2 and ITC (HS). I also undertake that in the event of non-performance after grant of Registration Certificate for export of cotton yarn by the Directorate General of Foreign Trade, I shall be liable to Penal Action under Section 11(2) of Foreign Trade(Development & Regulation) Act, 1992, (as amended), including debarment from future allocations.

4. I hereby certify that I am authorised to verify

and sign this declaration.

Signature of the Applicant \_\_\_\_\_ Place  
Name \_\_\_\_\_ Date

Designation \_\_\_\_\_

Official Address (if different than given in the letter head):

Line 1: Number of the office premises.

Line 2: Street name.

Line 3: City name.

Line 4: Pin code.

Telephone No.(with STD code):

Cell Phone No.:

Fax No.:

E-mail of the firm/company:

E-mail of the signatory:

Residential Address of the signatory:

Line 1: House Number.

Line 2: Street name.

Line 3: City name.

Line 4: Pin code.

## No Beef Allowed into India – Ban on Gummy Pizza Containing Beef from China and Indonesia

**[Ref: CBEC Instruction F.No. 528/36/2011-STO (TU) dated 19<sup>th</sup> April 2011]**

*Subject: Import of Gummy Pizza containing beef from China and Indonesia regarding.*

Attention is drawn to Para (3) and (4) of DGFT Notification No. 29(RE-2000)/1997-2002 dated 7.08.2000. According to this notification: (a) Import of Beef in any form and import of products containing beef in any form is prohibited; (b) All consignments of edible oils and processed food products, imported in bulk, shall carry a declaration from the concerned exporter on the shipping documents that the consignment does not contain beef in any form; (c) All consignments of edible products, imported in consumer packs, shall carry a declaration on the label of the package that the product does not contain beef in any form."

2. However, instances have been brought to the notice of the Board that despite prohibition on beef in any form and import of products

containing beef in any form, Gummy Pizza, which is reportedly containing beef, is imported in large quantities from China and Indonesia.

3. Board has taken note of this and desires that import policy in this regard should be scrupulously implemented by the field formations. Suitable legal action would be warranted in case any violation is noticed including in the reported cases of import of Gummy Pizza said to contain beef. Any deviation in this regard shall be viewed seriously.

4. Suitable instructions may be issued to the field formation for strict compliance. Cases if any, of such imports in the past may be thoroughly investigated and reported with all details to the Board.

## Accounting Codes for Taxable Services

Subject: Accounting Codes for the taxable services introduced vide the Finance Act, 2011.

136-ST Heads of Account under the Major Head "0044-Service Tax" in respect of the new taxable services have been allotted by the Office of the Principal Chief Controller of Accounts, CBEC.

2. Accounting Codes for the purpose of payment of service tax are as follows:

SNo.	Taxable Services	Accounting Code		
		Tax Collection	Other Receipts	Deduct Refunds
(1)	(2)	(3)	(4)	(5)
1.	Service provided by a restaurant having air-conditioning and license to serve alcoholic beverages in relation to serving of food or beverage, including alcoholic beverages or both, in its premises [Finance Act 1994, Section 65(105) (zzzzv)]	00441067	00441068	00441069
2.	Service provided by a hotel, inn, guest house, club or campsite in relation to providing of accommodation for a continuous period of less than three months [Finance Act 1994, Section 65(105) (zzzzv)]	00441070	00441071	00441072

**Note:** A. The sub-head "other receipts" is meant for interest, penalty, leviable on delayed payment of service tax

B. The sub-head "deduct refunds" is not to be used by the assessee, as it is meant for the Revenue/Commissioner while allowing refund of tax

C. Primary education cess on all taxable services will be booked under 00440298 and Secondary Higher Education Cess will be booked under 00440426

D. If NSDL have issued any dummy codes for revenue collection and interest/penalty for the above services, all these dummy codes should be treated as void and may be replaced by the correct account codes as stated above

3. Description of taxable services provided at column (2) of the table for ease of reference, does not restrict the scope of the taxable service.

4. Trade Notice/Public Notice may be issued to the field formations and taxpayers.

F.No.335/5/2006-TRU

## Customs Valuation Exchange Rates

April 2011	Imports	Exports	
<b>Schedule I</b>			
1 Australian Dollar	46.55	45.30	
2 Canadian Dollar	46.25	44.95	
3 Danish Kroner	8.60	8.30	
4 EURO	63.70	62.00	
5 Hong Kong Dollar	5.80	5.65	
6 Norwegian Kroner	8.10	7.80	
7 Pound Sterling	72.65	70.75	
8 Swedish Kroner	7.10	7.15	
9 Swiss Franc	49.25	47.85	
10 Singapore Dollar	35.95	34.95	
11 U.S. Dollar	45.20	44.30	
<b>Schedule II</b>			
1 Japanese Yen	55.55	53.90	

Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 24(NT)/29.03.2011)

## Commodity Spot Prices in India – 23-26 April 2011

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

(Rs.)					
Commodity	Unit	Market	23-Apr	25-Apr	26-Apr
CER (Carbon Trading)	1 MT	Mumbai	847.5	847.5	848.5
Chana	100 KGS	Delhi	2249	2215	2216
Masur	100 KGS	Indore	3125	3041	2955
Potato	100 KGS	Agra	629.5	614.6	613.7
Potato TKR	100 KGS	Tarkeshwar	457.9	473.5	480.7
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	997.9	941.4	965
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA
Jeera	100 KGS	Unjha	NA	NA	NA
Pepper	100 KGS	Kochi	NA	NA	NA
Red Chilli	100 KGS	Guntur	NA	NA	NA
Turmeric	100 KGS	Nzmbad	9500	9125	9163
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1299	1300	1301
Wheat	100 KGS	Delhi	1203.7	1201.3	1212.1
Menthaoil	1 KGS	Chandausi	1220.5	1219	1202.6
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	4790	4843	4776
Guar Seed	100 KGS	Bikaner	2975	2960	3013
Soya Bean	100 KGS	Indore	2402	2395.5	2365
Mustrdsd JPR	20 KGS	Jaipur	529.2	530.9	NA
Sesameseed	100 KGS	Rajkot	5100	5075	5063
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	100 KGS	Akola	1141.5	1147.5	1135
Coconut Oil	100 KGS	Kochi	10088	10192	10192
Refsoy Oil	10 KGS	Indore	617.3	617	612.9
CPO	10 KGS	Kandla	519.9	523	520.5
Mustard Oil	10 KGS	Jaipur	550.2	561.2	528.9
Gnutoilexp	10 KGS	Rajkot	800	850	835
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	4974	4974	4991
Frunace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	5493	5493	5497
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2642	2645	2651
Sugarm	100 KGS	Delhi	2902	2902	2899
Natural Gas	1 mmBtu	Hazira	195.5	195.5	195.1
Rubber	100 KGS	Kochi	24033	23997	24004
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	3472	3504.5	3529
Gold	10 GRMS	Ahmd	21979	22015	21780
Gold Guinea	8 GRMS	Ahmd	17654	17682	17494
Silver	1 KGS	Ahmd	71282	73288	67850
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	429.7	429.7	421.7
Nickel	1 KGS	Mumbai	1180.7	1180.7	1168.9
Aluminium	1 KGS	Mumbai	121	121	121.9
Lead	1 KGS	Mumbai	118.3	118.3	113.4
Zinc	1 KGS	Mumbai	103.5	103.5	102.5
Tin	1 KGS	Mumbai	1447.5	1447.5	1459.5

(Source: MCX Spot Prices)

**Service Tax not Leviable on Visa Facilitation***Subject: Assistance provided for processing visa applications.*

137-ST 20.04.2011 (DoR) An issue has been brought before the Board, seeking a clarification as to whether service tax liability would arise on the assistance provided by visa facilitators, to individuals directly, for processing of visa applications.

2. The same has been examined. Assistance provided by a visa facilitator, for obtaining visa, to a visa applicant or for foreign employer does not fall within the scope of supply of manpower service. Visa facilitators, while providing visa assistance directly to individuals does not act on behalf of the embassies, as agents of the principal and hence service tax is not leviable within the meaning of business auxiliary service. Also where the assistance is rendered to an individual directly, by a visa facilitator, and the visa applicant pays the service charge on his own (meaning such service charge is not borne by any business entity), the same cannot be considered as support service for business or commerce.

3. Visa facilitators, merely facilitate the procurement of visa and directly assist individuals who intend to travel abroad, to complete the immigration formalities. Visa facilitators collect certain statutory charges like visa fee, certification fee, attestation fee, emigration fee, etc. from the visa applicant, which are remitted to

the respective authorities, and in addition collect service charges for themselves as remuneration for the assistance provided by them to obtain the visa. Such a service provided by a visa facilitator, in the form of assistance to individuals directly, to obtain a visa, does not fall under any of the taxable services under section 65(105) of the Finance Act, 1994. Hence service tax is not attracted.

4. However, service tax is leviable on any service provided other than assistance directly to individuals for obtaining visa, falling under the description of any taxable service, as classifiable under the appropriate heading. To cite a few instances, where in addition to rendering assistance directly to individuals for obtaining visa, visa facilitators may also act as agents of recruitment or of foreign employer, in which case, service tax is leviable to the extent under the service of 'supply of manpower'. In certain other cases, for example, a visa facilitator, may be rendering visa assistance to individuals who are employed in a business entity, but the service charge may be paid by the business entity on behalf of those individuals, to the visa facilitator, in which case, service tax is leviable under 'business support service'.

5. Trade Notice/Public Notice may be issued to the field formations accordingly.

*F.No.332/11/2010-TRU*

**Self Sealed Containers Export Allowed Based on LEO – Shipping Bill Printout**

*The following Public Notice was issued by the Commissioner of Customs (Export), Jawaharlal Nehru Custom House, Nhava Sheva on 21 April 2011.*

*Subject: Allowing clearance of factory stuffed export containers including self sealed containers based on LEO on Check List pending shipping bill print.*

63-PN 21.04.2011 Reference is invited to Public Notice 53/2011 dated 08.04.2011. It has been

reported by trade, Customs House Agents Association and Officers in the sheds that due to connectivity problems in the CFS under the newly migrated EDI 1.5 system, the printing of shipping bills (SB) after LEO has been granted in the system is taking time which leads to shut out of cargo since shipping lines cannot load the containers onto the vessel unless the goods are accompanied by a SB which has been duly given LEO by the Superintendent of Customs. This delay also leads to congestion in the CFS and the ports.

2. In view of the above, as a measure of trade facilitation, it has been decided to allow LEO to be granted on the Check List in respect of SB pertaining to export of factory stuffed containers including self sealed containers which have already been granted LEO in the system. Hence, in all such cases where the LEO has been granted in the system and the SB is pending for print in the CFS, the Superintendent grating LEO may endorse the said fact on the SB along with the LEO date and time. The said Check List duly endorsed by the Superintendent of Customs granting LEO shall be accepted by the shipping lines for loading the containers pertaining to the said SB onto the vessel.

3. This procedure shall be in force till 30<sup>th</sup> April, 2011 and the same shall be reviewed on 1<sup>st</sup> May, 2011 depending on the response of the 1.5 EDI system.

4. The above guidelines come into force with immediate effect and shall be strictly followed by the concerned officers and staff.

5. Any difficulty noticed in the implementation of this Standing Order may be brought to the notice of the undersigned.

*F. No. JC/GGP-Misc-03/2010*

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with an expected increase of 1.3 percent for Colombia and 0.7 percent for Peru.

In 2010, bilateral trade in goods between the EU and both Colombia and Peru was €6 billion. The EU exported €3.9 billion to and imported €4.7 billion from Colombia, while they exported €2.3 billion to and imported €5.1 billion from Peru.

The agreement also looks towards the future by including an ascension clause, leaving open the possibility for increased trade cooperation between the EU and the Andean Region.

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