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Rupee Shipment to Iran against Dollar Imports Allowed with 15% Value Add

India waived the value addition norms for exporters shipping imported items like food and pharmaceuticals to Iran, a move which will help in increasing the bilateral trade on 30 April 2014.

"Re-export of food, medicine and medical equipment to Iran will not be subject to any value addition requirement," Directorate General of Foreign Trade (DGFT) said in a notification.

Earlier, 15 per cent value addition was mandatory for re-export to Iran.

According to apex exporters body Federation of Indian Export Organisations (FIEO), the move will help in increasing exports to Iran "in a big way" in 2014-15.

However, the DGFT said that goods imported for such re-export to Iran against rupee payment shall not be eligible for any export incentive.

India's exports to Iran has increased by 60 per cent to $4.56 billion in April-February 2014.

"India has more than doubled its exports to Iran in last two years benefiting from the rupee payment mechanism," FIEO said in a statement.

Besides food products, India mainly export to Iran includes pharmaceuticals, machinery, transport equipment, chemicals, man-made yarns and fabrics, steel.

Subject: Export to Iran under Para 2.35(b) of Foreign Trade Policy, 2009-2014.

79-Ntfn(RE) 30.04.2014 (DGFT)

In exercise of powers conferred under Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 2.1 of the Foreign Trade Policy, 2009-2014, as amended from time to time, the Central Government hereby modifies paragraph 2.35(b) of Foreign Trade Policy, 2009-2014.

2. The existing paragraph 2.35(b) of Foreign Trade Policy, 2009-2014, as amended vide Notification No. 16 & No. 17 (RE 2013)/(2009-2014) dated 06/06/2013 & 10/06/2013 respectively, reads as under:

"Exports of such goods imported against payment in freely convertible currency would be permitted against payment in freely convertible currency except to countries as notified by DGFT from time to time. Export of such goods would be permitted against payment in Indian Rupees to the notified countries subject to at least 15% value addition.

Accordingly, exports of such goods to Iran which have been imported against payment in freely convertible currency would be permitted against payment in Indian Rupees also, subject to at least 15% value addition."

3. The para 2.35(b) of FTP is modified further to read as under:

(i) "Exports of such goods imported against payment in freely convertible currency would be permitted against payment in freely convertible currency except to countries as notified by DGFT from time to time. Export of such goods would be permitted against payment in Indian Rupees to the notified countries subject to at least 15% value addition.

(ii) Accordingly, exports of such goods to Iran which have been imported against payment in freely convertible currency would be permitted against payment in Indian Rupees also, subject to at least 15% value addition. Further, re-export of food, medicine and medical equipments will not be subject to minimum value addition requirement. The ITC(HS) codes for these goods will cover Chapter 2,3,4,7-11 and Chapters 15-21,23,30 and only Heading 9018, 9019, 9020, 9021 & 9022 of Chapter-90 of ITC(HS) subject to all conditions of FTP 2009-14 and ITC(HS) 2012 as applicable.

(iii) Bird's eggs under HS: 0407 & 0408 and Rice under HS: 1006 are not covered under this dispensation.

(iv) Exports under this dispensation shall not be eligible for any export incentives.

4. Effect of this Notification

Re-export of food, medicine and medical equipments to Iran will not be subject to any value addition requirement. Goods imported against freely convertible currencies and re-exported to Iran against rupee payment shall not be eligible for any export incentive.

New DGFT Pravir Kumar Takes Position

Mr. Pravir Kumar (IAS, 1982 batch UP cadre) joined as new Director General, Directorate General of Foreign Trade on 25 April. Mr. Madhusudan Prasad, the acting DGFT from Min of Commerce handed over charge to Mr. Pravir Kumar. Given the present trend in promotions to Secretary rank, we can expect Mr. Kumar to continue in the DGFT post, (equivalent to Additional Secretary in the Central Government) for about two years before promotion to Secretary.

The senior officer has a background of exports, having served as Development Commissioner of Kandla SEZ and Rahej SEZ some six years ago.

Mr. Kumar has a tough job ahead. Export growth has turned negative month on month basis from the beginning of this year. The complex Foreign Trade Policy for the next Five Year period 2014-2019 must be finalized after the new Government in the Centre is installed at the end of this month.

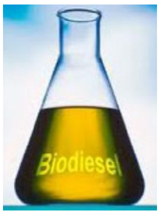
His predecessor Dr. Anup Pujari (Promoted to the post of Mines Secretary) created a culture of transparency and openness in the trade sector with EDI. This will help Mr. Kumar but he must set his own pace in decision making.

The trade and the industry hope that the decision making in DGFT will speed up with frequent committee meetings and quick decisions on file. The trade sector in India has grown and day to day problems of interpretation and decision making need quick decisions taken with a large heart for smooth operations. Sometimes a decision on file can help the trader in trouble. As they say, a stitch in time saves nine.

Arun Goyal -Ed-

Biodiesel War between EU and Argentina Reaches WTO Panel

The dispute (DS473) between Argentina and the EU over the latter's imposition of anti-dumping duties on biodiesel imports from the South American economy has advanced to the panel stage, after Buenos Aires presented its second panel request to the WTO's Dispute Settlement Body last Friday, 25 April.



The duties in question were confirmed by the 28-member bloc last November, following a European Commission investigation into claims that Argentina and Indonesia – the world's top exporters of biofuels– were selling their energy product to EU member states below its normal value, a practice known as "dumping" in trade parlance.

Notably, third parties expressing interest in the WTO case do not currently include Indonesia, on whom Brussels has also imposed biodiesel anti-dumping duties.

Friday's development came within days of Argentine President Cristina Fernández de Kirchner forwarding a request to Congress to eliminate certain domestic taxes paid by biodiesel manufacturers, slated as an effort to support the country's industry in the face of the EU measures. The proposal suggested the tax concessions would run as long as the duties remained in place. "We are in a trade war," she said when outlining the policy shift last week.

Argentina and Indonesia together make up 90 percent of the EU's biodiesel imports and capture over one-fifth of the bloc's market share. Brussels alleges that the duties – which see Argentine biodiesel producers having to pay between €217 and €246 per metric tonne, according to local media reports from last autumn – are necessary to level the playing field for its own domestic producers.

For its part, Argentina has lodged two separate cases before the global trade arbiter. In a case (DS443) put forward in 2012, Buenos Aires objected to Spain's decision to implement a part of the EU's Renewable Energy Directive by favouring biofuels produced within the trading bloc.

Although Argentina opted to put that dispute on hold following Spain's modification of the rules involved, another hit came in May 2013, when the country filed a separate complaint (DS459) in relation to EU support schemes offered to the domestic biodiesel sector.

Tobacco Producers Take Aussies to WTO Panel over Plain Packaging of Cigarettes

The long-running dispute over Australia's plain packaging law for tobacco products has advanced to the panel stage, over two years since the first complaint was filed. The case has brought front and centre questions on the extent to which flexibilities exist to advance public health objectives in WTO rules.

The policy at issue is Canberra's Plain Packaging Act, which requires all tobacco products sold in Australia to be packaged with only one colour and shape, with a significant portion of the packaging covered in health warnings. The bill was approved in December 2011, though it allowed tobacco companies until December 2012 to make the required changes in their production.

Furthermore, Australia has noted, estimates from the World Health Organization place global deaths from tobacco use at 10 million in the year 2030 – up from the 3 million seen in 1990 and the 6 million annually today. Of these, the majority will be in developing economies.

In the months following the Australian bill's approval, legal complaints – both at the WTO and elsewhere – came swiftly. The five WTO members that have challenged the policy – Cuba, the Dominican Republic, Honduras, Indonesia, and Ukraine – have claimed that the measure is unnecessarily trade-restrictive. By undermining protections provided to trademarks and geographical indications, they say, it is difficult for their premium products to stand out in the marketplace, making fair competition impossible.

Complainants have generally cited various provisions in the General Agreement on Tariffs and Trade (GATT), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and the Technical Barriers to Trade (TBT) Agreement in their consultations and panel requests.

Panel composition set for May

Under the terms agreed to by both Australia and the five complainants, one single panel is set to hear all of the disputes jointly. The WTO Director-General is set to confirm the panellists by 5 May. To date, 28 WTO members have requested third party rights in the dispute.

While global trade rules dictate that a panel, once formed, should issue a ruling within six months, in practice the process takes far longer, given the heavy workload that the WTO dispute settlement system currently faces.

IMF Lauds Japan Easy Money Policy, Calls for End of Protectionism

Japan needs to speed up the pace of implementing structural reforms if its economic recovery is to continue, the International Monetary Fund (IMF) has warned in a recent regional review.

While the report predicts sustained upward growth for the Asian region, the Washington-based institution has also called for a restructuring of Japan's "Abenomics" policies in order to prevent a slowdown in economic growth and negative spillovers for Tokyo's trading partners.

Launched by Japan's Prime Minister Shinzo Abe in late 2012, Abenomics refers to a series of economic policies based on three "arrows" – monetary stimulus, fiscal stimulus, and structural reform. In line with this approach, the Japanese central bank has been pursuing an aggressive quantitative easing programme in order to combat over a decade's worth of deflation and hit a two percent inflation rate.

According to the IMF report, the central bank's efforts have been largely successful, while short-term fiscal stimulus packages have met with similar moderate success.

It ultimately called for a continuation of current monetary policy, but has suggested emphasising less the expected deadline for a two percent inflation rate within the initially predicted two years.

The Fund report has further proposed a continuation of consumption tax increases complemented by pension and healthcare reforms, as well as significant supply-side reforms such as market deregulation and changes in corporate governance.

Initial IMF reviews suggested that a successful implementation of all three arrows of Abenomics would result in moderate positive spillovers to other countries. However, if negative real wage growth persists it could have adverse effects for Japan's trading partners in the form of yen appreciation and reduced demand for foreign imports.

Trade liberalisation, such as through bilateral or regional deals, are part of the "third arrow" of Abenomics that deals with structural reform, an area particularly highlighted by the IMF report as being in need of more rigorous implementation.

China Lodges WTO Appeal after Defeat in Rare Earths Export Duty Case

China has asked the WTO's highest court to review a series of substantive findings in a dispute panel ruling that found Beijing's restrictions on rare earths exports to be in violation of international trade rules. The move, confirmed last week, marks the latest chapter of a case that has highlighted the nuances of balancing natural resource management policies with global trade commitments.

Last month, a dispute panel had found that China's use of export duties and quotas on various rare earth elements, along with tungsten and molybdenum, went against both international trade rules and its WTO accession commitments.

These rare earths are used in the manufacturing of various high-tech and green energy products, such as wind turbines and engines for electric and hybrid vehicles. China is responsible for nearly all rare earths production– 90 percent, according to the US Geological Survey – and is the home of a quarter of the world's supply.

A few weeks ago, the US had filed a conditional appeal of its own, in advance of a potential appeal from China. Unlike Beijing's filing, Washington has focused primarily on a series of procedural concerns with the dispute panel's review of evidence, rather than on questions regarding the substance of the ruling.

Dear Reader:

The Weekly Index of Changes with World Trade Scanner Issue No. 07 is a combined issue, i.e., Issue No. 06 and 07 dated 30 April 2014 to 13 May 2014.

Editor

WEEKLY INDEX OF CHANGES

Aluminium Ingots under DG Safeguards Lens on HINDALCO Complaint

Complains Rise in Imports from Gulf, SAfrica

[Safeguard Initiation Notification No. D-22011/01/2014 dated 7th April 2014]

Sub: Initiation of safeguard investigation concerning imports of Not Alloyed Ingots of Unwrought Aluminium into India.

An application has been filed before me under Rule 5 of the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 by M/s. Hindalco Industries Ltd, M/s Sesa Sterlite Ltd and M/s Bharat Aluminium Company Ltd through their consultant M/S TPM Consultants for imposition of Safeguard Duty on imports of Not Alloyed Ingots of Unwrought Aluminium (hereinafter referred to as PUC) into India to protect the domestic producers of PUC against serious injury/threat of serious injury caused by the increased imports of PUC into India.

2. Domestic Industry

M/s Hindalco Industries Ltd (manufacturing plants at Renukoot and Hirakud) M/s Sesa Sterlite Ltd (manufacturing plant at Jharsuguda) and M/s Bharat Aluminium Company Ltd (manufacturing plant at Korba) are the three applicants constituting domestic industry in this case. The domestic industry have claimed that their production of PUC account for 71% of the total production of PUC in India and thus they have the standing to file the present petition.

3. Product Involved

The product under consideration (PUC) in the present case is Not Alloyed Ingots of Unwrought Aluminium. The product scope specifically excludes Alloyed Ingots and all products of aluminium not in ingot form, such as billets, bars, rods etc. PUC is a basic form of cast aluminium (unwrought). It is made by the process of solidifying the liquid hot metal by pouring into a mould. The aim is to make the metal easy for handling and transportation. Aluminium Ingots are available in various shapes and sizes (std – 20 to 24 kg to sow ingots – 450 to 700 kg. Liquid aluminium is produced by the electrolytic reduction of alumina (Al_2O_3) dissolved in an electrolyte (bath) mainly containing Cryolite (Na_3AlF_6). The overall chemical reaction can be written as:

$$2Al_2O_3\text{(dissolved)} + 3C(s) = 4Al(l) + 3CO_2(g) \quad (1)$$

Prebaked technology is used in manufacturing PUC. In prebaked technology the anodes used are termed as prebaked anodes which are made from a mixture of petroleum coke, aggregate and coal tar pitch binder moulded into blocks and baked in separate anode baking furnace at about 1120 degree centigrade. An aluminium rod with iron studs is then cast or rammed into grooves in the top of the anode block in order to support the anode and conduct the electric current to the anode when it has been positioned in the cell. On production of liquid hot metal it is then transferred to the Casting stations. PUC is classified under Customs sub-heading nos. 76011010 of Chapter 76 of the Customs Tariff Act, 1975.

4. Period of Investigation (POI)

The applicants for the purpose of the present application have considered the data for the period from 2010-11 to 2013-14 (upto Dec 13). The data for 2013-14 has been annualized for comparative study. The applicants have submitted all the data from 2010-11 to 2013-14(upto Dec 13). The period for investigation selected is 2010-11 to 2013-14(annualized on the basis of data upto Dec, 13) which is long enough in order to take into consideration the market conditions and to ascertain the need of imposition of Safeguard Duty.

5. Source of information

The import data for the product under consideration has been taken from DGCIS as provided by the applicants and verified from the monthly CDs of DGCIS received in the Directorate. Further, the data pertaining to other safeguard economic parameters for the period from 2010-11 to 2013-14 (upto Dec 13), has been verified to the extent necessary, through onsite verification of the manufacturing units of the applicants and such verified data for the POI has been taken into consideration for injury analysis.

6. Increased Imports (Absolute & in relative terms)

PUC is imported into India from a number of countries, and primarily from Oman, South Africa and United Arab Emirates(UAE). The imports of PUC have shown an increasing trend in absolute terms as well as compared to the total production. The imports and production of PUC during financial year 2010-11 to 2013-14 (Annualized) remained as under:

Financial Year	Total Imports (MT)	All India Production (MT)	Total Demand (MT)	Import as a % of production
2010-11	100,312	871,492	740,674	12
2011-12	92,184	826,000	703,937	11
2012-13	154,449	831,405	765,688	19
2013-14 (annualized for 9 months)	208,496	774,187	680,825	27

The Imports have slightly declined in 2011-12 vis-à-vis the base year 2010-11. However, thereafter imports have surged steeply to 154,449 MT in the year 2012-13 and further to 208,496 MT in the year 2013-14 (annualized). Therefore, imports have increased by 108% in the year 2013-14(annualized) when compared to the base year. Further the import as a percentage of domestic production have increased to 27% in 2013-14 (annualized) from 12% in 2010-11.

7. Injury

The applicants have claimed that the increased imports of PUC have caused and are threatening to cause serious injury to the domestic producers of PUC as indicated by the following factors:

a) *Production*: The production of the domestic industry has slightly declined in 2013-14 (annualized) to 551,086 MT vis-à-vis the base year 2010-11 when it was 552,864 MT.

Year	Qty (MT)
2010-11	552,864
2011-12	527,571
2012-13	538,657
2013-14 (Apr-Dec)	413,315
2013-14 (annualized)	551,086

b) *Capacity Utilization*: Capacity utilization of the domestic industry has declined in the most recent period of 2013-14 (annualized) to 43% from the base year 2010-11 when it was 44%.

Year	Installed Capacity (MT)	Capacity utilized (%)
2010-11	12,63,500	44
2011-12	12,69,500	42
2012-13	12,69,900	42
2013-14 (annualized)	12,72,200	43

c) *Share of domestic producers in domestic demand*: Market share of domestic producer has fallen significantly. Applicants had a market share of 56% in 2010-11 and 60% in 2012-13 which fell to 51% during 2013-14(annualized). From base year also, market share of DI fell to 51% in current year vis-à-vis 56% in base year. The market share of imports increased from 14% in 2010-11 to 31% in 2013- 14(annualized).

Financial Year	Total Import (MT)	Sales of DI (MT)	Total Demand (MT)	Market Share (%)		Inventories (MT)
				DI	Import	
2010-11	100,312	416,993	740,674	56	14	149
2011-12	92,184	408,225	703,937	58	13	37
2012-13	154,449	461,509	765,688	60	20	41
2013-14 (annualized)	208,496	350,185	680,825	51	31	4360

Consumer Pack Edible Oil MEP Cut by $300 to $1100/MT from $1400/MT

Subject: Amendment in Notification No 22(RE-2013)/2009-14 dated 18th June, 2013 relating to export of edible oils.

80-Ntfn(RE) 30.04.2014 (DGFT) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 1.3 of the Foreign Trade Policy, 2009-2014 (as amended from time to time), the Central Government hereby amends with immediate effect Para 4 of Notification No 22(RE-2013)/2009-14 dated 18th June 2013 read with Notification No. 45 (RE-2013)/2009-14 dated 09.10.2013 relating to Sl. No. 92 of Schedule 2 of ITC(HS) Classification of Export & Import Items as under:

"4. Export of edible oils in branded consumer packs of upto 5 Kgs is permitted with a Minimum Export Price of USD 1100 per MT".

2. Effect of this notification

MEP on export of edible oils in branded consumer packs of upto 5 Kgs has been reduced to USD 1100 per MT. Earlier it was USD 1400 per MT.

d) *Changes in the level of Sales* :- Though the sales of the domestic industry increased in 2012-13 as compared to the year 2011-12, it declined from 461,509 MT in 2012-13 to 350,185 MT in 2013-14(annualized). This clearly shows that the domestic industry suffered loss in sales, market share, caused by increased imports.

e) *Profit/loss* – the profitability of the domestic industry has steeply deteriorated to such a situation that the domestic industry is now suffering financial losses. This is evident from the table below:-

Financial Year	Profit/(Loss) (Rs./ Lacs) (Indexed)
2010-11	100
2011-12	16
2012-13	(14)
2013-14 (annualized)	(2)

f) Inventory- Inventory of the DI has accumulated very steeply in the current year 2013-14(annualized) to 4360 MT vis-à-vis a meager 41 MT in the preceding year and 149 MT in the base year. This is evident from the table below:

Financial Year	Inventory at the end of the year (MT)
2010-11	149
2011-12	37
2012-13	41
2013-14 (annualized)	4360

g) Employment- Employment has shown a declining trend in all the years i.e. 2011-12, 2012-13 and 2013-14 (annualized) vis-à-vis the base year. This is evident from the table below:

Financial Year	Number of employees at the end of the year
2010-11	17109
2011-12	16854
2012-13	16053
2013-14 (annualized)	15986

8. The domestic industry has requested for immediate imposition of safeguard measures for a period of four years in their application. The domestic industry has also requested for imposition of provisional safeguard duty in view of steep deterioration in performance of the domestic industry as a result of increased imports of PUC.

9. The application has been examined and it has been found that prima facie increased imports of PUC have caused or are threatening to cause serious injury to the domestic producers of PUC and such increase in imports has caused irreparable damage to the domestic industry and accordingly, it has been decided to initiate an investigation through this notice.

10. All interested parties may make their views known within a period of 30 days from the date of this notice to:

The Director General (Safeguards)
Bhai Vir Singh Sahitya Sadan: 2nd Floor,
Bhai Vir Singh Marg,
Gole Market, New Delhi-110 001, INDIA.
Telefax: 011-23741542/ 23741537
E-mail: dgsafeguards@nic.in

11. All known interested parties are also being addressed separately.

12. Any other party to the investigation who wishes to be considered as an interested party may submit its request so as to reach the Director General (Safeguards) on the aforementioned address within 15 days from the date of this notice.

13. In terms of Rule 6(7) of Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997, any interested party may inspect the public file containing non-confidential versions of the evidence submitted by the other interested parties after the expiry of 30 days from the date of this notice.

IEC Holders Must give Complete Mob Numbers and Email Ids by 30 June 2014, says Mumbai DGFT

[Additional DGFT Mumbai Trade Notice No. 01 dated 10th April 2014]

Subject: Final opportunity to IEC holders to update their Telephone numbers, mobile numbers and E-mail Ids with complete PAN details

Attention of all members of trade and industry is invited to Public Notice No.84 dated.11.11.11 issued by DGFT New Delhi, wherein it was informed that complete PAN details, Telephone numbers, E-mail ID and mobile number (of the signatory of the ANF 2A) is made mandatory in the IEC data base. Since it is observed that some of the IEC holders have not yet updated their IEC details as mentioned above, a final opportunity is given to all such IEC holders who have not updated their IEC details to update their Telephone numbers, mobile numbers and E-mail Ids with complete PAN details by 30th June, 2014. Kindly note no further extension will be given.

Kindly also note that, as a measure of trade facilitation and in order to reduce transaction cost and time, it has been decided by the Addl. DGFT, Mumbai that in future all communications and deficiency letters for all types of applications made to this office, if any, will be communicated to the members of trade and industry via E-mail also. If E-mail ID, mobile number and telephone numbers are not updated, the party would run the risk of not receiving important information/communications from this office which would not be in their own interest. The IEC holders may therefore take urgent steps to update their Telephone numbers, mobile numbers and E-mail Ids with complete PAN details by 30th June, 2014 and keep the same updated at all times

This trade notice is issued for information & facilitation of the trade.

RBI Says No Non Compete Clause in Pharma Sector for 100% FDI

Sub: Foreign Direct Investment in Pharmaceuticals sector – clarification

AP(DIR Srs) Cir.124 21.04.2014 (RBI)

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to A.P. (DIR Series) Circular No.56 dated December 9, 2011 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time. In terms of Schedule 1 to the Notification ibid, Foreign Direct Investment (FDI) up to 100 per cent is permitted under automatic route for greenfield investments and FDI up to 100 per cent is permitted under Government approval route for brownfield investments (i.e. investments in existing companies) in pharmaceuticals sector.

2. The extant FDI policy for pharmaceutical sector has since been reviewed and it has now been decided with immediate effect that the existing policy would continue with the condition that 'non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board (FIPB) of the Government of India.

3. A copy of Press Note No.1 (2014 Series) dated January 8, 2014 issued in this regard by Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India is enclosed.

4. AD Category - I banks may bring the contents of the circular to the notice of their customers/ constituents concerned.

5. Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Amendment) Regulations, 2014 which have been notified vide Notification No. FEMA.296/2014-RB dated March 3, 2014, vide G.S.R. No. 270(E) dated April 7, 2014.

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

Tapering Allowed for Transition Period Modalities for Short Term T-Bill

Sub: Foreign investment in India in Government Securities

Please refer to paragraph 24 of first bi-monthly Monetary Policy statement, 2014-15.

AP(DIR Srs) Cir.118 07.04.2014 (RBI)

Attention of AD Category-I banks is invited to A.P.(DIR Series) Circular No.94 dated April 1, 2013 read with A.P.(DIR Series) Circular No.111 dated June 12, 2013 and A.P.(DIR Series) Circular No.112 dated March 25, 2014, in terms of which the present limit for investment in Government Securities by SEBI registered FIIs, QFIs, long term investors and FPIs registered in accordance with SEBI guidelines stands at USD 30 billion. Out of the above limit, a sub-limit of USD 5.5 billion is available for investment in Treasury Bills (T-bills). Further, in terms of A.P. (DIR Series) Circular No.99 dated January 29, 2014, a sub-limit of USD 10 billion for investment in Government dated securities within the total limit of USD 30 billion is available to long term investors registered with SEBI – viz. Sovereign Wealth Funds (SWFs), Multilateral Agencies, Pension/ Insurance/ Endowment Funds and foreign Central Banks.

3. On a review, to encourage longer term flows, it has now been decided that foreign investment by all eligible investors including RFPIs shall henceforth be permitted only in Government dated securities having residual maturity of one year and above and existing investments in T-bills and

Government dated securities of less than one year residual maturity shall be allowed to taper off on maturity/ sale.

The revised position in respect of the investment limit in Government dated securities is given below:

Instrument/s	Limit	Eligible Investors	Remarks
Government dated securities – Securities having residual maturity of one year and above.	USD 30 billion	RFPIs (including existing FIIs and QFIs) and Long term investors registered with SEBI – SWFs, Multilateral Agencies, Pension/ Insurance / Endowment Funds and foreign Central Banks.	Existing investment in T-bills and Government dated securities of less than one year residual maturity shall be allowed to taper off on maturity/sale. No fresh investment in T-bills and Government dated securities of less than one year residual maturity allowed.

4. Necessary operational guidelines in this regard will be issued by SEBI.

5. All other existing conditions for investment in Government securities remain unchanged.

6. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

All Transactions above Rs. 5 lakhs Across Border in FIU net

Sub: Reporting of Cross Border Wire Transfers

AP(DIR Srs) Cir.126 25.04.2014 (RBI)

Please refer to our A. P. (DIR Series) Circular No. 72 dated January 10, 2013 on 'Uploading of Reports on FINnet Gateway' wherein all Authorised Persons were advised to upload reports as required by FIU-IND using only FINnet gateway.

2. With the amendments to Prevention of Money Laundering (PML) Rules, notified by the Government of India vide Notification No. 12 of 2013 dated August 27, 2013 and in terms of amended Rule 3, every reporting entity is required to maintain the record of all transactions including the record of all cross border wire transfers of more than Rs. 5 lakh or its equivalent in foreign currency, where either the origin or destination of the fund is in India. FIU-IND has advised that the information of all such transactions may be furnished to Director, FIU-IND by 15th of the succeeding month.

3. In this regard, it is advised that the 'Transaction Based Reporting Format' (TRF) already developed by FIU-IND and being used for reporting Cash Transaction Reports (CTRs), Suspicious Transaction Reports (STRs) and Non-Profit Organizations Transaction Reports (NTRs) may be used for reporting the Cross Border Wire Transfers. The information may be furnished electronically in the FIN-Net module developed by FIU-IND. All Authorised Persons are accordingly advised to take action as required by FIU-IND and ensure that reports are submitted in time as per the schedule.

4. The format along with sample data filled in as an illustration is available in the 'Downloads' section of the FIU-IND website (http://fiuindia.gov.in).

5. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009 and Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

Sub: Reporting of Cross Border Wire Transfers

AP(DIR Srs) Cir.125 25.04.2014 (RBI)

Please refer to our A. P. (DIR Series) Circular No. 73 dated January 10, 2013 on 'Uploading of Reports on FINnet Gateway' wherein all Authorised Persons, who are Indian Agents under MTSS were advised to upload reports as required by FIU-IND using only FINnet gateway.

2. With the amendments to Prevention of Money Laundering (PML) Rules, notified by the Government of India vide Notification No. 12 of 2013 dated August 27, 2013 and in terms of amended Rule 3, every reporting entity is required to maintain the record of all transactions including the record of all cross border wire transfers of more than Rs. 5 lakh or its equivalent in foreign currency, where either the origin or destination of the fund is in India. FIU-IND has advised that the information of all such transactions may be furnished to Director, FIU-IND by 15th of the succeeding month.

3. In this regard, it is advised that the 'Transaction Based Reporting Format' (TRF) already developed by FIU-IND and being used for reporting Cash Transaction Reports (CTRs), Suspicious Transaction Reports (STRs) and Non-Profit Organizations Transaction Reports (NTRs) may be used for reporting the Cross Border Wire Transfers. The information may be furnished electronically in the FIN-Net module developed by FIU-IND. All Authorised Persons, who are Indian Agents under MTSS are accordingly advised to take action as required by FIU-IND and ensure that reports are submitted in time as per the schedule.

4. The format along with sample data filled in as an illustration is available in the 'Downloads' section of the FIU-IND website (http://fiuindia.gov.in).

5. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009 and Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

FDI in Limited Liability Partnership (LLP) Allowed

Sub: Foreign Direct Investment (FDI) in Limited Liability Partnership (LLP)

AP(DIR Srs) Cir.123 16.04.2014 (RBI)

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to Schedule I to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (The Principal Regulations), notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time. In terms of extant instructions, only a Company incorporated under the Companies Act, 1956 or a Venture Capital Fund is eligible to accept FDI.

2. It has now been decided that Limited Liability Partnership (LLP) formed and registered under the Limited Liability Partnership Act, 2008 shall be eligible to accept Foreign Direct Investment (FDI) subject to the conditions given in Annex I.

3. A copy of Press Note No. 1 (2011 series) dated May 20, 2011 issued in this regard by Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry, Government of India is enclosed. A reference is also drawn to paragraph 3.2.5 of the Consolidated FDI Policy Circular 1of 2013 dated April 5, 2013 issued by DIPP, in the matter.

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Third Amendment) Regulations, 2014 notified vide Notification No. FEMA. 298 /2014-RB dated March 13, 2014 c.f. G.S.R. No.190(E) dated March 19, 2014.

5. The instructions issued in this circular shall be effective from May 20, 2011. However, reporting requirement of FDI in LLP shall come into force from the date of issue of instructions by the Reserve Bank in this regard. The LLP which have received foreign investment in terms of FIPB approval between May 20, 2011 to the date of this circular, shall comply with the reporting requirement in respect of FDI within 30 or 60 days, as applicable, from the date of this circular.

6. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

[Annexures are available at our website www.worldtradescanner.com]

EU Confirms Anti-Subsidy Duty of 17.1 to 42.1% on Chinese Solar Glass Imports

The EU's 28 member states have backed the imposition of definitive anti-dumping and countervailing duties on Chinese imports of solar glass, according to news reports. The product is used primarily, but not exclusively, in the manufacturing of solar panels.

The first, initiated in February 2013, dealt with whether solar glass imports from the Asian giant were being sold on the European market at prices lower than their domestic value, a practice known in trade jargon as "dumping." The latter investigation began in April of the same year, and addressed whether these producers were also receiving unfair subsidies.

In both cases, the EU's executive acted in response to complaints filed by EU ProSun Glass, an industry lobby group which says it represents approximately half of the bloc's solar manufacturers.

Provisional anti-dumping and countervailing - also known as anti-subsidy - duties on Chinese solar glass were put in place by Brussels in November at the levels approved last Thursday, ranging from between 17.1 to 42.1 percent. Clearance from member states was required, however, in order for the penalties to be extended for a five-year period and will now take effect by the end of May.

According to EU data, the European solar glass market weighs in at less than €200 million - a small slice of the bloc's total Chinese imports, valued at €290 billion in 2012. Regardless, the Commission last year said it was obliged to initiate proceedings based on the complaints due to "sufficient evidence" of dumping and subsidies, and an apparent causal link between these and the material injury suffered by EU producers.

The decision represents the latest chapter in a tumultuous relationship between Brussels and Beijing on the subject of renewable energy policies.

Two separate EU investigations into suspected dumping and subsidies for Chinese solar panels together with their component wafers and cells - a much larger market with an EU import value of €21 billion in 2011 - were resolved last year. Negotiators on both sides bargained to secure a "price undertaking" arrangement, although not before Beijing launched its own investigations into EU exports of wine and polysilicon, widely regarded as a tit-for-tat response.

These trade spats were preceded by other challenges from China, including the filing of a complaint at the WTO over EU local content requirements in November 2012.

Bilateral trade pact floated

In a sign of overall warming trade relations, however, last month saw the two sides reach settlements on the wine and polysilicon investigations launched by China. The news came just weeks ahead of Chinese President Xi Jinping's visit to Brussels, the first at that leadership level since diplomatic relations were established in 1975.

Putting aside past disputes, the two sides agreed to consider the possibility of a bilateral trade pact, conditioned upon the success of ongoing negotiations towards an investment deal, which are in the very early stages. Trade flows between the concerned economies already surpass over €1 billion daily, with the EU coming in as China's top trading partner.

FDA Banned Ranbaxy Drug Plant after Finding "Data Flaws", "Rat Traps"

U.S. regulators who visited a Sun Pharmaceutical Industries Ltd. (SUNP) drug plant in India before the facility was banned last month from exporting to the U.S. saw testing flaws, a garbage pileup, and a laboratory they called "un-cleanable."

The Food and Drug Administration inspectors observed that some workers misrepresented test data and deleted undesirable results, according to an inspection report known as Form 483 that obtained via a Freedom of Information Act request. There were rodent traps and a strong smell of urine in a quality-control lab area and bathrooms were in "total disrepair," with what appeared to be human waste on a wall, the report said.

On March 12, the agency barred the antibiotics plant in the western Indian village of Karkhadi from exporting to the U.S., the factory's primary market. The findings of the November inspection haven't previously been reported, and the FDA didn't disclose specific reasons when announcing the ban.

"We have sent our response to the FDA and given that the facility now has an import alert, it's clear that the FDA does not agree with our view," Sun, India's largest drugmaker by market value, said in an e-mailed response to questions from Bloomberg News. "In this process, we have learnt and have resolved to work on further strengthening our systems and controls."

Sun this month agreed to buy Ranbaxy Laboratories Ltd. (RBXY), which has four factories banned by the FDA. Last year, Ranbaxy agreed to pay $500 million to settle a whistleblower lawsuit and federal criminal charges that the company sold adulterated drugs while lying about it to the regulator.

Generics Demand

Indian drugmakers have become major sellers to the U.S. as demand for cheaper generics rises. The industry is also an essential provider of affordable medicines at home and in other parts of the developing world such as Africa.

Drug factories in India are coming under greater scrutiny after the FDA imposed restrictions on several suppliers of generic medicines to the U.S. for failing to meet manufacturing standards. Sun hasn't faced FDA curbs in the past five years even as the regulator barred some factories from Indian rivals including Ranbaxy and Wockhardt Ltd. over the last year.

Founded by Indian billionaire Dilip Shanghvi in 1983 with five psychiatry products and a single manufacturing facility, Sun has grown into a company with net sales of 112.4 billion rupees ($1.8 billion) in the year ended March 2013, with production sites in other parts of India and several countries including the U.S., Bangladesh, Hungary and Israel.

Negligible Contribution

While Sun's banned facility contributed less than 1 percent of revenue in 2013, the stock could be affected if "operational risks become repetitive," Balaji Prasad, an analyst at Barclays Plc in Mumbai, wrote in a March 13 note to clients. The facility has a negligible contribution to Sun's revenue, the company said when the FDA issued the import ban.

Corrective Steps

According to the FDA's November report, the inspectors reviewed Sun's recordkeeping and the integrity of its data at the plant, which makes cephalosporin antibiotics as well as bulk ingredients for the medication.

The inspectors observed that "analysts regularly delete undesirable chromatographic results, and products are retested without initiating an investigation." Manufacturing waste, old equipment and other garbage was seen in the facility's "perimeter manufacturing areas" making them susceptible to pests, the report said.

Sun has implemented corrective measures on cleanliness at the plant, and where testing procedures weren't properly followed, it has taken the "necessary disciplinary action" and replaced equipment. The drugmaker said some of the FDA's observations were related to the surrounding areas of the buildings, and it hasn't made a final decision on whether to shut the facility.

In 2009, the FDA ordered manufacturing to be halted at Sun's Detroit-based unit after a string of recalls over manufacturing defects. Three years later, the FDA cleared the subsidiary to resume operations with two products, according to a company statement at the time. Sun Pharma didn't immediately respond to an e-mail requesting an update on that unit.

Data Integrity

The FDA last year banned about 20 plants in India from exporting drugs to the U.S. and warned several others.

The latest ban on Ranbaxy occurred in January, when the FDA barred one of its plants from exporting to the U.S. after finding workers there overwrote raw data collected on samples over five months until they got acceptable results.

Tariff Value Falls of Gold $9/10 gms; Silver $14/kg; Poppy Seeds $218/MTs; Brass Scrap $22/MTs

- Palmolein $18/MTs; RBD Palm Oil $21/MTs and Crude Palm Oil $15/MTs
- Crude Soyabean Oil Tariff Value Up by $19/MTs

36-Cus(NT) 30.04.2014 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S.O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

"Table-1

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	920
2	1511 90 10	RBD Palm Oil	943
3	1511 90 90	Others – Palm Oil	932
4	1511 10 00	Crude Palmolein	961
5	1511 90 20	RBD Palmolein	964
6	1511 90 90	Others – Palmolein	963
7	1507 10 00	Crude Soyabean Oil	980
8	7404 00 22	Brass Scrap (all grades)	3871
9	1207 91 00	Poppy seeds	3255

Table-2

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	422 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	632 per Kilogram

Table-3

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Tons)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	1908

[F. No. 467/01/2014-Cus-5]

Exchange Rates for Customs Valuation

Rupee Falls to 60.85 from 60.80 for Imports w.e.f. 2 May 2014

38-Cus(NT) 01.05.2014 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.32/2014-CUSTOMS (N.T.), dated the 17th April, 2014 *vide* number S.O.1105(E), dated the 17th April, 2014, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, ***with effect from 2nd May, 2014*** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo.	Currency	Imprted Goods Current	Imprted Goods Previous	Exported Goods Current	Exported Goods Previous
(1)	(2)	(3)			
		(a)		(b)	
Schedule I *– Rate of exchange of one unit of foreign currency equivalent to Indian rupees*					
1.	Australian Dollar	56.75	57.30	55.35	55.80
2.	Bahrain Dinar	164.70	164.60	155.65	155.55
3.	Canadian Dollar	55.70	55.55	54.40	54.15
4.	Danish Kroner	11.35	11.35	11.00	11.00
5.	EURO	84.30	84.40	82.30	82.40
6.	Hong Kong Dollar	7.85	7.85	7.70	7.70
7.	Kuwait Dinar	220.85	220.45	208.40	208.20
8.	Newzeland Dollar	52.35	52.75	51.05	51.30
9.	Norwegian Kroner	10.20	10.25	9.90	9.95
10.	Pound Sterling	102.70	102.65	100.40	100.50
11.	Singapore Dollar	48.60	48.75	47.50	47.65
12.	South African Rand	5.90	5.90	5.55	5.55
13.	Saudi Arabian Riyal	16.55	16.55	15.65	15.65
14.	Swedish Kroner	9.35	9.30	9.05	9.00
15.	Swiss Franc	69.15	69.50	67.45	67.60
16.	UAE Dirham	16.90	16.90	16.00	15.95
17.	US Dollar	60.85	60.80	59.85	59.80
Schedule II *– Rate of exchange of 100 units of foreign currency equivalent to Indian rupees*					
1.	Japanese Yen	59.70	59.85	58.25	58.40
2.	Kenya Shilling	71.55	71.55	67.55	67.55

[F.No.468/01/2014-Cus.V]

Coca-Cola, Pepsi to Remove BVO in Drink

Coca-Cola Co. (KO), the world's largest beverage maker, plans to remove brominated vegetable oil (BVO) from all its U.S. drinks by the end of this year, abandoning an ingredient that has been targeted by food activists.

The additive, known as BVO, will be taken out of both ready-to-drink beverages and fountain-machine formulas, Coca-Cola spokesman Josh Gold said in a statement on 5 May. BVO is used as a stabilizer in drinks like Powerade, helping prevent ingredients from separating. PepsiCo Inc. (PEP).

BVO has drawn criticism on social media and online forums such as Change.org, where Sarah Kavanagh, a teenager from Hattiesburg, Mississippi, garnered thousands of signed petitions lobbying against it. The U.S. Food and Drug Administration lets drink companies use BVO at up to 15 parts per million, though the agency dropped it from its "Generally Recognized as Safe" list of food ingredients in 1970.

Health concerns about BVO stem from its use of bromide, the element found in brominated flame retardants, according to the Mayo Clinic. Coca-Cola, based in Atlanta, will switch to using sucrose acetate isobutyrate or glycerol ester of rosin - either alone or in combination.

China is No.1 in World on PPP Basis

India Takes Third Position Overtaking Japan

China is poised to overtake the U.S. as the world's biggest economy, while India has vaulted into third place, ahead of Japan, using calculations that take exchange rates into account.

China's economy was 87 percent of the size of that of the U.S. in 2011, assessed according to so-called purchasing power parity, the International Comparison Program said in a statement in Washington on 28 April. The program, which involves organizations including the World Bank and United Nations, had put the figure at 43 percent in 2005.

Changes in methodology contributed to the speed of China's rise and India jumping to third-biggest in 2011 from 10th in 2005. Purchasing power parity seeks to compare how far money goes in each country. Using market rates, U.S. gross domestic product was $16.2 trillion in 2012, compared with China's $8.2 trillion.

China's Largest Bitcoin Exchange Halts Merchants Bank Deposits

BTC China halted local-currency deposits to clients' China Merchants Bank Co. accounts, as lenders close accounts with Bitcoin exchanges amid government measures to check surging trading in the virtual currency.

The suspension aims to protect security of client funds and ensure stable operations, BTC China, the nation's largest Bitcoin exchange, said on its official microblog on 26 April. Merchants Bank banned the use of its accounts for Bitcoin transactions, according to a statement dated April 25 on the lender's website.

The People's Bank of China banned financial institutions in December from handling Bitcoin transactions, reflecting concerns about the risk posed to China's financial stability after trading in the digital currency surged in the nation.

Introduced in 2008 by a programmer or group of programmers going under the name of Satoshi Nakamoto, Bitcoin prices more than tripled in the past year, according to CoinDesk, which tracks prices across key exchanges.

CoinDesk's Bitcoin Price Index slumped about a fifth after Caixin magazine reported March 27 that the PBOC ordered lenders and payment companies to close the trading accounts of more than 10 Bitcoin exchanges. Bitcoins recently changed hands for $453.80, according to the index.

BtcTrade, a Chinese exchange, said April 10 that an Agricultural Bank of China Ltd. sub-branch in Hangzhou will close its account by April 15 if its use for Bitcoin-related settlement services is continued. Account closures were also announced by Huobi.com and Btc100.org.

BTC China, set up in June 2011, has the biggest Chinese Bitcoin trading platform, according to its website.

Multiple Entry Visa for Indian Businessmen by Afghanistan

Speaking at the Interactive Session organized by Federation of Indian Export Organisations (FIEO) on 22 April, H.E. Mr Shaida Mohammad Avdali, Ambassador of Afghanistan in India said that Afghanistan will be extending Multiple Entry Visa for Indian businessmen on long term basis with a view to strengthen economic ties with India. H.E. Mr Shaida Mohammad Avdali added that an MOU would be signed between Federation of Indian Export Organisations (FIEO) and Export Promotion Agency of Afghanistan(EPAA) very shortly for providing information on standard requirement of their respective countries, capacity building and exchange programme. Mr Avdali said that Afghanistan has announced New Investment Incentive Policy for attracting investment on long term basis (10 years) in sectors such as industry, construction, export promotion, agriculture and mining wherein the investor would be provided 5 years rent free location, concessional electricity and import of machinery without tax.

Rouhani Cuts Subsidies and Doles to Stabilise Iran Economy

The payments of $18, or 455,000 rials, were introduced by Rouhani's predecessor Mahmoud Ahmadinejad in 2010 to ease the pain inflicted by the withdrawal of some food and energy subsidies.

Iran has doled out $54 billion in direct payments since the start of the program, Eshagh Jahangiri, the nation's first vice president, said on March 30, according to the state-run Fars news agency.

In a televised speech in November, Rouhani said his government had inherited $67 billion in debt. He announced plans to rein in benefits and further increase utility tariffs and fuel prices. The moves threaten to erode his popularity in a nation where the average urban family earns $600 a month while in rural areas that falls to $339, according to Iran's Statistical Centre.

Recession Risk

While increases in consumer prices have slowed, annual inflation stood at just below 20 percent in March from a year earlier, according to an analysis of central bank data. The International Monetary Fund forecasts that Iran's economy will grow 1.5 percent in the next 12 months after two years of contraction, as long as Rouhani's attempts to end the nation's isolation and overhaul the economy continue.

A temporary nuclear deal the government struck with world powers last year should bring as much as $7 billion in sanctions relief. Iran has already accessed more than half of the $4.2 billion in frozen oil revenue to be released as part of the accord, which expires in July. Conservatives have opposed the nuclear concessions and Rouhani's policy of detente.

Electricity and water prices have risen 20 percent on average since March. On April 25, gasoline prices were raised by 75 percent and diesel by 66 percent, according to the Oil Ministry's website.

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