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DGAD Recommends Stiff 48 to 81 cents per Watt Anti-dumping Duty on Solar Cells from China, Taipei, Malaysia and US

- Artificial Valuation of Domestic Price in Countries of Exports Yields Big Dumping Margin
- Solar Projects Including National Solar Mission Suffer High Anti-dumping Protection to EOU and SEZ Units
- Duty to come into effect only after Customs Notification

Anti-Dumping Investigation on Solar Cell Modules or Panels exported from China PR, Chinese Taipei, Malaysia and USA.

Solar Manufacturer's Association alleged dumping of Solar Cells. Domestic producers M/s Indosolar Ltd, a 100% Export Oriented (EOU) Unit, M/s Websol Energy Systems Ltd, a unit in a Special Economic Zone (SEZ) and M/s Jupiter Solar Power Limited, a unit in the Domestic Tariff Area (DTA) led the charge with support from:

i. Moser Baer Photovoltaic Ltd.
ii. Moser Baer Solar Systems Pvt Ltd.
iii. Lanco Solar Pvt Ltd.
iv. Tata BP Solar India Ltd
v. Birla Surya Ltd. and 10 others

After examining the issues raised and submissions made by the interested parties and facts made available before the Authority, as recorded in this finding, the Authority concluded that:

a. The product under consideration has been exported to India from subject countries below its normal value, thus resulting in dumping of the product.

b. The domestic industry has suffered material injury due to dumping of the product under consideration.

c. The material injury has been caused by the dumped imports of the subject goods originating in or exported from the subject countries.

Solar power generation has the potential to cater to the larger energy requirements of the country and the Government has been formulating policies and programmes to support the developers of large scale solar power projects in India through various schemes such as JNNSM under the MNRE. Information available in the public domain shows that the global manufacturing capacity of subject goods is several times higher than that of India and India has a rapidly growing domestic demand for the subject goods.

Highlights of the Duty Recommended on Solar Cell Modules or Panel

Country of origin	Country of export	Producer	Exporter	Duty amount $ per Watt
(3)	(4)	(5)	(6)	(7)
USA	USA	First Solar Inc, USA	First Solar GmbH Mainz, Germany	0.11
USA	USA	Any combination other than mentioned in above		0.48
China PR	China	Canadian Solar Manufacturing (Changhsu)	Canadian Solar International Ltd, Hong Kong	0.64
China PR	China	Non-Sampled Producer/exporters	Non-Sampled Producer/exporters	0.64
China PR	China	Any combination other than mentioned in above		0.81
Malaysia	Other Countries	Any	Any	0.62
Chinese Taipei	Taipei and Other Countries	Any	Any	0.59

Russian Anti-dumping Duty on German and Italian LCVs at WTO on EU Complaint

The EU filed a new WTO complaint against Russia on Wednesday, marking the third trade dispute the 28-nation bloc has launched against Moscow in less than a year. The case targets duties being imposed on imported light commercial vehicles from Germany and Italy, and comes at a period where economic and diplomatic relations between the two sides are already at a severe low.

At issue in this latest complaint are anti-dumping duties that the Eurasian Economic Commission imposed last May on imported light commercial vehicles (LCVs) from those two EU member states. Brussels says that these duties – 29.6 percent for German vehicles and 23 percent for Italian ones – are severely harming these countries' access to the Russian market.

These duties, the EU says, have basically prevented Germany and Italy from receiving the benefits due to them as a result of Russia's WTO accession commitments. The products at issue are light commercial vehicles, weighing between 2.8 and 3.5 tonnes. These vehicles are meant to transport a maximum of two tonnes of cargo apiece, and can also transport a mix of cargo and passengers.

The Eurasian Economic Commission is the permanent regulatory body for the customs union between Belarus, Kazakhstan, and Russia. Of these three, Russia is the only one that is a member of the WTO, and therefore required to adhere to its rules. The complaint is thus addressed specifically to Moscow.

Russia had not issued a public response to the EU's claims.

Series of disputes

The EU has already filed two other cases against Russia at the global trade arbiter. The first case, filed last July, dealt with the above-mentioned recycling fee that Russia imposed on motor vehicles in September 2012, just weeks after joining the WTO.

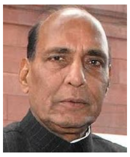
Brussels had argued that since nearly all Russian-produced cars were eligible for an exemption from the fee – as were those vehicles produced in Belarus and Kazakhstan – the policy put foreign-made cars and trucks at an unfair disadvantage relative to their domestic counterparts. The Russian legislature has since passed legislation to amend the measure, though the EU has still requested that a panel hear the case.

Trade concerns have not been limited to the EU, however. In December, Moscow submitted its own complaint regarding a series of anti-dumping investigations that Brussels conducted on imported ammonium nitrate and certain steel products. That case has not yet advanced to the panel stage.

Russia joined the global trade club less than two years ago, following nearly two decades of negotiations between Moscow and current WTO members. Though its membership was hailed at the time as a major achievement for both the global trade body and for Russia itself – bringing into the WTO system what was then the world's largest non-WTO economy – questions have since been tabled by the EU, US, and various other members as to whether Russia is indeed serious about implementing international trade rules.

Key Ministers in the New BJP Government

Arun Jaitley, 61, was named minister for finance, defence and corporate affairs even though he lost a seat in the elections. He was head of opposition in the upper house of parliament under the Congress-led government. During the BJP-led administration from 1999 to 2004, Jaitley worked as minister for information and broadcasting, asset sales, law, commerce and trade. As a corporate lawyer, he has represented companies including Coca-Cola Co. and PepsiCo Inc. Born into a family that migrated to India from Pakistan after the nations were separated in 1947, Jaitley was a leader of the youth wing of the Rashtriya Swayamsevak Sangh, a Hindu nationalist group and the BJP's ideological parent.



Rajnath Singh, 62, was named home minister. The BJP president was once a physics lecturer in his home of Uttar Pradesh, the most populous state in India. Singh became a member of the upper house of parliament and chief whip of the BJP in 1997. In 2000, he returned to Uttar Pradesh as chief minister, and later became the minister of agriculture and food processing in the Vajpayee government. As minister, he created a call center for farmers in financial trouble and created the farm income insurance program, according to his website.

Sushma Swaraj, 62, was named foreign minister, after serving as health and information ministers in previous cabinets. The BJP's highest ranking female leader was among a group of veterans who've been side-lined as Modi has risen within the party, leading to friction that was evident during the campaign.

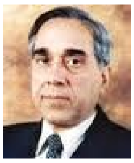
Nirmala Sitharaman is originally from Trichy. Her father was in the Railways. She studies later in Delhi at Convent of Jesus and Mary. Later in JNU, she registered for a PhD on "India-Europe Textile Trade" but did not complete the thesis on account of marriage to an Andhraite. She moved to London and later Hyderabad. She was the articulate spokesperson of the BJP known for her careful choice of words and balanced communications.

In her new role of independent charge of Commerce and Industry, she will bring a fresh mind to the complex world of trade. The subjects of WTO and Trade Management will be in her charge. In addition, she will work under Arun Jaitley as Junior Minister of Finance and Corporate Affairs.

Nirmala ji has her plate full. The trade and industry will be kind to her in the initial phase of her batting but bitter comments will flow if she does not score well!

Nitin Gadkari, 66, is India's minister of road transport and highways, as well as shipping. He was BJP president from 2009 to 2013 before graft allegations thwarted his attempts to win a second term. Gadkari owns the Purti Group, which has at least five companies involved in manufacturing electricity, sugar, alcohol, ethanol, bio-diesel and fertilizers, according to its website. Gadkari was among those who seconded the motion to elect Modi as the party's pick for prime minister.

Nripendra Misra is the New Principal Secy to PM Modi



Former telecom regulator and a reforms champion in recent years, Nripendra Misra has been appointed principal secretary to Prime Minister Narendra Modi.

Misra ji is a soft spoken UP Brahmin from Lucknow. He has a polished style of working. He was Additional Secretary in Ministry of Commerce during the early years of 2000-10 decade when he handled the complex subject of WTO. Misra ji is known as a liberaliser who believes in open policies. Murasoli Maran was the Commerce and Industry Minister.

He became the Secretary Telecom and then Chairman of TRAI. After his term, he made an unsuccessful attempt on the post of Chief Vigilance Commissioner. His critics are now holding forth a clause on the TRAI Chief's appointment clause which bans the incumbent from holding any post under the Government after retirement. The opponents say that Misra ji cannot join the PMO in the face of the ban.

The principal secretary in the PMO acts plays a critical role as the key link between the head of government and the top bureaucrats and is in charge of executing the Prime Minister's vision and objectives.

WTO Panel in US-India Dispute on Local Value Add Law on Solar Modules and Cells

The US and India are currently facing off on solar trade at the WTO, with Washington formally challenging NSM's local content requirements for solar modules and cells in February - its second complaint on the subject.

The US has said that, while it supports India's efforts to increase its renewable energy capacity, this must be done in a way that does not give local products an advantage over their foreign equivalents. Otherwise, Washington officials warn, these measures could hamper the deployment of clean energy at the international level.

Indian officials, in turn, have said repeatedly that their scheme is indeed in line with WTO rules, while noting their own concerns over US-based programmes.

In 2011, the US exported US$119 million worth of solar industry products to India, making the Asian country the US' second largest export market in this area. However, these numbers have fallen in recent years, which Washington has blamed partly on the local content requirements of New Delhi's national scheme.

In 2010, for instance, India established the Jawaharlal Nehru National Solar Mission (NSM) with the goal of deploying 20,000 megawatts of solar panels, which would in turn be connected to the grid, by 2022. Recent data places India's current solar capacity at 2600 megawatts - a 56 percent increase from last year - with about half due to state policies.

Modi's Bharatiya Janata Party, which won a landslide victory the country's general elections last weekend, ran on a pro-development platform that focused - among other areas - on how to improve India's clean energy generation capacity, particularly with regards to solar. The BJP has said it would build upon the Gujarat system, while adapting its approach to the need of different regions in India.

WEEKLY INDEX OF CHANGES

Trading Houses can Import Gold under 20:80 Scheme

- Customs Verification Must
- Past Import Necessary for Eligibility

Sub: Import of Gold by Nominated Banks / Agencies / Entities

AP(DIR Srs) Cir.133 21.05.2014 (RBI)

Attention of Authorised Persons is drawn to the Reserve Bank's A.P. (DIR Series) Circular No. 25 dated August 14, 2013; and the subsequent circulars, on the captioned subject.

2. The Government of India and Reserve Bank of India has been receiving representations from the jewelers, bullion dealers, AD banks, and trade bodies to rationalise the guidelines for import of gold. Taking into account such representations and in consultation with the Government of India, it has been decided to modify the guidelines for import of Gold by the nominated banks / agencies / entities. These revised guidelines which will come into force with immediate effect are as under:

3. Star Trading Houses / Premier Trading Houses (STH/PTH) which are registered as nominated agencies by the Director General of Foreign Trade (DGFT) may now import gold under 20:80 scheme subject to the following conditions:

a) The STH/PTH should have imported gold prior to the introduction of 20:80 scheme. STH / PTH should get the required verification done by the Department of Customs at any port where they have imported gold consignment in the past.

b) The first lot of gold under this scheme would be based on the highest monthly import during any of the last 24 months prior to the RBI's notification dated August 14, 2013, subject to a maximum of 2000 Kgs.

c) As in the case of other nominated agencies, the eligible quantity may be imported by STH / PTHs from any port, subject to their eligibility limit / maximum quantity allowed to them.

d) For proper compliance, before import, they must submit the import plan, port-wise and quantity-wise, to the concerned Customs office, where the verification of the figures of past performance was done. This information will be sent to all the other ports from which imports are permitted. The overall discipline of exporting 20% of each imported consignment before the next consignment is imported will be equally applicable to such STH/PTH importers.

4. Further, it has been decided to permit the nominated banks, to give Gold Metal Loans (GML) to domestic jewellery manufacturers out of the eligible domestic import quota of 80% to the extent of GML outstanding in their books as on March 31, 2013.

5. A revised working example of the operations of 20:80 scheme envisaged in terms of the revised instructions is given in the Annex.

6. All other instructions will remain unchanged

7. Authorised dealers may please bring the contents of this circular to the notice of their constituents and customers concerned.

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

Annex

Revised working example of the operations of 20/80 scheme for import of gold*

1. A Nominated Bank/Agency/any other entity, ABC, imports say 100 kg of gold, which shall be routed through custom bonded warehouses only. If considered necessary, the lot can be procured through two invoices – one for exporters (i.e. 20%) and the other one for domestic users (80%).

2. Out of the above import of 100 kg, 20 kg gold held in the bonded warehouse can be got released, in part or full, to be made available to the exporters of gold against an undertaking to Customs Authorities as is the practice now.

3. The balance 80 kg can be sold / lent in part or full to domestic entities engaged in jewellery business / bullion dealers/ banks operating the Gold Deposit Scheme (GDS) and Gold Metal Loan (GML). The sale of imported gold will be against full upfront payment, except in the case of GML, where nominated banks can give GML to domestic jewellery manufacturers to the extent of GML outstanding in their books as on March 31, 2013. In other words, no credit sale of gold in any form will be permitted for domestic use, except for GML. In case, the Nominated Bank itself is operating the Gold Deposit Scheme and extend Gold Metal Loans out of gold mobilized under GDS, the bank will be permitted to use, out of 80 kg, a portion for replenishing gold given as GML.

4. Next lot of import of 100 kg of gold by ABC shall be permitted by the Customs Authorities only after the proof of export (i.e. 20% of the imported lot) is submitted.

5. Import of gold in the third lot onwards will be lesser of the two:

i) *Five times the export for which proof has been submitted;* or

ii) *Quantity of gold permitted to a Nominated Agency in the first or second lot.*

Note: The same procedure is to be followed by the refineries and by any other entity importing gold in any other form / purity and in the case of import of Gold Dore also.

*First lot of gold import will not exceed 20% of the maximum of the imports done in any of the previous three financial years since the end of the preceding financial year'.

Another Five Years of Anti-dumping Duty on Methylene Chloride from EU, USA and Korea – Final Findings

No Changes in Duty

Ntfn 24-ADD 21.05.2014 (DoR)

Whereas, in the matter of "Methylene Chloride" also known as "Dichloromethane" (hereinafter referred to as the subject goods), falling under Chapter 29 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported from, the European Union, United States of America and Korea RP (hereinafter referred to as the subject countries) and imported into India, the designated authority in its preliminary findings *vide* notification No. 14/19/2012-DGAD dated 6th September, 2013, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 6th September, 2013, 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 of the Government of India in the Ministry of Finance (Department of Revenue), No. 24/2013 – Customs (ADD), dated 21st October, 2013, published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 696 (E), dated the 21st October, 2013;

And, whereas, the designated authority in its final findings *vide* notification No. 14/19/2012-DGAD dated 2nd April, 2014 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 2nd April, 2014, had come to the conclusion that-

(a) The subject goods have been exported to India from the subject countries below their normal value;

(b) The domestic industry has suffered material injury on account of subject imports from the subject countries;

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

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

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 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 final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), and exported from the countries as specified in the corresponding entry in column (5), and produced by the producers as specified in the corresponding entry in column (6), and exported by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (8) in the currency as specified in the corresponding entry in column (10) and as 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	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	2903 12	Dichloromethane (Methylene Chloride)	European Union	European Union	M/s. Akzo Nobel Industrial Chemicals B.V, Netherlands	M/s. Akzo Nobel Industrial Chemicals B.V, Netherlands	0.32	Kg	US Dollar
2	2903 12	Dichloromethane (Methylene Chloride)	European Union	European Union	Any producer or exporter other than combination at Serial Number 1		0.36	Kg	US Dollar
3	2903 12	Dichloromethane (Methylene Chloride)	Any country other than subject countries	European Union	Any	Any	0.36	Kg	US Dollar
4	2903 12	Dichloromethane (Methylene Chloride)	European Union	Any country other than subject countries	Any	Any	0.36	Kg	US Dollar
5	2903 12	Dichloromethane (Methylene Chloride)	United States of America	United States of America	Any	Any	0.33	Kg	US Dollar
6	2903 12	Dichloromethane (Methylene Chloride)	Any country other than subject countries	United States of America	Any	Any	0.33	Kg	US Dollar
7	2903 12	Dichloromethane (Methylene Chloride)	United States of America	Any country other than subject countries	Any	Any	0.33	Kg	US Dollar
8	2903 12	Dichloromethane (Methylene Chloride)	Korea RP	Korea RP	Any	Any	0.21	Kg	US Dollar
9	2903 12	Dichloromethane (Methylene Chloride)	Any country other than subject countries	Korea RP	Any	Any	0.21	Kg	US Dollar
10	2903 12	Dichloromethane (Methylene Chloride)	Korea RP	Any country other than subject countries	Any	Any	0.21	Kg	US Dollar

2. The anti-dumping duty imposed under this notification shall be effective 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, 21st October, 2013 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 notification 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.354/199/2013-TRU]

DG Safeguard Initiates Investigation on Flexible Slabstock Polyol Import on Manali Petrochemicals Chennai Complaint

[Safeguard Initiation Notice F.No. D-22011/04/2014 dated 22nd May 2014]

Sub: Initiation of safeguard investigation concerning imports of Flexible Slabstock Polyol of molecular weight 3000 to 4000 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. Manali Petrochemicals Ltd, Chennai through their consultant M/S APJ-SLG Law Offices for imposition of Safeguard Duty on imports of Flexible Slabstock Polyol of molecular weight 3000 to 4000 (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 Manali Petrochemicals Ltd having two manufacturing plants at Chennai (Plant 1 and Plant 2) are the sole applicant constituting domestic industry in this case. The domestic industry have claimed that they are the only producer 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 Flexible Slabstock Polyol of molecular weight 3000 to 4000. It is a clear viscous liquid, manufactured by polymerization of propylene oxide and ethylene oxide with a trio chain starter. It is a polyether and on reaction with catalysts and additives yields polyurethane foams used in upholstery, mattresses, pillows, bolsters, transport seating and packaging. The PUC is transported in tankers or stored in steel drums. PUC is classified under Customs sub-heading nos. 39072010 of Chapter 39 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. The applicants have submitted all the data from 2010-11 to 2013-14. The period for investigation selected is 2010-11 to 2013-14 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 in the monthly CDs of DGCIS received in the Directorate. Since the import data for 2013-14 is available up to Dec 13 only in the Directorate, the same has been annualized from available nine months. Further, the data pertaining to other safeguard economic parameters for the period from 2010-11 to 2013-14 has been verified to the extent necessary, through onsite verification of the manufacturing units of the applicant 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 Singapore, Netherland, USA, Korea RP, Thailand and Taiwan. 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 remained as under:-

Financial Year	Total Imports (MT)	All India Production (MT)	Total Demand (MT)	Import as a % of production
2010-11	46,121	16,510	62,736	279
2011-12	36,898	18,381	55,090	201
2012-13	42,026	13,986	55,477	300
2013-14	54,567 (annualized)	13,811	68,040	395

The Imports have slightly declined in 2011-12 vis-à-vis the base year 2010-11. However, thereafter imports have surged steeply to 42,026 MT in the year 2012-13 and further to 54,567 MT in the year 2013-14 (annualized). Therefore, imports have increased by 18% in the year 2013-14(annualized) when compared to the base year. Further the import as a percentage of domestic production have increased to 395% in 2013-14 (annualized) from 279% in 2010-11.

7. Injury

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

a) *Production*: The production of the domestic industry has declined in 2013-14 to 13811 MT vis-à-vis the base year 2010-11 when it was 16,510 MT.

Year	Qty (MT)
2010-11	16,510
2011-12	18,381
2012-13	13,986
2013-14	13,811

b) *Capacity Utilization*: Capacity utilization of the domestic industry has declined in the most recent period of 2013-14 to 55% from the base year 2010-11 when it was 90%.

Year	Installed Capacity (MT)	Capacity utilized (%)
2010-11	18,375	90
2011-12	25,000	74
2012-13	25,000	56
2013-14 (annualized)	25,000	55

c) *Share of domestic producer in domestic demand*: Market share of domestic producer has fallen in current year. Applicant had a market share of 26% in 2010-11 and 24% in 2012-13 which fell to 20% during 2013-14. From base year also, market share of DI fell to 20% in current year vis-à-vis 26% in base year. The market share of imports increased from 74% in 2010-11 to 80% in 2013-14.

Financial Year	Total Import (MT)	Sales of DI (MT)	Total Demand (MT)	Market Share (%)		Inventories (MT)
				DI	Import	
2010-11	46,121	16,615	62,736	26	74	244
2011-12	36,898	18,192	55,090	33	67	384
2012-13	42,026	13,451	55,477	24	76	872
2013-14	54,567 (annualized)	13,473	68,040	20	80	463

d) *Changes in the level of Sales* :- Though the sales of the domestic industry increased in 2011-12 as compared to the year 2010-11, it declined from 16,615 MT in 2010-11 to 13473 MT in 2013-14. 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	324
2012-13	(331)
2013-14	(559)

f) Inventory- Inventory of the DI has accumulated very steeply in the current year 2013-14 to 463 MT vis-à-vis 244 MT in the base year. This is evident from the table below:

Financial Year	Inventory at the end of the year (MT)
2010-11	244
2011-12	384
2012-13	872
2013-14	463

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

Financial Year	Number of employees at the end of the year	Productivity per employee (MT)
2010-11	358	46
2011-12	332	55
2012-13	310	45
2013-14	292	47

8. The domestic industry has requested for immediate imposition of safeguard measures for a period of three 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.

Board Asks Field Formations "Due Care" in Debiting Reward Scrips in Terms of Conditions Against Respective Scrips

[CBEC Instruction dated 27th May 2014]

Subject: Differences between duty credit scrips and goods permitted/not-permitted against them under respective FTP paragraphs/ Customs Notification.

Attention of field formations is drawn to the fact that diverse types of duty credit scrip are issued under relevant paragraphs of Foreign Trade Policy. These duty credit scrips have varying degrees of transferability/actual user conditions that, *inter alia*, determine which person may use the scrip and, at times, for what purpose. Further, in relation to goods, the respective reward schemes/scrips prescribe the specific nature of goods permitted to be imported against the particular duty credit scrip. There may also be specification in respective reward/ incentive scheme of certain types of goods in relation to which duty credit scrip may not at all be used, for example, the items listed in Appendix 37B of HBPv1, and the use of scrips for such items would not be correct. Such aspects are also incorporated as conditions in the implementing Customs or Central Excise notifications. Moreover, such restrictions on which person may use or in relation to which goods scrip may be used, being intrinsic to the respective reward/ incentive scheme, continue to operate even when duty credit scrip is to be allowed for use for discharging duty on already imported goods in cases of export obligation in default.

2. Board has come across a few instances of incorrect usage of duty credit scrips on above counts. Further, in one case the duty credit scrip issued under one scheme was detected to have been allowed registration (and use) as duty credit scrip of another scheme without the field formation noticing the mismatch between scrip/ scheme name and Customs notification number endorsed by the issuing Regional Authority of DGFT. It is also noted that the Board's Circular No.8/ 2009 dated 16.2.2009 had earlier, in a general context, highlighted to the field formations the issue of there being differences in the scrips and the goods permitted under respective policy paragraphs.

3. Board instructs that due care and diligence be exercised in the above matter by field formations.

F.No.603/ 13 /2013-DBK

President Medal Award for Service at Risk of Life Amount Hiked to Rs. 3k per Month

[Ref: F. No. 394/942011-Cus (AS) dated 23rd May 2014]

Subject:- Notification regarding increase in monetary recipient off of the Customs & Central Excise, Narcotics Control Bureau and Directorate of Enforcement of 'Presidential Award of Appreciation Certificate for exceptionally meritorious service at the risk of life'.

The officers of the Customs & Central Excise, Narcotics Control Bureau and Directorate of Enforcement are considered for grant of Presidential Award of Appreciation Certificate for exceptionally meritorious service rendered at the risk of life and specially distinguished record of service on their achieving and maintaining excellence in the discharge of their duties. These awards are announced on the eve of Republic Day.

2. The recipients of the Award of Appreciation Certificate for exceptionally meritorious service rendered at the risk of life were getting in addition to the certificate, a monetary allowance on the analogy of grant of such allowance to the recipients of Presidential Police Medal for Gallantry (PPMG) as well as recipients of Shaurya Chakra. While the monetary allowance for the PPMG awardees and Shaurya Chakra awardees was revised periodically, there has been no periodical increase in the monetary allowance in respect of the recipient of the Award of Appreciation Certificate for exceptionally meritorious service rendered at the risk of life. The recommendation of the Central Board of Excise & Customs for the corresponding revision of the same has recently been approved by the outgoing Finance Minister. Following the same, the Ministry of Finance has issued a Notification in this regard

2.1 A copy of the Notification No. 43/2014 - Customs (N.T.) dated 23rd May, 2014 being issued in this regard is enclosed. As per the Notification, the recipients of this certificate or his widow are also entitled to the monetary allowance of Rs. 3,000/- per month for first such Act of exceptionally meritorious service at the risk of life and Rs. 2.500/- per month for a fresh act of meritorious service at the risk of life. The allowance at revised rates shall be admissible to the officers and staff who were sanctioned the Presidential Award of Appreciation Certificate for exceptionally meritorious service at the risk of life till date and to future recipients of the said award. The revised rates of the allowance shall be applicable from the date of issue of this notification.

2.2 These awards are granted after a great scrutiny and for exceptionally meritorious service at the risk of life **which inter-alia involve caching smugglers of Narcotics drugs / other contrabands etc. The rarity of the award may be gauzed from the fact that only 41 officers/ have received this award since the inception of same in 1962.**

2.3 While, granting approval for the increase in monetary allowance, the Hon'ble Finance Minister vide Note dated 14.05.2014 observed as under:

'This should be given only in exceptional cases. I note that in the last 50 years only 41 officers have been given the award. We should maintain that high standard and, as far as possible, not more than 1 person a year should be given the award. Subject to above, the proposal is approved.'

2.4 Accordingly, this observation of the Hon'ble Finance Minister may please be kept in mind by the field formations while forwarding proposals for the Award of Appreciation Certificate for exceptionally meritorious service rendered at the risk of life.

3. It is requested that all the field formations should make wide publicity of the Notification in their respective jurisdiction(s) and get it circulated to all the Chief Account Officers and banks disbursing salary and allowances to the officers of Customs and Central Excise, Enforcement and Narcotics to ensure that the benefit of this Notification reaches to all the eligible recipients.

43-Cus(NT) 23.05.2014 (DoR)	In the Ministry's Notification No. 12/139/59-AD.III B dated 5.11.1962 as last amended vide Notification No. 1/2013 - Customs (N.T.) issued vide F. No. 394/136/2013-Cus (AS) dated 14.01.2013, the following amendment is made:

1. The existing Schedule prescribed vide Notification dated 14.06.1982 is substituted by the following Schedule:

Schedule

Category of the Officer	Amount of monthly monetary allowance	
	For officer awarded Presidential Award of Appreciation Certificate for exceptionally meritorious service at the risk of life	Additional allowance for presidential Award of Appreciation Certificate awarded for a fresh act of meritorious service at the risk of life to an officer already in receipt of an allowance.
1	**2**	**3**
All officer of Customs/ Central Excise/ Narcotics Control Bureau and Directorate of Enforcement.	Rs. 3,000/-P.M.	Rs. 2,500/-P.M

2. The allowance at revised rates shall be admissible to the officers and staff who were sanctioned the presidential Award of Appreciation for exceptionally meritorious service at the risk of life till date to future recipients of the said award. the revised rates of the allowance shall be applicable form the date of issue of the notification.

F.NO. 394/136/2011-Cus (AS)/Pt

Rupee Value Under Indo-USSR Deferred Payment Protocols Revised to Rs. 80.603600 w.e.f. 21 May 2014

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

AP(DIR Srs) Cir.134 26.05.2014 (RBI)	Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No. 80 dated December 16,

2013 wherein the Rupee value of the Special Currency Basket was indicated as Rs. 83.564155 effective from December 12, 2013.

2. AD Category-I banks are advised that a further revision has taken place on May 16, 2014 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs.80.603699 with effect from May 21, 2014.

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

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

Open FDI in E-commerce Retail Completely, says DIPP

India needs to open up the e-commerce retail trade for foreign players completely as the country cannot remain behind in the sector, a top government official said on 22 May.

"Absolutely. Each e-commerce players actually want the sector to be opened up. They are young players and all of them want to grow and expand and they are facing huge problem of liquidity. I think, we just need to open up this e-commerce fully.

"The whole world has moved on e-commerce. Why should India remain behind in this sector," Secretary in the Department of Industrial Policy and Promotion (DIPP) Amitabh Kant said.

He said the DIPP has concluded stakeholders' consultation on the issue and now is the time to decision making.

"We will put this before the new government. They will take the call," he added.

Google, Amazon and Flipkart, among other stakeholders, favoured permitting FDI in e-commerce retailing.

India's FDI policy restricts e-commerce companies from offering services directly to retail consumers. At present, 100 per cent FDI is allowed in business-to-business (B2B) e-commerce but not in retail trading.

In its manifesto, BJP had said no to FDI in retail. The government allowed 51 per cent FDI in multi-brand retailing in September 2012 with certain conditions like 30 per cent mandatory sourcing requirement from small industries.

Global mega-stores had asked the Indian government to relax these conditions.

New Commerce and Industry Minister Nirmala Sitharaman says No to FDI in Multi-brand Retail

Reaffirming BJP's stand on FDI in multi-brand retail, new Commerce and Industry Minister Nirmala Sitharaman indicated that foreign players will not be allowed to open mega stores in the country as it may adversely impact the small traders and farmers.

"At this stage the party position is very very clear. We have explained about FDI in multi-brand retail (MBR) that it probably is not best opened up now because medium and small sized traders or small farmers have not been adequately empowered... if you open up the flood gates of FDI in MBR, it may affect them," she said.

Sitharaman, who took charge of the ministry, was replying to a question whether the government would rescind the current FDI policy of allowing foreign investment in MBRT.

The Minister further said that she would "sit with the officials as to what has happened all the while (to) further the manifesto based agenda of BJP we shall work."

The BJP manifesto had said, "barring the multi-brand retail sector, FDI will be allowed in sectors wherever needed for job and asset creation, infrastructure and acquisition of niche technology and specialised expertise."

Although the previous government had allowed Foreign Direct Investment (FDI) in multi-brand retail, only one investment proposal of UK-based Tesco was cleared by the earlier government.

She said the ministry would look at the current FDI policy in calibrated way.

Further, the new minister said that boosting exports will be the one of the top priority.

The ministry would play an important role in enhancing economic and trade ties with all the countries, she added.

India's exports in the last three years have been hovering around $300 billion.

India's exports in 2013-14 fall short of the $325 billion target and managed to reach $312.35 billion. The country's exports stood at $300.4 billion in 2012-13 and $307 billion in 2011-12.

After taking charge, she met with officials of the ministry, including commerce and DIPP secretary.

Later, she also took charge as Minister of State for Finance.

Global Employment Trends 2014

The Numbers: Workers earning less than $1.25 per day, constant dollars* -

2013	375 million
2012	385 million
2011	406 million
2000	693 million
1991	811 million

**International Labor Organization estimates*

What They Mean

The ILO's *Global Employment Trends 2014* counts 3.14 billion people making the trek/drive/subway-ride/bus-trip/etc. this morning to the plant/ shop/ lab/kitchen/office/construction site/classroom/ etc. Using the *G.E.T.*'s statistics, we can sort these workers into two groups: first, wealthy and middle class; second, near-poor and poor.

1. *Wealthy and middle-class:* This group starts with 485 million workers in rich countries. Then come 280 million developing-world workers - just under 9 percent - who have reached the ILO's somewhat expansive definition of 'developed-world middle-class.' (This means that by evening they will earn $13 or more. For context, an American minimum-wage worker, at $7.25 per hour, gets $58 dollars for a day's work. The ILO's $13 floor means an hourly wage of $1.65, about equivalent to minimum-wage jobs in Serbia, Malaysia, or Brazil.) The ILO places another 820 million workers in a 'developing-country middle class' tier, earning at least $4 but no more than $13 daily. Altogether, the total comes to about 1.59 billion middle-class and wealthy earners.

2. *Near-poor and poor:* The second group includes 839 million workers considered 'poor' - further divided into 464 million men and women earning $1.25 to $2 today, and 375 million 'extremely poor' workers who are below $1.25 - plus about 680 million in the "near-poor" category of $2 to $4.

Taken together and over time, the ILO's figures show a working world quickly becoming 'middle class.' The *Global Employment Trends* estimates go back 23 years to 1991. In that year - as the Cold War faded out, the Internet went live, Congress authorized negotiations on the North American Free Trade Agreement, Chinese reform relaunched, and so forth - the world's 1.3 billion poor and near-poor workers outnumbered their middle class and wealthy brethren by 1.5 billion to 700 million, or by a margin of two to one. A decade later at the millennium, the balance was 1.7 billion poor workers to 950 million middle class, or 1.8 to 1. By 2013, the middle-class count had risen to 1.58 billion, against a poor and near-poor count of 1.52 billion.

Yes, some measurement error is always possible. Certainly, it is fair to quarrel over the definition of 'middle class.' But at least by the ILO's count and definitions - and for the first time in world history - fewer than half of the men and women making their way to work this morning working world are poor.

The future - G.E.T.'s figures also include a guess about the future to 2018. Over the next four years, they believe, the count of 'developed-world' middle class workers in lower- and middle-income countries will nearly double to 450 million. The total count of wealthy, middle-class, and 'developing-world middle class' will reach 1.9 billion; meanwhile the count of poor and near-poor workers will drop to 1.4 billion, mainly through a 100-million decline in the count of extremely poor workers.

The 375 million men and women (and children) in the ILO's very lowest category of work - that of "extremely poor" workers earning $1.25 per day or less - are the people on the edge. With two parents working at this rate in a five-person family,

Top Officials in Special Team under Judges Shah and Pasayat to Bring Back Black Money into India

The cabinet has formed a multi-disciplinary team of experts and top officials to be led by retired Supreme Court Justice MB Shah with another of his peers Arijit Pasayat appointed as the vice chairperson.

Telecom and Law Minister Ravi Shankar Prasad said that the SIT will also include the Revenue Secretary, the chairman of the Central Board of Direct Taxes, a deputy governor of the Reserve Bank of India, the director general of Revenue Intelligence and the directors of sleuth agencies such as the Central Bureau of Investigation, Intelligence Bureau, Enforcement Directorate, Financial Intelligence Unit and RAW.

The BJP's election manifesto had said that if it was elected to power, the party would minimise the scope for corruption to curb the generation of black money and initiate the process of tracking down and bringing back black money stashed in foreign banks and offshore accounts. It had also promised to set up a task force to tackle the menace and overhaul existing laws to that effect.

The SIT, an official statement said, has been charged with the responsibility and duties of investigation, initiation of proceedings and prosecution in cases of Hasan Ali and other matters involving unaccounted money. The team would have jurisdiction in cases where investigations have either already commenced or been completed or await initiation.

Hasan Ali was a stud farm owner in Pune who declared a huge wealth of 1.10 lakh crores over a period of eight years.

The other case of the meat exporter Quereshi operating with Home Minister CPN Singh former CBI Director AP Singh and possibly the meat exporter wife of Kapil Sibal with bases in London and Paris may also reach the New Shah Commission. It is a moot point as to how much money will return to India on account of the MB Shah led SIT. It will, of course, result in expenses and foreign tours by the SIT members on investigation missions.

today's day's work will buy $1.50 worth of food, $$0.75 for shelter, and $0.25 for travel to worksites, with nothing left over. These people make up about 12 percent of the world's workers. Who are they?

1. Most are Asian: 155 million of the world's very poor workers are on farms, quarries, construction sites, maid service, and similar jobs in South Asia (i.e. India, Pakistan, Bangladesh, Nepal, Afghanistan, and Sri Lanka, plus the small states Bhutan and Maldives). Another 43 million are in China and Southeast Asia. Sub-Saharan Africa counts most of the rest - 130 million - and has the highest rate of very low-income workers at 40 percent. Elsewhere, very low-wage labor is rare: Latin America and the Caribbean have 8.5 million extremely workers, the Middle East 2.5 million, and the rest of the world 0.9 million.

2. Most are rural: While *Global Employment Trends* doesn't match workers by sector (agriculture/industrial/services) and income, the highest regional rates of very low-income work match the highest rates of rural employment, and contrariwise the lowest counts of very poor workers have the smallest share of rural employment: 61 percent of workers in sub-Saharan Africa are rural, 47 percent in South Asia, 30 percent in ASEAN, 20 percent in Latin America and the Caribbean, 15 percent in the Middle East, and 4 percent in rich countries. This suggests that much of the world's drop in poverty results from the migration of Chinese, Indonesian, and Filipino rural people from farms to cities where wages are higher.

3. They are getting fewer: As the middle class has grown, the ranks of the very poor have steadily and rapidly diminished. The ILO's estimates have dropped from 811 million extremely poor workers in 1991, to 675 million in 2001, 406 million in 2011, and 375 million in 2013. Regionally since 2000, counts of very poor workers have dropped from 315 million to 78 million in China and Southeast Asia; from16 million to 8.5 million in Latin America, from 3.2 million to 2.2 million in the Middle East. Last year's decline was slower but down from 385 million to 375 million. (4 million fewer in China, 6 million fewer in South Asia, only small changes elsewhere.) Even this slowing rate of change, though, means that 27,000 men and women were escaping deep poverty every day last year.

Looking ahead to 2018, the ILO forecasts continuing drops - from 155 million to 112 million; from 130 million to 119 million in sub-Saharan Africa; a 60-percent cut in very low-income work in East Asia, bringing the end of absolute poverty in sight; a 33 percent drop in Southeast Asia, and a 20 percent drop in the Western Hemisphere.

A middle-class world, but not everywhere -

Worldwide, extremely poor workers are 12 percent of the total. By country, the ILO's maps show Liberia with the highest share at 82%, followed by Madagascar at 76%, then Zambia and the Central African Republic at 65%. A sampling of fifteen other countries finds a global pay-spectrum as follows:

Liberia	82%
Madagascar	76%
Zambia	65%
Afghanistan	51%
Nigeria	45%
Haiti	33%
India	25%
Ethiopia	22%
Myanmar	19%
Indonesia	14%
Honduras	11%
China	5%
South Africa	5%
Brazil	2%
Egypt	1%
Morocco	0.9%
Mexico	0.3%
Thailand	0.2%
Malaysia	0.1%

Since 1991, four of these countries - China, Mexico, Morocco, and Thailand - have cut the very low-wage shares of work by 90 percent or more.

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Customs Valuation Exchange Rates

16 May 2014		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	56.50	55.10
2	Bahrain Dinar	162.70	153.70
3	Canadian Dollar	55.55	54.10
4	Danish Kroner	11.15	10.80
5	EURO	82.80	80.85
6	Hong Kong Dollar	7.75	7.60
7	Kuwaiti Dinar	217.90	205.45
8	New Zealand Dollar	52.30	51.00
9	Norwegian Kroner	10.20	9.90
10	Pound Sterling	101.15	98.85
11	Singapore Dollar	48.20	47.10
12	South African Rand	6.00	5.60
13	South Arabian Riyal	16.35	15.45
14	Swedish Kroner	9.25	8.95
15	Swiss Franc	67.90	66.25
16	UAE Dirham	16.70	15.80
17	U.S. Dollar	60.10	59.10
Schedule II [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]			
1	Japanese Yen	59.25	57.80
2	Kenyan Shilling	70.35	66.30

(Source: Customs Notification 41(NT)/15.05.2014)

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