Postal Regn.No. DL(C)-01/1251/09-11
Licence to Post without Prepayment U(C)-30/09-11
RNI No. 42906/84

WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 $2

Vol. XXVII No 13 23-29 June 2010

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

Annual subscription Rs 750

China Abandons 6.83 Yuan Dollar Peg a Week Ahead of G-20 Meet

Yuan Appreciation will Push Imports, Investment in China
Strong Yuan Means Lower Inflation, Higher Wages

The People's Bank of China two days ago indicated it's abandoning the 6.83 yuan peg to the dollar adopted during the global crisis to shield exporters. The central bank said while there's no basis for "large scale" moves in the currency, the exchange rate will be allowed increased "flexibility."

China's signal of an end to the yuan's fixed rate to the dollar may accelerate a shift toward domestic demand as the prime driver of growth as President Hu Jintao seeks to strengthen household incomes.

A stronger yuan will boost the purchasing power of China's households that have helped propel imports to a record level. The lift adds to trends already under way that are stoking wages, as workers demand higher paychecks from employers including Honda Motor Co.

The Chinese central bank made its announcement at 7 p.m. Beijing time on June 19 in a posting on its website, a week before leaders from the Group of 20 meet in Toronto.

Yuan based assets will be worth more in USD now

Authorities will resume a managed float of the yuan, also known as the renminbi, against a basket of currencies, according to the June 19 statement. Before the exchange rate was frozen in July 2008, Premier Wen Jiabao's government had allowed a 21 percent advance versus the dollar over three years.

While the International Monetary Fund reaffirmed its view that the currency is "substantially" undervalued, analysts at banks from Goldman Sachs Group Inc. to Royal Bank of Scotland Group Plc predicted gains in the coming year will be held to less than 6 percent.

A stronger currency will benefit Chinese paper makers as the costs of pulp imports will drop. That's particularly true as exports aren't an important part of the business, according to Winston Yen, chief financial officer for Hebei, China-based Orient Paper, speaking in April.

Accelerating Growth

The yuan decision follows a strengthening in China's economy that saw gross domestic product expand 11.9 percent in the first quarter from the same period of 2009. Surging industrial production, exports, retail sales and property prices have sparked concern of an overheating that may end in a bust.

In the past 10 years, China's economy became more unbalanced, with consumption's share of GDP falling to 35 percent last year from 45 percent in 2000, according to Societe Generale SA. Now, a rebalancing "seems to be occurring by default" as labor shortages in coastal provinces encourage wage gains that will boost consumer spending.

More than 20 provinces and cities have overseen increases in minimum wages in recent months to help support incomes, and a focus of the 4 trillion yuan ($586 billion) stimulus package on boosting inland regions has helped reduce reliance on the export-linked coast.

Manufacturers including Ningbo-based Dejin Textile Co., Shanghai-based China Crown Textile Co. and Shenzhen Jufeng Handicraft Co. have said the development of internal regions, such as Chongqing, has made it harder for them to attract migrant workers to factories on the east coast.

Meantime, employees in foreign-owned plants have been demanding higher compensation. Honda, Japan's No. 2 carmaker, raised pay by 24 percent at a parts-making factory in Foshan, Guangdong province, after a strike crippled its production in China. Labor unrest then spread to Toyota Motor Corp.

China currently keeps its currency, the yuan, artificially low to bolster exports. At the same time, the weak currency makes imported goods expensive for consumers. A stronger yuan compared with the dollar should allow U.S. manufacturers and exporters to be more competitive selling their products in China, one of the world's largest and fastest growing economies.

The stronger yuan should also reduce the threat of inflation in China, meaning the government won't likely have to raise interest rates soon.

With investors pouring money into stocks and other risky assets like commodities, bond prices fell sharply. A drop in bond prices pushed interest rates higher.

Oil prices jumped $1.18 to $79.44 in premarket electronic trading on the New York Mercantile Exchange.

Gold hit a record high early in the day. It climbed as high as $1,266.50 an ounce before pulling back to $1,262.40 an ounce.

Reports are also due out on existing and new home sales as well as a final update on first-quarter gross domestic product.

Indian stock market too responded and moved up.

Deora Calls upon State Governments to Cut VAT on Diesel and Petrol

Murli Deora Deora, Minister of Petroleum and natural gas has called upon the State Governments to reduce and rationalize Sales Tax / VAT on Petrol and Diesel. In a letter to the CMs of various State Governments he said that a rise in the international oil prices exerts an upward pressure on domestic prices of petroleum products. "Ad valorem rates of VAT imposed by the State Governments further aggravates the impact of international oil prices on the consumer," Mr. Deora added.

The Minister underscored the commitment of the Central Government to ensuring supply of essential fuels to the common man at affordable rates. "To achieve this objective, the Central Government has provided financial assistance of Rs.26,000 crore to the public sector OMCs, while the upstream oil PSUs have contributed Rs.14,430 crore towards under-recoveries of Oil Marketing Companies (OMCs) during 2009-10.," Mr. Deora said.

Enclosing a statement of VAT rates in different States, the Minister pointed out that the VAT rates are very high in most of the States, and need to be reduced. In some of the States, the VAT on Petrol and Diesel is as high as 33% and 24.7% respectively. Further, he said, in the current taxation structure, VAT is levied by the State Governments on an ad valorem basis, i.e., as a percentage of the price of the product. This means that when oil prices are high, the taxation on the products is higher, rendering the product even more expensive. At a time of rising prices, ad valorem taxes have a cascading impact on the retail price of petroleum products. "To address this issue, the ad valorem component of the VAT can be converted into a specific component, at the current levels," Mr Deora suggested.

The Minister informed that the Central Government has already done away with the ad valorem component of Excise Duty on Petrol and Diesel, and the Excise Duty has been made specific. It is desirable that the State Governments also undertake similar tax rationalization on Petrol and Diesel. "Also, some of the States are levying high VAT rates on a product like PDS Kerosene, which needs to be looked into in view of its usage in lighting and cooking purposes by the common man," he emphasised.

VAT/ Sales Tax Rates on Petroleum Products

Sl.No.	State	MS	HSD	SKO (PDS)
1	Andhra Pradesh	33.00%	22.25%	4.00%
2	Assam	27.50%	16.50%	5.00%
3	Bihar	24.50%	18.36%	12.50%
4	Chandigarh	20%+ Rs.10/KL	12.50%+ Rs.101KL	4.00%
5	Chattisgarh	25.00%	25.00%	4.00%
6	Delhi	20.00%	20%+Cess Rs.250/KL	5.00%
7	Goa	22.00%	20.00%	4.00%
8	Gujarat	23%+ 2% Cess	21%+ 3% Cess	NIL
9	Haryana	20%+5% Addl. Tax	8.8%+5% Addl. Tax	5%+5% Addl. Tax
10	Himachal Pradesh	25.00%	14.00%	NIL
11	Jammu & Kashmir	20%+ Rs.3/Ltr	12%+ Re. 1/Ltr	5.00%
12	Jharkand	20.00%	18.00%	4.00%
13	Kerala	29.01%+ Cess 1 %	24.69%+ Cess 1%	4%+ Cess 1%
14	Karnataka	25%+5% Entry Tax	18%+5% Entry Tax	5.00%
15	Madhya Pradesh	28.75%+1% Entry tax	23%+l% Entry tax	5.00%
16	Maharashtra	25%+Re.1/Ltr	23.00%	5.00%
17	Orissa	18%+1% Entry Tax	18%+1% Entry Tax	4%+1% Entry Tax
18	Pondicherry	15.00%	14.00%	NIL
19	Punjab	27.5%+10% Addl. Tax + Cess Re. 1/Ltr	8.8%+10% Addl. Tax	5%+10% Addl. Tax
20	Rajasthan	28%+ Cess Rs.0.50/Ltr	18%+ Cess Rs.0.50/Ltr	5.00%
21	Tamil Nadu	30.00%	21.43%	4.00%
22	Uttar Pradesh	26.55%	17.23%	4%+l% Addl. Tax
23	Uttarakhand	25.00%	21.00%	4%+0.5% Addl. Tax
24	West Bengal	25%+ Re. 1/Ltr	17%+Rs.1/Ltr (-) Rs.0.29/ Ltr	4.00%

[Source: PIB Press Release dated 21 June 2010]

Doha Not Ready for Horizontal Give and Take, says Lamy

Lamy says that the timing still was not right to do a "horizontal give and take" on the Doha issues that are still open, given that "we need all these issues to be at the same level of technical maturity, and this is not the case yet." He insisted that any horizontal discussions would have to include all topics that were still outstanding. The DG was speaking at a meeting on 11 June in Geneva.

Given the principle of "single undertaking," nearly every item of on the Doha Development Agenda, as the negotiations are officially known, needs to be treated as part of the whole. As Lamy has frequently reminded delegates, "Nothing is agreed until everything is agreed."

Zambia, however, speaking on behalf of the group of Least Developed Countries, or LDCs, asked that members consider an "early harvest" for the following four areas: quota-free, duty-free market access for LDC exports; preferential trade in services for LDCs; an ambitious package on cotton; and simplification of rules-of-origin. They asked that this request be reiterated at the summit of G20 leaders set to take place in Toronto later this month. Barbados and Bangladesh were among the other countries that reiterated the call for an "early harvest" on these issues.

'Extra quantum': a loaded term

At the TNC meeting, Lamy described "extra quantum" - a term he used in a meeting in Paris recently - as a "combination of ambition and balance for all participants," calling upon countries to give the talks added momentum so that the Doha process can move forward.

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
22-Jun-10	45.9950	46.3150	45.9125	46.2800	46.2800	475158	4166716	1920421.15	46.0400
21-Jun-10	45.8875	45.8875	45.6150	45.7650	45.7650	491049	3508807	1604241.32	45.6400
18-Jun-10	46.3000	46.3200	46.1450	46.2350	46.2350	483704	3037732	1404144.57	46.1400
17-Jun-10	46.6200	46.6825	46.3725	46.4050	46.4050	464002	2941027	1368872.01	46.5000
16-Jun-10	46.5300	46.6375	46.3575	46.6125	46.6125	493477	2905832	1350309.75	46.3500
15-Jun-10	46.6225	46.8325	46.5750	46.6100	46.6100	497341	3706999	1731164.06	46.7300

[Source: NSE and RBI Website]

Dumping Investigation Initiated on Para Nitroaniline (PNA)

[Ref: No.14/13/2010-DGAD dated 8th June 2010]

Initiation Notification

Subject: Initiation of anti dumping investigations concerning imports of Para nitroaniline (PNA) originating in or exported from China PR.

No.14/13/2010-DGAD Whereas M/s. Abhilasha Texchem Pvt. Ltd., Mumbai and M/s. Amarjyot Chemicals Pvt Ltd., Mumbai, the domestic producers, have filed a Petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as AD Rules), alleging dumping of Paranitroaniline (hereinafter referred to as the subject goods), originating in or exported from the People's Republic of China (hereinafter referred to as the subject country) and have requested for initiation of anti-dumping investigations against the imports of the subject goods from the subject country and levy of anti-dumping duty on such dumped subject goods.

2. AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods from the subject country, injury to the domestic industry and causal link between dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry in terms of the Rule 5 of the said Rules to determine the existence, degree and effect of the alleged dumping and to recommend the amount of antidumping duty, which, if levied, would be adequate to remove the injury to the domestic industry.

A. Product under consideration and Like Article:

3. The product under consideration in the present investigation is Paranitroaniline (hereinafter referred as "subject goods"). It is an organic chemical compound. Paranitroaniline is also known as 4-nitroaniline, 1-amino-4-nitrobenzene, or p-nitrophenylamine. This chemical is commonly used as an intermediate in the synthesis of dyes, antioxidants, pharmaceuticals and gasoline, in gum inhibitors, poultry medicines, and as a corrosion inhibitor.

4. The scope of the product is classified under Chapter 29 (Organic Chemical) of the Customs Tariff Act under Customs Sub-heading No. 2921.42.26. However, the customs classification is indicative only and is not being considered in any way binding on the scope of the present investigation.

5. The petitioners have claimed that there is no known difference in petitioners' product and subject goods exported from the subject country and are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods and there is no significant difference in the subject goods produced by the petitioners and those exported from the subject country and both are technically and commercially substitutable. For the purpose of the present investigations, the goods produced by the domestic industry are being treated as like article to the subject goods imported from the subject country in accordance with the AD Rules.

B. Domestic Industry and Standing:

6. The petition has been filed by M/s. Abhilasha Texchem Pvt. Ltd. and M/s. Amarjyot Chemicals Pvt Ltd. and supported by Panoli Intermediates (India) Pvt. Ltd., Premier Orgochem Industries Pvt. Limited and Saurabh Organics Pvt Limited. As per the evidence available on record, production of the petitioners, along with the supporters commands a major share of the total domestic production. Petition thus satisfies the requirements of Rule 2(b) of Anti Dumping Rules.

7. The Authority, after examining the above, determines that the petitioners constitute domestic Industry within the meaning of the Rule 2(b) read with Rule 2(d) of the Anti Dumping Rules and the petitioners satisfy the criteria of standing in terms of Rule 5 of the Rules supra.

C. Countries involved:

8. The country involved in the present investigation is the People's Republic of China (also referred to as China PR.).

D. Normal Value:

9. The petitioners have claimed that China PR should be treated as non-market economy and therefore the Normal Value should be determined in accordance with Para 7 and 8 of Annexure-I of the AD Rules. The petitioners have proposed India to be considered as an appropriate surrogate country. The petitioners have claimed that the normal value cannot be determined on the basis of price or constructed value in a market economy third country and price from third countries to other countries or India could also not be determined as imports are practically from China PR. For the purpose of the initiation, the Authority has analyzed the export prices of the major raw material, Para Nitro Chloro benzene (PNCB) and considered normal value based on PNCB prices as per China customs and all other cost as per cost of production in India duly adjusted to include selling, general & administrative expenses and reasonable profit margin.

10. There is sufficient evidence with regard to Normal Value to justify initiation of Anti dumping Investigations in terms of the AD Rules. However, in accordance with Para 7 to Annexure-I of the Rules, interested parties are hereby invited to suggest an appropriate analogue country for determination of Normal Value in China PR within the specific time limit laid down in this notification.

E. Export Price:

11. The petitioners have claimed export price of the subject goods from the subject country as the weighted average import price in the Period of Investigation, based on transaction wise import data provided by the IBIS (International Business Information System). Adjustments have been claimed on account of ocean freight, marine insurance, inland transportation, port expenses, bank charges etc. in the country of exports to arrive at ex-factory export price.

12. There is sufficient evidence with regard to Export Price to justify initiation of anti dumping investigations in terms of the AD Rules.

F. Dumping Margin:

13. Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of subject country. There is sufficient prima facie evidence to justify investigations that the normal value of the subject goods is significantly higher than the ex-factory export price and that the subject goods are being dumped by exporter(s)/ producer(s) from the subject country.

G. Injury and Causal Link:

14. The applicant has furnished information on various parameters relating to material injury. Analysis of the information shows that imports from subject country have increased in the period of investigation in absolute term as also in relation to production and consumption in India. Various economic parameters like the loss in market share, Price undercutting , price suppression, significant decline in the profitability of the domestic industry, significant deterioration in return on investment and profitability, prima facie, indicate collectively that the domestic industry have suffered material injury on account of dumped imports of subject goods from China PR.

15. There is sufficient evidence with regard to injury to the domestic industry and the causal link, to justify initiation of anti-dumping investigations in terms of the AD Rules.

H. Period of Investigation (POI):

16. The Period of Investigation (POI) for the purpose of present investigation is 1st January, 2009 to 31st December, 2009. The injury investigation period will however, cover the periods 2006-07, 2007-08, 2008-09 and the Period of Investigation.

I. Submission of information:

17. The known producer(s)/exporter(s) of the subject country and their Government through their Embassy in India, the known importers and known users in India to be concerned and the domestic industry are being addressed separately to enable them to submit their relevant information in the form and manner prescribed and to make their views known to the:

The Designated Authority,
Ministry of Commerce & Industry, Department of Commerce,
Directorate General of Anti-Dumping & Allied Duties, (DGAD), Room No. 240, Udyog Bhavan, New Delhi-110011

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

J. Time limit:

19. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the above mentioned address not later than forty (40) days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules. With regard to selection of surrogate country for China PR as mentioned in para 10 of this notification , comments are hereby invited to suggest an appropriate analogue country for determination of Normal Value in China PR within 14 days from the date of notification.

K. Submission of Information on non-confidential basis:

20. In terms of Rule 7of the AD Rules, the interested parties are required to submit non-confidential version of any confidential information provided to the Authority along with the reasons for claiming confidentiality. The non confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.

L. Inspection of public file:

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

M. Use of facts available:

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

Greater Extension of Time for Service Tax Drawback Allowed

49-Cus(NT) 17.06.2010 (DoR) In exercise of the powers conferred by section 75 of the Customs Act, 1962 (52 of 1962), section 37 of the Central Excise Act, 1944 (1 of 1944) and section 93A read with section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the **Customs, Central Excise Duties and Service Tax Drawback Rules, 1995**, namely:-

1. (1) These rules may be called the Customs, Central Excise Duties and Service Tax Drawback (Second Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995,-

(i) in **rule 6, in sub-rule (1), in clause (a),-**

(a) for the words " **sixty days**", the words "**three months** " shall be substituted;

(b) for the proviso, the following **proviso** shall be **substituted** , namely:-

"Provided that-

(i) the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise or Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise, as the case may be and an application fee of 2% of the FOB value or Rs. 2000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be.";

(ii) in **rule 7**, in **sub-rule (1),**-

(a) for the words " **sixty days**", the words "**three months**" shall be substituted;

(b) for the proviso, the following **proviso** shall be **substituted**, namely:-

"Provided that-

(i) the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs

BIS Certificate Must for Galvanised Steel Sheets

Subject: Mandatory Indian Quality Standards.

48-Ntfn(RE) 15.06.2010 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 2.1 of the Foreign Trade Policy-2009-2014, the Central Government hereby amends Schedule – 1 (Imports) of the ITC(HS) Classifications of Export and Import Items, as under:

1. The following items will be **added** to the **Appendix III to Schedule 1** (IMPORTS) of ITC(HS) Classifications of Export and Import Items:

SNo.	Applicable BIS Standards	Name of the products
75.	IS 277	Galvanized steel sheets (plain and corrugated).

2. This issues in public interest.

Rupee Value under Indo-USSR Deferred Payment Protocol

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

AP(DIR Srs) Cir.55 15.06.2010 (RBI) Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No.48 dated April 26, 2010, wherein the Rupee value of the special currency basket was indicated as Rs.60.897378 effective from April 09, 2010.

2. AD Category-I banks are advised that a further revision has taken place on May 26, 2010 and accordingly, the Rupee value of the special currency basket has been fixed at **Rs.63.0402** with effect from May 31, 2010.

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.

and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise or Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise, as the case may be and an application fee of 2% of the FOB value or Rs. 2000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be.";

(iii) In **rule 15**, in **sub rule (1),** for the **second proviso**, the following proviso shall be **substituted**, namely:-

"Provided further that-

(i) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months and that the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or Rs. 2000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be.";

(iv) In **rule 16A**, in **sub rule (4),** -

(a) for the words "within one year from the date of such recovery of the amount of drawback", the words "within a period of three months from the date of realisation of sale proceeds" shall be **substituted**;

(b) after the words "to the claimant", the words "provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India" shall be **inserted**;

(c) the following **proviso** shall be **inserted**, namely:-

"Provided that-

(i) the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may extend the aforesaid period of three months by a period of nine months provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India;

(ii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be."

F. No. 609/51/2010-DBK

Condonation of Delay Period in Filing Drawback Claim Extended to Nine Months from Three Months

Application Fee Grant of Extension Prescribed

48-Cus(NT) 17.06.2010 (DoR) In exercise of the powers conferred by section 74 of the Customs Act, 1962 (52 of 1962), the Central Government hereby makes the following rules further to amend the **Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995**, namely:-

1. (1) These rules may be called the Re-export of Imported Goods (Drawback of Customs Duties) Amendment Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995, in **rule 5**, in **sub-rule (1), for the proviso,** the following proviso shall be **substituted**, namely:-

"Provided that-

(i) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or Rs. 2000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be."

F. No. 609/51/2010-DBK

10,000 MTs Sugar Export Quota to EC Released to ISGEC subject to Import of Same Quantity

75-PN(RE) 15.06.2010 (DGFT) In exercise of the powers conferred under Paragraphs 2.1, 2.4 and 2.29 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby allocates a total quantity of 10,000 MTs (Ten thousand metric tonnes) of white Sugar for export of CXL Concessions Sugar to European Union (EU) for the fiscal year 2009 -10 (October, 2009 to September, 2010).

2. This refers to HS Code No. **1701 00 0**0 in the **Schedule-2 of ITC(HS)** Classification of Export and Import Items, 2009-2014 under which M/s Indian Sugar Exim Corporation Limited, New Delhi is the designated agency for export of Sugar to EU under Preferential Quota

3. The above permission is subject to the condition that M/s Indian Sugar Exim Corporation Limited, New Delhi will import equivalent quantity of sugar in the same sugar season i.e. from October, 2009 to September, 2010.

4. As regards special certification requirements, entries to be made in document EUR and GSP are as follows:-

(i) CXL Concessions Sugar

"[Application of Regulation (EC) No. 891/ 2009 under Schedule CXL (European Communities). CXL Concessions Sugar Serial No. 09.4321]".

5. EUR Form is to be endorsed by Customs at the Port of Shipment and the GSP Certificate by Export Inspection Agency/Directorate General of Foreign Trade.

6. This issues in public interest.

Utilisation of Morning Hours for Export Cargoes at Nhava Sheva

The following Public Notice was issued by the Commissioner of Customs (Export) Air Cargo Complex, Mumbai on 9th June 2010.

Sub: Utilisation of the morning and early afternoon for bringing in larger volumes of general export cargoes.

23-PN 09.06.2010 Attention of Exporters, CHAs and Trade is drawn to Public Notice No.13 2010 dt. 19.4.2010 on the above subject.

2. While analyzing the issue, it came to light that the Custodian (MIAL) was historically issuing tokens for the entry of export vehicles w.e.f. 11.00 a.m.

3. This deficiency has now been corrected by MIAL by aligning the timing (for beginning the issuance of tokens for export vehicles carrying general export cargo into the ACC gate) with the Customs Shift beginning at 8 a.m.

4. Moreover, MIAL will introduce from 10.6.2010 onwards, an incentive in the form of discount of 20% on Terminal Charges for export cargo admitted and cleared by Customs on the same day between 8.00 a.m. to 3.00 p.m., which shall be credited to the PDA account of the respective forwarder of the exporter by MIAL.

5. Exporters, CHAs and Trade are requested to make the fullest utilization of the morning hours.

F.No.S/3-Prev.Admn-33/10 ACC

CFS Thiruvottiyur, Chennai Declared as Customs Area for Handling Import Containers

The following Public Notice was issued by the Commissioner of Customs, 33 Rajaji Salai, Chennai on 6th June 2010.

47-PN 08.06.2010 — Attention of the Steamer Agents, Importers, Exporters and their representatives (Custom House Agents) is invited to this Custom House Public Notice No. 69/93 dated 06.07.93 declaring the Container Freight Station of M/s. Sanco Trans Limited, situated at Thiruvottiyur, Chennai – 600019 as "CUSTOMS AREA" for handling of FCL Import and Export Cargo and addendum issued vide Public Notice No. 103/2005 dated 09.08.2005 and 107/2006 dated 14.07.2006.

In exercise of powers conferred under Sub-section (b) of Section 8 of the Customs Act, 1962 an additional open area measuring 0.442 acres (1790.50 sq. mts) covered under Survey Nos. 168/7,8,9 part of Ernavur Village adjacent to the eastern side of the existing CFS is declared as "CUSTOMS AREA" for the purpose of handling import containers.

Boundaries:

North: Land bearing R.S. No. 168/6

South: Sakthipuram Road

East: Plot No. 5 in land bearing R.S. No. 168/7 part in R.S. No. 68/8

West: Sanco Trans Ltd. in land bearing R.S. No. 168/7 part in R.S. No. 68/8 and in R.S. No. 168/9 part existing yard de clared under P.N. 107/2006.

This Public Notice shall come into effect from 8.6.2010

F.No. S4/676/90 – Enquiry

Marripalem at Guntur Notified for Imports and Exports

46-Cus(NT) 10.06.2010 (DoR) — In exercise of the powers conferred by clause (aa) of sub-section (1) of section 7 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise and Customs, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 12/97-Customs (N.T.), namely:-

In the Table to the said notification, against serial number 1 relating to the State of Andhra Pradesh, in Column (3) after item (vii) and the entry relating thereto in column (4) shall respectively be inserted, namely:-

(3)	(4)
(viii) Marripalem Village in Taluk of Edlapadu, District Guntur	Unloading of imported goods and the loading of export goods.

[F.No. 434/10/2010-Cus.IV]

China Hoards Rare Earths, US Doesn't Like This

China's restrictions on the export of rare earths used in the manufacture of cell phones and radar are being targeted by the U.S. Trade Representative for a potential trade case, according to industry representatives.

The U.S. has asked business groups and unions to provide evidence that China is hoarding these elements for a case that may be filed at the World Trade Organization, according to the people, who asked not to be identified because the talks were confidential.

China controls 97 percent of production of the materials, known as rare earth elements, giving it "market power" over the U.S., the Government Accountability Office said in a report in April. China restricts exports of the elements through quotas and export taxes of as much as 25 percent, the GAO said.

U.S. Trade Representative Ron Kirk and Commerce Secretary Gary Locke are scheduled to testify about China at the Senate Finance Committee on 23 June, following growing criticism from lawmakers that China's trade policies discriminate against American producers.

Concern in Congress

The U.S. trade office put together a trade complaint against China over credit-card processing in March, and has yet to file it. Chinese President Hu Jintao is set to meet with President Barack Obama and other world leaders at a summit in Toronto this week.

Rare earths are a group of 17 chemically similar metallic elements, including lanthanum, cerium, neodymium and europium. The U.S. was self-sufficient in these materials until the mid- 1980s, when lower labor and regulatory costs helped China's climb to dominance, the U.S. Geological Survey said in a report.

The elements are used in radar, high-powered magnets, mini hard-drives in laptop computers, catalytic converters for vehicles, electric-car batteries and wind turbines.

Molycorp Inc.'s Mine

A rare-earth mine in the U.S., in Mountain Pass, California, shut down most operations in 2002. Molycorp Inc., which owns the mine, plans to reopen it this year, the company said in a prospectus on 21 June.

Global consumption of rare-earth elements "is projected to steadily increase due to continuing growth in existing applications and increased innovation and development of new end uses," Molycorp said in a regulatory filing.

The European Union released a report this month saying that supplies of raw materials such as rare earths, while "essential for the EU economy," are "increasingly under pressure."

The U.S. and EU filed a joint complaint last year against Chinese curbs on the export of raw materials such as magnesium, coke and zinc used in making steel and other goods.

Russian Prez in US to Seek Support for WTO Entry

President Dmitry Medvedev will seek a "de finitive" answer from Barack Obama about the U.S. stance on Russia's bid to enter the World Trade Organization when the two leaders meet this week in Washington, an aide said.

Russia, the largest economy outside the Geneva-based WTO, has been working to join for almost two decades. Russia has sent contradictory signals about whether it wants to enter the WTO alone or, as Prime Minister Vladimir Putin announced last June, as part of a customs union with Kazakhstan and Belarus.

Medvedev arrives in California late tonight at the start of a three-day U.S. visit that will involve visits to technology companies, including San Francisco-based Twitter Inc. and San Jose-based Cisco Systems Inc., as well as talks with Obama on June 24 in Washington.

The U.S. strongly supports Russia's bid to join the WTO, though work remains to be done, Robert Hormats, undersecretary of state for economics, energy and agriculture, said June 17 at the St. Petersburg International Economic Forum.

Broad Agenda

Obama and Medvedev will have a wide-ranging agenda for their meeting, including ratification of the nuclear arms reduction treaty they signed in April, missile defense, European security and Russia's relations with the North Atlantic Treaty Organization, Prikhodko said.

The two administrations are also working on a joint statement on Kyrgyzstan "to demonstrate our common concern with the events there and readiness to offer support," he said.

Kyrgyzstan, a former Soviet republic bordering China, descended into unrest in April when

President Kurmanbek Bakiyev was ousted and replaced by an interim government led by Rosa Otunbayeva. The city of Osh had been at the center of violence that has left hundreds dead and displaced about 300,000 in the south of the country.

The U.S. and Russia have jostled for influence in Kyrgyzstan, where both countries have air bases. The U.S. relies on the Manas base outside the capital Bishkek to support operations in Afghanistan after Uzbekistan evicted the American military in 2005.

After their summit, Medvedev and Obama will meet with business leaders from both countries and oversee the signing of some deals.

The two leaders will also discuss Medvedev's proposal to co-develop a heavy-lift cargo plane, an idea he raised during Obama's visit to Moscow last July, Prikhodko said.

Tariff Value on Brass Scrap Down by US$276/MT

Poppy Seeds Tariff Value Falls by US$ 487/MT

47-Cus(NT) 15.06.2010 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No. 36/2001-Cus (N. T.), dated, the 3rd August 2001**, namely: -

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

Table

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	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3619
9	1207 91 00	Poppy seeds	2741"

[F. No. 467/4/2010-Cus.V]

Customs Valuation Exchange Rates

June 2010		Imports	Exports
Schedule I			
1	Australian Dollar	39.60	38.50
2	Canadian Dollar	44.80	43.65
3	Danish Kroner	7.95	7.70
4	EURO	59.10	57.50
5	Hong Kong Dollar	6.15	6.00
6	Norwegian Kroner	7.30	7.10
7	Pound Sterling	69.15	67.25
8	Swedish Kroner	6.05	5.90
9	Swiss Franc	41.35	40.30
10	Singapore Dollar	34.00	33.15
11	U.S. Dollar	47.85	46.95
Schedule II			
1	Japanese Yen	53.25	51.80

Schedule I: Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Schedule II: Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 42(NT)/26.05.2010)

Commodity Spot Prices in India – 18-21 June 2010

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 18-21 June.

(Rs.)

Commodity	Unit	Market	18-Jun	19-Jun	21-Jun
CER (Carbon Trading)	1 MT	Mumbai	760.5	760	760
Chana	100 KGS	Delhi	2122	2123	2102
Masur	100 KGS	Indore	3455	3452	3430
Potato	100 KGS	Agra	464.9	464.9	464.8
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	7658	7627	7583
Cashewkern	1 KGS	Quilon	304	304	300
Cardamom	1 KGS	Vandanmedu	1686	1690	1718.7
Coffee ROB	100 KGS	Kushalnagar	69.7	71.1	70.2
Jeera	100 KGS	Unjha	12310	12305	12363
Pepper	100 KGS	Kochi	15960	16200	16470
Red Chili	100 KGS	Guntur	4910	4910	4900
Turmeric	100 KGS	Nzmbad	15110	15110	14731
Guar Gum	100 KGS	Jodhpur	5000	5025	5175
Maize	100 KGS	Nzmbad	992.5	989	991.5
Wheat	100 KGS	Delhi	1280	1276.7	1279.4
Mentha Oil	1 KGS	Chandausi	788.5	783.3	782.3
Cotton Seed	100 KGS	Akola	1283	1281	1305
Castorsd RJK	100 KGS	Rajkot	3256.5	3259.5	3399.5
Guar Seed	100 KGS	Jodhpur	2219	2224	2262
Soya Bean	100 KGS	Indore	1885.5	1895	1888.5
Mustrdsd JPR	20 KGS	Jaipur	511	514	513
Sesame Seed	100 KGS	Rajkot	5275	5275	5225
Coconut Oil Cake	100 KGS	Kochi	1196	1196	1196
RCBR Oil Cake	1 MT	Raipur	6430	6434	6300
Kapaskhali	50 KGS	Akola	1064	1063.8	1086.7
Coconut Oil	100 KGS	Kochi	5460	5460	5512
Refsoy Oil	10 KGS	Indore	437.75	439.7	439.75
CPO	10 KGS	Kandla	364	364	364.5
Mustard Oil	10 KGS	Jaipur	475.3	481.4	483.6
Gnutoilexp	10 KGS	Rajkot	725	728.3	727
Castor Oil	10 KGS	Kandla	700	700	701
Crude Oil	1 BBL	Mumbai	3571	3561	3561
Furnace Oil	1000 KGS	Mumbai	29113	29113	29482
Sourcrd Oil	1 BBL	Mumbai	3582	3582	3486.5
Brent Crude	1 BBL	Mumbai	3598	3563	3563
Gur	40 KGS	Muzngr	971.4	970.3	968.8
Sugars	100 KGS	Kolhapur	NA	NA	2455
Sugarm	100 KGS	Delhi	2744	2737	2733
Natural Gas	1 mmBtu	Hazirabad	240	230.6	230.6
Rubber	100 KGS	Kochi	17058	17064	17027
Cotton Long	1 Candy	Kadi	28860	28860	28840
Cotton Med	1 Maund	Abohar	2910	2910	2910.5
Jute	100 KGS	Kolkata	3312	3320	3347.5
Gold	10 GRMS	Ahmd	18750	18825	18740
Gold Guinea	8 GRMS	Ahmd	15000	15060	14992
Silver	1 KGS	Ahmd	29455	29850	29940
Sponge Iron	1 MT	Raipur	17315	17295	17205
Steel Flat	1000 KGS	Mumbai	31050	30980	31130
Steel Long	1 MT	Bhavnagar	25690	25610	25800
Copper	1 KGS	Mumbai	297.85	293.35	293.35
Nickel	1 KGS	Mumbai	890.6	890.6	909.7
Aluminium	1 KGS	Mumbai	89.05	89.05	89.85
Lead	1 KGS	Mumbai	78.78	78.75	81.5
Zinc	1 KGS	Mumbai	78.6	78.6	81.15
Tin	1 KGS	Mumbai	804.5	804.5	820.5

(Source: MCX Spot Prices)

OECD Reports Estimates $59bn Gain South-South Trade! China-India Key Drivers

The global economic power balance is shift ing in favour of developing and emerging economies, according to a report released today by the Organisation for Economic Cooperation and Development. The report forecasts that, by 2030, these countries will likely represent nearly 60 percent of world gross domestic product.

Angel Gurría, Secretary-General of the OECD, praised this development, calling it a "powerful tool to reduce inequality." He suggested that these economies could use the growth to increase public spending on social infrastructure.

This OECD report, "Shifting Wealth," is the first edition of a new annual publication from the OECD Development Centre, called "Perspectives on Global Development."

The report studies the changes in the global economy over the past 20 years, focusing on the rise of large developing countries. It found that developing countries have become "important economic actors," attributing much of that shift to increased South-South cooperation.

To better reflect the divides between countries, the report uses former World Bank President James Wolfensohn's model of a "four-speed" world, with countries split into "affluent," "converging," "struggling," and "poor" categories based on their income and rate of growth per capita relative to industrialised countries. The OECD justified the use of this framework by asserting that it is "no longer enough" to simply refer to countries as developing or developed.

Their estimates found that non-OECD member countries hold 49 percent of the global economy in purchasing power parity terms, compared to the 51 percent held by the 31 rich countries that form the membership of the OECD. The report also noted that developing countries held US$4,200,000 million in foreign currency reserves, which is over 150 percent the amount held by developed countries.

The OECD suggested that South-South trade could become "one of the major engines of growth over the coming decade." It added that, should these countries reduce their tariffs on southern trade to the same levels seen in North-North trade, they could see a US$59,000 million increase in welfare.

China and India are key drivers of this economic power shift, with their per capita incomes growing at three to four times the OECD average during the past decade. The OECD found them to be instrumental in influencing interest rates, raw materials prices, and wage levels for low-skill jobs, all of which are important for poor countries.

The past decade also saw per capita incomes in developing countries converging with high-income countries - a trend which has not been seen since the 1970s.

Not all of the news was positive for developing countries. The OECD noted that there is, within that group, a large disparity in outcomes, with many countries still falling in the "struggling" and "poor" categories. Inequality has increased, and poverty reduction has proven difficult.

The OECD mentioned that it is strengthening ties with major emerging economies to take advantage of this new balance in economic power. Chile officially became a member of the organisation last month; Estonia, Israel, and Slovenia are negotiating entry.

The OECD report emphasised that developed countries' new influence in the global economy should be seen as a positive development rather than a threat. The shift could "create substantial welfare benefits for the whole world," the report said.

Food Prices to Continue Climbing, Say OECD & FAO

Growth in global agricultural output is ex pected to slow down in the coming decade, while production in Brazil, China, India, Russia and the Ukraine will likely increase at impressive rates, according to the UN Food and Agriculture Organization and the Organisation for Economic Cooperation and Development. High food prices and market volatility, however, remain a concern for food security.

The two organisations released a joint report earlier this week describing their projections for the performance of agricultural commodities in the global market.

OECD Secretary-General Angel Gurría described this year's report as "cautiously more positive," in comparison with recent years. However, he warned that, given the likelihood of future shocks to the market, governments would need to implement policies to help farmers be prepared for these situations.

Barring any market shocks, however, the expected slowdown in the rate of growth of agricultural yields is unlikely to steer the world off track from reaching a 70 percent increase in agricultural production. That figure is what experts have said will be necessary to sustain the world population in 2050.

Developing countries are expected to dominate both import and export growth in agricultural commodities, exceeding the growth of their OECD counterparts. The report attributed developing countries' increased share in agricultural trade to expanding South-South trade, along with increased North-South trade.

Jacques Diouf, Director-General of the FAO, noted at the release of the study that between 2007 and 2008, in the midst of the food price spikes, farmers in developed countries responded by growing more while those in developing countries were unable to ramp up their production at the same rate. He used this point to highlight the continued need for investment in the agricultural sector in poor countries.

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Foreign Trade Policy

Customs

RBI Circulars [AP (DIR Series)]

Owned, Edited, Published and Printed by Arun Goyal and Printed at Mercury Printers, 602 Choori Walan, Delhi
Published from 24/4866, Sheeltara House, Ansari Road, New Delhi 110002. (INDIA) Phone: 2328 1314, 3018 3435-37; Fax: 3018 3438
Email: academy@vsnl.in, academy.delhi@gmail.com; Website: worldtradescanner.com