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Fed Cuts on Stimulus Crashes Rupee to Near 60

The rupee was off session lows in early trade on Wednesday on 19 June, but still remained close to its record low ahead of the outcome of the Federal Reserve meeting that may signal a tapering down of the US stimulus programme.

The rupee was trading at 58.70/72 per dollar at 0336 GMT after opening at 58.82. The rupee hit a record closing low of 58.77/78 the previous day, and remains within touch of an all-time low of 58.98 last week.

According to global research firm Dun & Bradstreet (D&B) report, the rupee is expected to remain under pressure in the near term, given the strengthening of the dollar against major global currencies and widening of the trade deficit.

The rupee has depreciated nearly six per cent over the past month and had hit a life-time low of 58.98 against the dollar on June 11. It may be recalled that the fall was good 12 percent last year in June when it crashed to Rs. 55.

On rate cuts the report said RBI is likely to continue with its easing of monetary policy to support growth if the rupee stabilises in the near term.

Forex inflows through investment

A finance ministry panel has recommended increasing foreign investment limits in areas including defense, telecommunications and retail, according to mayaram panel recommendations.

Overseas investors should be able to own all of a telecom company in India instead of the current limit of 74 percent, according to the panel's proposals. The ceiling in defense should be raised to 49 percent from 26 percent and in supermarkets to 74 percent from 51 percent, they said. The idea is to attract the dollars released by Fed's debt purchases.

Fed Chairman Ben S. Bernanke will speak to reporters at the end of the monetary authority's two-day meeting today, almost a month after he said stimulus measures could be scaled back if the labor market shows sustainable improvement.

Global funds have cut holdings of Indian debt by $4.7 billion from a record $38.5 billion on May 21, as the premium offered by 10-year sovereign bonds over U.S. Treasuries dropped by 34 basis points. The Fed has been buying $85 billion of bonds a month, a measure known as quantitative easing, to spur the world's largest economy. The cash has contributed to inflows into higher-yielding emerging markets.

Three-month onshore rupee forwards fell 0.1 percent from yesterday to 59.76 per dollar, according to data compiled by Bloomberg. Offshore non-deliverable contracts fell 0.3 percent to 59.95. Forwards are agreements to buy or sell assets at a set price and date. Non-deliverable contracts are settled in dollars.

- USDINR pair opened the session higher and posted healthy gains of more than one and a half percent.
- The two-day Fed meeting had started and it will be the main focus for global markets this week as investors will be listening for details on when the Fed may start scaling back its USD 85 billion monthly bond purchases.
- US Fed is also expected to provide an update on its economic projections for 2013-2015.

June Futures - Technical levels (Support and Resistance)

SYMBOL	Expiry	Close	S1	S2	S3	R1	R2	R3
USDINR	June 2013	58.87	58.28	57.69	57.37	59.19	59.50	60.09
EURINR	June 2013	78.71	78.07	77.42	77.07	79.07	79.42	80.07
JPYINR	June 2013	61.70	61.39	61.09	60.86	61.93	62.16	62.46
GBPINR	June 2013	91.84	91.24	90.64	90.28	92.20	92.56	93.16

Exports Fall by $274mn in May 2013 as Imports Rise $2.92bn Over May Last Year

Exports (including re-exports)

Exports during May, 2013 were valued at US $ 24505.66 million (Rs. 134807.62 crore) which was 1.11 per cent lower in Dollar terms (0.13 per cent lower in Rupee terms) than the level of US $ 24779.72 million (Rs. 134983.82 crore) during May, 2012. Cumulative value of exports for the period April-May 2013 -14 was US $ 48670.03 million (Rs. 266203.05 crore) as against US $ 48568.66 million (Rs. 258239.33 crore) registering a growth of 0.21 per cent in Dollar terms and growth of 3.08 per cent in Rupee terms over the same period last year.

Imports

Imports during May, 2013 were valued at US $ 44649.26 million (Rs.245619.14 crore) representing a growth of 6.99 per cent in Dollar terms and 8.04 per cent in Rupee terms over the level of imports valued at US $ 41733.45 million (Rs. 227336.72 crore) in May, 2012. Cumulative value of imports for the period April-May, 2013-14 was US $ 86600.99 million (Rs. 473734.59 crore) as against US $ 79540.94 million (Rs. 423225.26 crore) registering a growth of 8.88 per cent in Dollar terms and growth of 11.93 per cent in Rupee terms over the same period last year.

Crude Oil and Non-Oil Imports

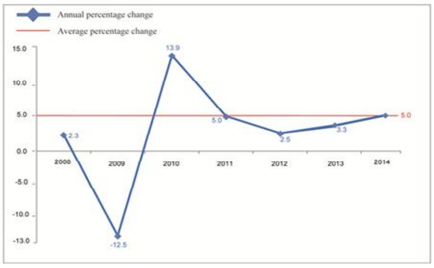
Oil imports during May, 2013 were valued at US $ 15022.3 million which was 3.05 per cent higher than oil imports valued at US $ 14578.3 million in the corresponding period last year.

WTO Forecasts World Trade Growth at 3.3% in 2013

The outlook for economic growth and job creation remains a major concern in most countries. The global economy has continued to struggle over the review period, with negative consequences for both global and G-20 trade flows. The most recent forecast for 2013 shows continuation of 2012 with both world trade and output to expand slowly and below historical trends and averages. World trade is forecast to grow by 3.3% in 2013. Although this is higher than the 2% growth in 2012, it is still below the 20-year average of around 5%.

Chart 1: Growth in volume of world merchandise trade 2008-2013

(annual percentage change)



Note: Volume of merchandise trade is the average of exports and imports. Figures for 2013 and 2014 are projections.

Source: WTO Secretariat.

Table 1: World merchandise trade volume, 2009-2014

(annual percentage change)

	2009	2010	2011	2012	2013[a]	2014[a]
Volume of world merchandise trade[b]	-12.5	13.9	5.2	2	3.3	5
Exports						
Developed economies	-15.2	13.1	5.1	1	1.4	2.6
Developing economies[c]	-7.4	-15.4	5.5	3.3	5.3	7.5
Imports						
Developed economies	-14.3	10.7	3.1	-0.1	1.4	3.2
Developing economies[c]	-10.5	18.3	8	4.6	5.9	7.4

a Figures for 2013 and 2014 are projections

b Average of exports and imports

c Includes the Commonwealth of Independent States (CIS)

Source: WTO Secretariat estimates

Oil imports during April-May, 2013-14 were valued at US $ 29107.3 million which was 3.47 per cent higher than the oil imports of US $ 28131.8 million in the corresponding period last year.

Non-oil imports during May, 2013 were estimated at US $ 29627.0 million which was 9.10 per cent higher than non-oil imports of US $ 27155.2 million in May, 2012. Non-oil imports during April - May, 2013-14 were valued at US $ 57493.7 million which was 11.84 per cent higher than the level of such imports valued at US $ 51409.2 million in April - May, 2012-13

Trade Balance

The trade deficit for April - May, 2013-14 was estimated at US $ 37930.96 million which was higher than the deficit of US $ 30972.28 million during April - May, 2012-13.

Exports & Imports: (US $ Million)

(Provisional)

	May	April-May
Exports (including re-exports)		
2012-13	24779.72	48568.66
2013-14	24505.66	48670.03
%Growth 2013-14/ 2012-2013	-1.11	0.21
Imports		
2012-13	41733.45	79540.94
2013-14	44649.26	86600.99
%Growth2013-14/ 2012-2013	6.99	8.88
Trade Balance		
2012-13	-16953.73	-30972.28
2013-14	-20143.60	-37930.96

World Agri Outlook Shows 1.5% Growth, Rising Prices Say OECD, FAO

China Emerges as Food Deficit Consumer

Agricultural production is expected to grow more slowly over the coming decade, according to the Organisation for Economic Co-operation and Development (OECD) and the UN Food and Agriculture Organization (FAO). In another report, the FAO noted that government interventions, such as taxes or subsidies, may be useful in addressing nutritional needs.

The OECD-FAO Agricultural Outlook 2013-2022, launched last week, projects the state of global agriculture for the next ten years. This year's report found that global production is likely to grow at 1.5 percent annually, on average, compared to 2.1 percent in the preceding decade. The outlook also projects rising prices for both crop and livestock products over the next ten years, due to a combination of slower production growth and stronger demand - including for biofuels.

Additional sources of uncertainty for agricultural markets include production shortfalls, price volatility, and trade interruptions, the outlook says. A major drought, combined with low food stocks, also has the potential to raise crop prices by 15 to 40 percent.

Call for increased investment

Developing countries are expected to take centre stage on trade and production in farm goods, the agencies said. Emerging economies will account for the majority of exports of coarse grains, rice, oilseeds, vegetable oil, sugar, beef, poultry, and fish, while the OECD countries' share of trade is expected to continue to decline.

Global sugar production will increase by almost 2 percent each year, primarily from sugar cane in India and Brazil. Developing countries as a whole are likely to account for 80 percent of the growth in global meat production and for 74 percent of global milk production gains.

To capture a share of these economic benefits, governments will need to invest in their agricultural sectors to encourage innovation, increase productivity, and improve integration in global value chains, the FAO and the OECD found.

Feeding China: domestic challenge, trade opportunity

The 2013 report places a special focus on China, given its significance to global produc-

Cont'd..96

US Senate Passes Five Year Farm Bill

The US Senate passed its version of a five-year Farm Bill on Monday, less than a month after that chamber's agriculture committee cleared the legislation. Many observers warn, however, that the real fight will be when the House of Representatives attempts to pass its own version of the agricultural spending legislation.

The Senate version approved this week is set to cost taxpayers US$955 billion over ten years. Along with covering agricultural spending, the Farm Bill touches on other areas of US policy, such as international food aid and environmental conservation.

The bulk of the spending continues to go towards nutrition - $US760 billion over the coming decade. Crop insurance and commodity spending are the next big ticket items at US$89 billion and US$41 billion, respectively, over the same period. Amendments to the bill include a limit on crop insurance premium subsidies for farmers earning more than US$750,000 per year.

Farm Bills have historically been a compromise between food stamp-concerned urban districts and rural members interested in spending on commodities. A partisan divide on food stamps may upend this delicate balance.

Overall, the House legislation cuts US$40 billion per year over the next decade, when compared to the bill's 2008 iteration. Nearly half of those savings, US$20.5 billion, come from a reduction in nutrition programmes. The Senate's recently approved bill cut similar programmes by only US$4 billion.

Many Democrats in the House have vowed to fight the cuts, while some Republicans have called for removing food stamp-related nutrition spending from the bill altogether.

WEEKLY INDEX OF CHANGES

Sanitary Import Permit for Livestock Included in ITC (HS) Book

Subject: Import of live-stock products - Amendment in ITC (HS) 2012, Schedule 1 (Import Policy).

18-Ntfn(RE) 11.06.2013 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), read with paragraph 2.1 of the Foreign Trade Policy, 2009-2014, as amended from time to time, the Central Government hereby makes the following amendments in ITC (HS) 2012, Schedule 1 (Import Policy):

a. The following Policy Conditions are revised /inserted in Chapter 1:

i. Policy Condition 2 (b) (iii) is revised and substituted as under:

"A health certificate as per the India's requirements issued either by the official veterinarian or by a veterinary doctor authorized to issue an export certificate by the Government of the country of origin shall be furnished at the time of custom clearance."

ii. Policy Condition 2 (b) (iv) is inserted as under:

"Importer shall furnish information on the age, sex and breed of horses as well as the purpose of import with supporting documents at the time of filing application to the DGFT".

b. The following Policy Condition is inserted in Chapter 2 (Policy Condition 3); Chapter 3 (Policy Condition 3); Chapter 4 (Policy Condition 4); Chapter 5 (Policy Condition 4); Chapter 16 (Policy Condition 1); and Chapter 21 (Policy Condition 2):

"Import of all live-stock products shall be subject to a sanitary import permit to be issued by Department of Animal Husbandry, Dairying & Fisheries, Government of India, as per Section 3A of Live-stock Importation Act, 1898, as incorporated by Live Stock Importation (Amendment) Act, 2001 (Act No. 28 of 2001, 29th August, 2001), or as amended from time to time."

c. The following Policy Condition is inserted in Chapter 5 (Policy Condition 5):

"Import of Bovine Embryos shall be subject to compliance of the guidelines issued by Department of Animal Husbandry, Dairying & Fisheries. The guidelines are available at 'www.dahd.nic.in' under icon 'trade' at 'Procedure for Import'."

d. The following Policy Condition is inserted in Chapter 23 (Policy Condition 1):

"Import of all items / products under ITC (HS) Code 2309 'Preparations of a kind used in Animal Feeding' shall be subject to a sanitary import permit to be issued by Department of Animal Husbandry, Dairying & Fisheries, Government of India, as per Section 3A of Livestock Importation Act, 1898, as incorporated by Live Stock Importation (Amendment) Act, 2001 (Act No. 28 of 2001, 29th August, 2001), or as amended from time to time."

e. The following Policy Condition is inserted in Chapter 41 (Policy Condition 2); Chapter 42 (Policy Condition 1) and Chapter 43(Policy Condition 1):

"Import of all live-stock products covered in this Chapter shall be subject to the provisions of Notification No. S.O. 794(E) dated 28.3.2008."

2. Effect of this notification

Requirements of Sanitary Import Permit issued by Department of Animal Husbandry, Dairying & Fisheries, GoI have been incorporated under relevant Chapters of ITC(HS), 2012.

17 Categories Excluded for Calculation of Export Performance under Incremental Export Reward Scheme

Ntfn 32 13.06.2013 (DGFT) In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 93/ 2009-Customs, dated the 11th September, 2009 published in the Gazette of India, Extraordinary , Part II, Section 3, subsection (i), vide number G.S.R. 659 (E), dated the 11th September, 2009, namely :-

In the said notification,-

(a) in the opening paragraph, in condition (i), for the words and figure "Volume I of the Foreign Trade Policy", the words and figures " Volume I in terms of entitlement under paragraph 3.14.2 or against exports to the countries or regions specified in paragraphs 3.14.4(e) or 3.14.5(e) of the Foreign Trade Policy, as the case may be" shall be substituted;

(b) in paragraph 2, for the words "under the scheme", the words and figures "under paragraph 3.14.2 of the Foreign Trade Policy" shall be substituted;

(c) after paragraph 2 and before the Explanation, the following paragraph shall be inserted, namely:-

"3. For the purpose of calculation of export performance or for computation of entitlement under paragraph 3.14.4 or paragraph 3.14.5 of the Foreign Trade Policy, the incremental growth shall be in respect of each exporter [Importer Exporter Code (IEC) holder] without any scope of combining the export for group company or for transferring export performance from any other IEC holder and the incremental growth shall be in terms of freely convertible currency to the designated markets. The following categories of exports shall not be counted for calculation of export performance or for computation of entitlements:

(i) Export of imported goods or exports made through trans-shipment;

(ii) Export from SEZ/ EOU /EHTP /STPI /BTP/ FTWZ;

(iii) Deemed Exports;

(iv) Service Exports;

(v) Third Party exports;

(vi) Diamond, Gold, Silver, Platinum, other precious metal in any form including plain and studded jewellery and other precious and semi-precious stones;

(vii) Ores and concentrates of all types and in all formations.

(viii) Cereals of all types;

(ix) Sugar of all types and all forms;

(x) Crude / petroleum oil and crude / primary and base products of all types and all formulations;

(xi) Export of milk and milk products;

(xii) Export performance made by one exporter on behalf of other exporter;

(xiii) Supplies made to SEZ units;

(xiv) Items, export of which requires an export authorisation (except SCOMET);

(xv) Export of Meat and Meat Products;

(xvi) Exports to Singapore, UAE and Hong Kong,

(xvii) SEZ/EOU/EHTP/BTP/FTWZ products exported through DTA units.''.

[F.No.605/10/2013-DBK]

Gemological Institute in Antwerp and Hong Kong Recognised for Diamond Grading

Subject: Export of Cut & Polished Diamonds for Certification/ Grading &Re-import

19-Ntfn(RE) 12.06.2013 (DGFT) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, as amended, read with paragraph 1.3 of the Foreign Trade Policy, 2009-2014, the Central Government hereby amends paragraph 4A.2.1 in Chapter 4 of Foreign Trade Policy, 2009-2014 (RE 2013).

2. Under para 4A.2.1 of the Foreign Trade Policy dealing with **"Export of Cut & Polished Diamonds for Certification/Grading & Re- import"** following two additional authorized laboratories for certification/ grading of diamonds of 0.25 carat and above are added after Serial No. (xv):

(xvi) International Gemological Institute (IGI) – Antwerp, Belgium;

(xvii) International Gemological Institute (IGI) – Hong Kong.

3. Effect of the Notification

To the existing authorised laboratories, two additional laboratories are added for purpose of certification/grading of diamonds of 0.25 carats & above.

24x7 Customs Examination for All Air Cargo Exports at Chennai, Delhi, Mumbai and Bangalore from 1 July

[CBEC Instruction No. 02 dated 21 May 2013]

Attention is invited to Board's Circular No 22/ 2012-Cus dated 07.08.2012, whereby 24X7 Customs clearance was made operational on pilot basis with effect from 01.09.2012 at identified Air Cargo Complexes and Sea ports for following item of imports/exports:-

(a) Facilitated Bills of Entry where no examination and assessment is required; and

(b) Factory stuffed export containers and export consignment covered by Free Shipping Bills.

2. As a progressive step towards trade facilitation measure and to enhance coverage of this facility, Board has decided to make available present facility at following Air Cargo Complexes (in addition to existing Air Cargo Complexes) with effect from 1.06.2013, -

(i) Ahmadabad
(ii) Amritsar
(iii) Bangalore
(iv) Cochin
(v) Calicut
(vi) Coimbatore
(vii) Goa
(viii) Hyderabad
(ix) Indore
(x) Jaipur
(xi) Nashik
(xii) Vishakhapatnam
(xiii) Thiruanantapuram

3. In addition to the above and with a view to maximize benefit of 24x7 customs clearance to trade especially to the exporters, Board has decided that with effect from 1.06.2013, 24X7 Customs clearance facility should cover export of all goods (in addition to factory stuffed export containers and export consignment covered by Free Shipping Bills) at following Air Cargo Complexes where this facility is already operational:-

(i) Chennai
(ii) Delhi
(iii) Mumbai
(iv) Bangalore

It is further clarified that 24X7 Customs clearance of imported goods at these Air Cargo Complexes will continue to be limited only for facilitated Bills of entry where no examination and assessment is required.

4. In case of Seaports i.e. Chennai, JNPT, Kandla and Kolkata where 24X7 Customs clearance facility is available, there shall be no change in the current system of 24X7 Customs Clearance.

5. Board desires that Chief Commissioners of Customs should divert Customs staff for deployment at these Customs locations within the existing staff for the time being and are also directed to work out the additional manpower requirement and send the same to Board. Board also desires that wide publicity should be given to popularise this scheme.

6. A detailed monthly report on the extent to which the facility is being availed should be sent so as to reach the Board positively by the 2nd of every month.

7. Suitable Public Notice/Standing Order may be issued for guidance of trading public and staff. Difficulty faced if any may be brought to the notice of the Board immediately.

F. No. 450/25/2009 - Cus IV

Corrigendum to Board Instruction No. 2 dated 31.05.2013

[Corrigendum dated 14th June 2013]

Subject: 24x7 Customs Operation at Major Ports and Airports.

Attention is invited to Board's Instructions No. 2 dated 31.05.2013, on the subject mentioned above.

2. In Paragraph 2 of the said instruction '(iii) Bangalore' should be read as '(iii) Kolkata' and in paragraph 3 the date 1.06.2013 may be read as 01.07.2013.

3. The other contents of the said instruction shall remain unchanged.

F. No. 450/25/2009 -CusIV

Gold Imports Not Permitted on Documents against Acceptance (DA) Basis, Consignment Basis only for Jewellery Exports

LCs must be Backed by 100% Cash or DP (Documents against Payments)

Sub: Import of Gold by Nominated Banks/Agencies

AP(DIR Srs) Cir.107 04.06.2013 (RBI)

Attention of Authorised Persons is drawn to our A.P. (DIR Series) Circular No. 103 dated May 13, 2013 on the captioned subject in terms of which, it was decided to restrict the import of gold on consignment basis by banks, only to meet the genuine needs of the exporters of gold jewellery. It has now been decided to extend the provisions of this circular to all nominated agencies/ premier / star trading houses who have been permitted by Government of India to import gold. Accordingly, any import of gold on consignment basis by both nominated agencies and banks shall now be permissible only to meet the needs of exporters of gold jewellery.

2. It has further been decided that all Letters of Credit (LC) to be opened by Nominated Banks/ Agencies for import of gold under all categories will be only on 100 per cent cash margin basis. Further, all imports of gold will necessarily have to be on Documents against Payment (DP) basis. Accordingly, gold imports on Documents against Acceptance (DA) basis will not be permitted. These restrictions will however not apply to import of gold to meet the needs of exporters of gold jewellery.

3. The above instructions will come into force with immediate effect. ADs may bring the contents of this circular to the notice of their constituents and customers concerned. They are also advised to strictly ensure that foreign exchange transactions effected by / for their constituents are compliant with these instructions in letter and spirit.

4. All other instructions relating to import of gold issued from time to time shall remain unchanged.

5. 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.

Export Realisation Period of 12 Months Set for SEZ Units

Sub: Export of Goods and Services - Realization and Repatriation period for units in Special Economic Zones (SEZ)

AP(DIR Srs) Cir.108 11.06.2013 (RBI)

Attention of Authorized Dealer banks is invited to A. P. (DIR Series) Circular No. 91 dated April 1, 2003. In terms of provisions of Para A of the said circular, time limit for realization and repatriation of export proceeds, for the exports made by units in Special Economic Zones (SEZs), was done away with.

2. It has now been decided that the units located in SEZs shall realize and repatriate, full value of goods/software/services, to India within a period of **twelve months** from the date of export. Any extension of time beyond the above stipulated period may be granted by Reserve Bank of India, on case to case basis.

3. The above changes will be applicable with immediate effect and shall be valid for one year, subject to review.

4. Necessary amendments to Notification No.FEMA.23/RB-2000 dated May 3, 2000 [Foreign Exchange Management (Export of Goods and Services) Regulations, 2000] have been issued vide Notification No.FEMA.273/2013-RB dated April 25, 2013 and notified vide G.S.R.No.342(E) dated May 29, 2013.

5. AD Category - I banks may please bring the contents of this Circular to the notice of their constituents and customers concerned.

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

Notification No.273/2013-RB dated 25th April 2013

Sub: Foreign Exchange Management (Export of Goods & Services) (Amendment) Regulations, 2013

In exercise of powers conferred by clause (a) of sub-section (1), sub-section (3) of Section 7 and sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in partial modification of its Notification No.FEMA.23/2000-RB dated May 3, 2000 and Notification No.FEMA.99/2003-RB dated August 27, 2003, Reserve Bank makes the following amendment in the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, as amended from time to time, namely:

1. Short Title and commencement

(i) These Regulations may be called the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2013.

(ii) They shall come into force from the date of publication in Official Gazette.

2. Amendment to the Regulations

In the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, in Regulation 9, the first proviso viz. "Provided that where the goods or software are exported by the units in Special Economic Zones, the stipulation of period of realization and repatriation to India of full export value of goods or software shall not apply;" stands deleted.

Gold and Silver Tariff Value Down

Brass Scrap (US$71), Palm Oil and Palmolein Tariff Value Up by US$6/MT

62-Cus(NT) 14.06.2013 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

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

"Table-1

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	852
2	1511 90 10	RBD Palm Oil	859
3	1511 90 90	Others – Palm Oil	856
4	1511 10 00	Crude Palmolein	866
5	1511 90 20	RBD Palmolein	**869**
6	1511 90 90	Others – Palmolein	868
7	1507 10 00	Crude Soyabean Oil	1043
8	7404 00 22	Brass Scrap (all grades)	3930
9	1207 91 00	Poppy seeds	4395

Table-2

SNo.	Chapter/heading/ sub-heading/ tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	**450** per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	**709** per kilogram "

[F. No. 467/01/2013-Cus.V]

Rupee Crashes against Euro, Sterling, SFranc and Yen in Customs Valuation

60-Cus(NT) 12.06.2013 (DoR) In excise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs hereby makes the following further amendments in the Notification of the Government of India, Ministry of Finance (Department of Revenue) No. 59/2013-CUSTOMS (N.T.) dated the 6th June, 2013 published in the Gazette of India, part II, Section 3, Sub-section (ii), Extraordinary vide number S.O.1465[E], dated 6th June, 2013, namely:-

In the Schedule-I of the said Notification, for Serial Nos. 3, 5,11& 16 and in Schedule-II of the said notification for serial No. 1, and the entries relating thereto, the following shall be substituted, namely:-

Schedule-I

SNo.	Foreign Currency	Rate of exchange of one units of foreign currency equivalent to Indian Rupees	
(1)	(2)	(3)	
		(a)	(b)
		(for imported Goods)	(For Export Goods)
3	Canadian Dollar	57.95	56.55
5	EURO	78.40	76.45
11	Pound Sterling	91.90	89.75
16	Swiss Franc	63.40	61.65

Schedule-II

SNo.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian Rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	60.05	58.55

The rates will be effective from 13.06.2013

F. No. 468/03/2013-Cus-V

Rupee Fall against Danish Kroner to Rs. 10.55 in Customs Valuation

61-Cus(NT) 13.06.2013 (DoR) In excise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs hereby makes the following further amendments in the Notification of the Government of India, Ministry of Finance (Department of Revenue) No. 59/2013-CUSTOMS (N.T.) dated the 6th June, 2013 published in the Gazette of India, part II, Section 3, Sub-section (ii), Extraordinary vide number S.O.1465[E], dated 6th June, 2013, namely:-

In the Schedule-I of the said Notification, for Serial No. 4, and the entries relating thereto, the following shall be substituted, namely:-

Schedule-I

SNo.	Foreign Currency	Rate of exchange of one units of foreign currency equivalent to Indian Rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For imported Goods)	(For Export Goods)
4	Danish Kroner	10.55	10.25

The rates will be effective from 14.06.2013

F. No. 468/03/2013-Cus-V

Appellate Authority in DGFT Notified

21-Ntfn(RE) 13.06.2013 (DGFT) In exercise of the powers conferred by clause (b) of sub-section (1) of Section 15 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) and in supersession of the earlier Notifications referred below, the Central Government hereby authorizes the officers specified in column 3 of the Table below to function as Appellate Authority against the orders passed by the Adjudicating Authorities authorized by the Central Government under section 13 of the said Act and specified in column 2 of the said Table:-

Table

SNo.	Designation of Adjudicating Authority	Appellate Authority
1.	Assistant Director General of Foreign Trade	
2.	Deputy Director General of Foreign Trade	
3.	Joint Director General of Foreign Trade	Additional Director General of Foreign Trade
4.	Additional Director General of Foreign Trade	A Bench of two Additional Director General of Foreign Trade in the Directorate General of Foreign Trade to be so constituted by the Director General.
5.	Development Commissioner, Special Economic Zones	
6.	Designated Officer, Department of Electronics & Information Technology	

Earlier Notifications

1. Notification S.O. 1059(E) dated 31st December, 1993.
2. Notification S.O. 193(E) dated 6th March, 2000.

Adjudication Powers of DGFT/Development Commissioner Defined

20-Ntfn(RE) 13.06.2013 (DGFT)

In exercise of the powers conferred by section 13 of the Foreign Trade (Development and Regulation) Act,1992 (22 of 1992) and in supersession of the earlier Notifications mentioned below, the Central Government hereby authorizes the officers specified in column 2 of the table below for the purposes of exercising powers under Section 13 read with Section 11 of the FT(DR) Act, 1992, subject to the limits specified against such officers in the corresponding entry in column 3 of the said Table, namely:-

Table

SNo.	Designation of Officer	Value of goods or services or technology covered by an authorization issued, registration certificate/ permits issued for import or export or in respect of goods or services or technology for which import or export is permitted without any authorization
1.	Additional Director General of Foreign Trade	Without limit
2.	Joint Director General of Foreign Trade	Up to Rs.25 crores
3.	Deputy Director General of Foreign Trade/ Assistant Director General of Foreign Trade	Up to Rs.10 crores
4.	Development Commissioner, Special Economic Zones	Without limit in respect of Export Oriented Units and units in Special Economic Zones
5 .	Designated Officer, Department of Electronics & Information Technology	Without limit in respect of units in Software Technology Parks (STPs) and Electronics Hardware Technology Parks (EHTPs).

Previous Notifications which stand superseded:

1. Notification S.O.24(E) dated 20th January 1999
2. Notification S.O. 194(E) dated 6th March 2000
3. Notification S.O. 106(E) 30th January, 2006
4. Notification S.O. 1534 dated 14th September, 2006
5. Notification S.O. (E) dated 17th April, 2009

Export Transaction Value Enhanced to US$10,000 through Online Payment Gateway Service Providers

Sub: Processing and Settlement of Export related receipts facilitated by Online Payment Gateways– Enhancement of the value of transaction

AP(DIR Srs) Cir.109 11.06.2013 (RBI)

Attention of Authorised Dealer Category 1 (AD Category – 1) banks is invited to the A.P. (DIR Series) Circular No.35 dated October 14, 2011 in terms of which AD Category I banks have been permitted to offer the facility to repatriate export related remittances by entering into standing arrangements with Online Payment Gateway Service Providers (OPGSPs) for export of goods and services for value not exceeding USD 3000 per transaction, subject to the conditions stipulated therein.

2. The present instructions have been reviewed in the context of requests received for suitable enhancement of the value of the transaction from USD 3000. Accordingly, it has now been decided to increase the value per transaction from USD 3000 to USD 10,000 for export related remittances received through OPGSPS. The revised limit will come into force with immediate effect.

3. All other terms and conditions issued, vide A.P. (DIR Series) Circular No.17 dated November 16, 2010, shall remain unchanged.

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

5. Reserve Bank has since amended the Regulations vide Notification No.FEMA.274/2013-RB dated April 26, 2013 and notified vide G.S.R.No.343(E) dated May 29, 2013.

6. 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.

Fine = Penalty for Monetary Threshold in Discussions for Appeals

[CBEC Instruction dated 3rd June 2013]

Sub: Reduction of Government litigation - providing monetary limits for filing appeals by the Department before CESTAT/High Courts and Supreme court.

I am directed to refer to Instruction of even number dated 17.8.2011 on the captioned subject.

Reference has been received regarding the application of the threshold limit prescribed vide Instruction ibid to cases where either redemption fine alone is in dispute or both redemption fine and penalty are in dispute. For example, in one case the Tribunal confirmed the duty but set aside the penalty of Rs. 5 lakhs and redemption fine of Rs. 15 lakhs imposed by the adjudicating authority. As the Instruction ibid did not specifically mention about redemption fine a clarification has been sought whether the word “penalty” mentioned in para 2 of the Instruction ibid would include redemption fine or otherwise.

The matter has been examined. Redemption fine is an option in the hand of the owner of goods to redeem goods confiscated by the department for violation of any provisions of the Customs Act. On the other hand, penalty is imposed on any person who violates the provisions of the Customs Act while importing or exporting the goods out of India. Therefore, the nature and scope of penalty is different from that of the redemption fine. While penalty is in persona, redemption fine is on goods. However, both redemption fine and penalty are imposed for violations of the statutory provisions. Therefore, even though redemption fine cannot be said to be covered under the word ‘penalty’ the treatment given to both redemption fine and penalty is required to be identical and hence, redemption fine and penalty would need to be clubbed to decide the applicability of threshold limit prescribed.

Accordingly, it is clarified that if the imposition of redemption fine alone is the subject matter of dispute, and if such redemption fine exceeds the monetary limits prescribed, then the matter could be litigated further in Courts and Tribunal. Further, if both the amount of redemption fine and penalty are in dispute and if such redemption fine and penalty is in dispute, taken together, exceed the prescribed monetary limit then the matter should be litigated further.

Instruction ibid stands suitably modified.

This issues with the approval of Chairperson (CBEC).

F.No.390/Misc./163/2010-JC

Safeguard Investigation on Methyl Acetoacetate (MAA) Initiated on Complaint of Single Producer Laxmi Organic, Mumbai

[Safeguard Initiation Notice F.No. D-22011/08/2013 dated 6th June 2013]

Sub: Initiation of safeguard investigation concerning imports of Methyl Acetoacetate 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. Laxmi Organic Industries Limited, Mumbai through their consultant M/S ELP Advocates & Solicitors for imposition of Safeguard Duty on imports of Methyl Acetoacetate into India to protect the domestic producers of Methyl Acetoacetate against serious injury/threat of serious injury caused by the increased imports of Methyl Acetoacetate into India.

2. Domestic Industry: M/s Laxmi Organic Industries Ltd, Mumbai are the only applicant constituting domestic industry in this case. M/S Laxmi Organic Industries Ltd, claimed that their production account for 100% of the total production of Methyl Acetoacetate in the country and thus they have the standing to file the present petition.

3. Product Involved: The product under consideration in the present case is Methyl Acetoacetate (also known as MAA/MAAE/AAME) which is a diketene based Ester or aceto-acetate. Esters are chemical compounds derived by reacting an oxoacid with a hydroxyl compound such as an alcohol or phenol. The chemical Formula in respect of this product is C5H8O3. This product is also known by the names of Methyl-3-ketobutyrate, Methyl acetylacetate, Methyl-3-oxobutanoate, Methyl acetone carboxylate, Methyl-3-oxobutyrate, Acetoacetic methyl ester, MAAE.

Methyl Acetoacetate is classified under Customs sub-heading nos. 29183040 of Chapter 29 of the Customs Tariff Act, 1975. The classification is however indicative only and in no way binding on the scope of the present investigations.

4. Period of Investigation (POI): The applicant for the purpose of the present application has considered the data for three years period. The applicant has submitted all the data from 2010-11 to 2012-13. The period for investigation selected is 2010-11 to 2012-13 which is long enough in order to take into consideration the market conditions and to ascertain the need of imposition of Safeguard Duty.

5. Source of information: The import data for the product under consideration has been taken from IBIS (transaction wise) as provided by the applicant as they have claimed that the subject goods are being imported under various other classifications as well. The applicant under Annexure 3 to the application have provided various other chapter headings/ITC classifications under which the subject goods are being imported into India along with sample transaction entries. In such a situation, transaction wise data had to be considered which is available only in the IBIS data. Hence IBIS import data has been taken. Further, the data pertaining to other safeguard economic parameters has been verified to the extent necessary, through onsite verification of the unit 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): Methyl Acetoacetate is imported into India from a number of countries, and primarily from China, USA and Switzerland. The imports of Methyl Acetoacetate have shown an increasing trend in absolute terms as well as compared to the total production. The imports and production of Methyl Acetoacetate during financial year 2010-11 to 2012-13 remained as under:

Financial Year	Total Imports (MT)	All India Production (MT)	Total Demand (MT)	Import as a % of production
2010-11	3985	1980	5717	201
2011-12	3584	2604	6263	138
2012-13	5084	2045	7101	249

The Imports have increased from 3985MT in 2010-11 to 5084MT in 2012-13 which shows an increase of 28%. Further the import as a percentage of domestic production have increased to 249% in 2012-13 from 138% in 2011-12.

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

a) *Production*: Though the production of the domestic industry increased in 2011-12 as compared to the year 2010-11, it declined from 2604 MT in 2011-12 to 2045 MT in 2012-13.

Year	Qty(MT)
2010-11	1980
2011-12	2604
2012-13	2045

b) *Capacity Utilization*: Capacity utilization of the domestic industry has declined significantly in the most recent period, from 53% in 2011-12 to 41% in 2012-13.

Year	Installed Capacity (MT)	Capacity utilized(%)
2010-11	4950	40
2011-12	4950	53
2012-13	4950	41

c) *Share of domestic producers in domestic demand*: Market share of domestic producer has fallen significantly. Applicant had a market share of 43% in 2011-12 which fell to 28% during 2012-13. The market share of import increased from 57% in 2011-12 to 72% in 2012-13.

Financial Year	Total Import (MT)	Sales of DI (MT)	Total Demand (MT)	Market Share(%)		Inventories (MT)
				DI	Import	
2010-11	3985	1732	5717	30	70	196
2011-12	3584	2679	6263	43	57	84
2012- 13	5084	2017	7101	28	72	79

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 2679 MT in 2011-12 to 2017 MT in 2012-13. This decline in sales is despite the fact that the demand increased from 6263 MT in 2011-12 to 7101 MT in 2012-13. 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	Profitability (Rs. / MT) (Indexed)
2010-11	-100
2011-12	-187
2012-13(annualized)	-156

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

9. The application has been examined and it has been found that prima facie increased imports of Methyl Acetoacetate have caused and are threatening to cause serious injury to the domestic producers of Methyl Acetoacetate 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.

Cont'd..90

tion and trade in agriculture. The Asian economic powerhouse is the world's largest producer and consumer of certain key cereals, such as rice and wheat. With an enormous population, changing appetites, and quick economic growth, the country's influence in global markets is expected to continue increasing in the coming decade.

The OECD and FAO found that more food and higher incomes have cut the number of hungry in China by 100 million since 1990. However, the Asian giant is also facing problems of water and land scarcity, leading Beijing to place food security and self-sufficiency at the top of its policy agenda.

Chinese consumption of farm goods will likely outpace production by 0.3 percent annually, potentially creating an opportunity for those looking to export. China is expected to become the world's leading consumer of pigmeat on a per capita basis and account for 59 percent of global oilseed imports by 2022.

Government intervention can improve nutrition, FAO says

In a separate report also released last week, the FAO found that malnutrition is posing major social and economic costs on countries at every income level. The 2013 edition of the State of Food and Agriculture report finds, for instance, that productivity loss and direct healthcare costs as a result of malnutrition could account for up to five percent of global gross domestic product (GDP), equivalent to US$3.5 trillion per year or US$500 per person.

This cost can justify government intervention in food markets through nutrition-specific food price subsidies and taxes, the FAO says, as part of a series of recommendations. Price subsidies, for instance, could encourage the consumption of more diverse foods such as fruits and vegetables. Taxes, meanwhile, could discourage the consumption of less nutritious food.

WIndex and DIndex – No. 13 - 19-25 June 2013

***See details in www.worldtradescanner.com**

WTO Debates Green Technologies and IPRs

WTO members should examine the ways in which intellectual property (IP) protections affect the development and use of environmentally-sound technologies, according to a recent submission tabled by Ecuador. Sources say that the suggestion to the WTO's Council on Trade-Related Aspects of Intellectual Property Rights (TRIPS) sparked intense discussions among members at their Tuesday meeting.

The submission (IP/C/W/585) highlights the importance of technology and its transfer for climate change adaptation and mitigation. Introduced at an earlier meeting in March, the paper's proposals include, among others, amending the WTO's intellectual property rules to reduce the length of time patents can be applied to green technologies in developing countries. Presenting the paper, Ecuador also suggested that members consider issuing a declaration on the subject at December's ministerial conference in Bali.

Some developing countries - including, Indonesia, China, and India - expressed support for the paper, trade sources confirmed. However, several developed countries, including the US, Japan, and the EU argued that intellectual property protection encourages both the development of environmentally sound technologies at accessible prices, as well as technology transfer.

Customs Valuation Exchange Rates

7 June 2013		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	55.00	53.65
2	Bahraini Dinar	153.85	145.30
3	Canadian Dollar	57.95*	56.55*
4	Danish Kroner	10.55**	10.25**
5	EURO	78.40*	76.45*
6	Hong Kong Dollar	7.35	7.20
7	Kenyan Shilling	68.25	64.15
8	Kuwaiti Dinar	203.20	191.80
9	New Zealand Dollar	46.05	44.70
10	Norwegian Kroner	9.85	9.55
11	Pound Sterling	91.90*	89.75*
12	Singapore Dollar	45.65	44.60
13	South African Rand	5.95	5.55
14	South Arabian Riyal	15.45	14.60
15	Swedish Kroner	8.70	8.45
16	Swiss Franc	63.40*	61.65*
17	UAE Dirham	15.80	14.90
18	U.S. Dollar	56.85	55.85
Schedule II [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]			
1	Japanese Yen	60.05*	58.55*

**w.e.f. 13.06.2013; **w.e.f. 14.06.2013*
(Source: Customs Notification 59(NT)/06.06.2013)

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