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Asean Splits between US and China over South China Sea

The Association of Southeast Asian Nations failed to reach consensus on handling disputes in the South China Sea, reflecting a rift between China and the U.S. over rules to keep peace in the trade lane.

Cambodia, which holds the group's rotating chairmanship, rejected a compromise on the wording of a joint communique among the other nine members in Phnom Penh, according to Sihanouk Phuengkietkeow, Thailand's top foreign ministry bureaucrat. The bloc's inability to agree on a communique is unprecedented, Indonesian Foreign Minister Marty Natalegawa said.

The squabbling underscores growing unease among the Philippines and Vietnam over China's assertiveness in disputed waters that may contain oil and gas reserves. China this week rebuffed U.S. calls to quickly complete a code of conduct for the seas as Secretary of State Hillary Clinton warned more clashes are likely without a nationwide deal.

Oil, Gas

The region is estimated to have as much as 30 billion metric tons of oil and 16 trillion cubic meters of gas, which would account for about one-third of China's oil and gas resources, according to China's official Xinhua News Agency. China had 2 billion tons of proven oil reserves and 99 trillion cubic feet of natural gas reserves in 2010, according to BP Plc estimates.

The Philippines wanted the meeting's communique to mention a two-month standoff with Chinese vessels over a disputed reef known as Scarborough Shoal in the Philippines and Huangyan Island in China. In the security meeting of 26 Asia-Pacific nations and the European Union yesterday, Philippine Foreign Secretary Albert del Rosario denounced "pressure, duplicity, intimidation" from China and warned that tensions "could further escalate into physical hostilities that no one wants."

'Unfair Accusation'

Cambodian Foreign Ministry official Kao Kim Hourn rebuffed criticism that his nation was under pressure from China, calling it an "unfair accusation."

China warned nations this week to avoid mentioning the territorial spats during the Asean meetings and repeated calls for joint development. Vice Foreign Minister Fu Ying two days ago said China would start talks with Asean on a legally binding Code of Conduct in the South China Sea "when conditions are

ripe," according to Xinhua.

Conduct Code

After the security meeting, Chinese Foreign Minister Yang Jiechi urged the Philippines to avoid making trouble, Xinhua reported. He reiterated control over the disputed reef and said Chinese people were shocked and surprised when the Philippines confronted its vessels, the report said, citing Yang.

Asean's discord over the communique "could enhance the prospects for reaching agreement" on a Code of Conduct because China "is less likely to feel that all the Asean member states are ganging up against it," Robert C. Beckman, director of the Center for International Law at the National University of Singapore, wrote in an e-mail. Key issues will be whether Asean can reach consensus "and remain united on those principles during the negotiations with China," he said.

Clinton downplayed the risk of conflict with one of the U.S.'s biggest trading partners and stressed ways to cooperate with China in the region. U.S.-China commerce totaled \$503 billion in 2011, more than double the combined \$194 billion traded with Indonesia, Thailand, the Philippines, Malaysia, Vietnam and other Asean nations, according to the U.S. Census Bureau.

U.S.-China Talks

The U.S. interest in the South China Sea is based on the importance of freedom of navigation in the 1.2 million-square-mile body of water that links the Pacific and Indian oceans, Clinton said on 11 July. China has denied its actions threaten ships passing through the waters.

Regional Solution

Vietnam and the Philippines, a U.S. ally, reject China's map of the waters as a basis for joint development and have sought a regional solution to increase their bargaining power with Asia's biggest military spender. Clinton has urged the countries to define their territory based on the UN Law of the Sea, a move China has resisted because it may lead to a loss of some waters it now claims.

Vietnam Oil & Gas Group (PVD), known as PetroVietnam, last month called for China National Offshore Oil Corp., the government-owned parent of Cnooc Ltd., to cancel an invitation for foreign companies to explore nine blocks that overlap with areas awarded to Exxon Mobil Corp. (XOM), Moscow-based OAO Gazprom and India's Oil & Natural Gas Co.



Obama Slaps Sanctions on Iran Tanker Co

The Obama administration sanctioned the National Iranian Tanker Co. and four alleged front companies for Iran's oil trade, the latest salvo in a U.S.-led campaign to curtail Iran's petroleum sales until it abandons illicit aspects of its disputed nuclear program.

The U.S. Treasury Department announced on 11 July it would freeze American assets belonging to the tanker operator, known as NITC, and block the company's transactions from the U.S. financial system. The Treasury said Iran's government controls the company, a former subsidiary of the state-owned National Iranian Oil Co. that was officially privatized 12 years ago.

The Treasury identified 27 entities affiliated with the tanker company and 58 vessels — some of which have been reflagged in other countries to evade international sanctions on Iran's petroleum sales.

The U.S. action doesn't impose penalties on non-American companies that continue to do business with NITC. The move is intended to expose the tanker company's links to the Iranian regime and discourage refiners, traders and shippers from dealing in Iranian oil that may be disguised as crude from another country, according to three officials in President Barack Obama's administration who spoke on condition of anonymity because they were not authorized to be named.

Oil Rose

Oil rose after the U.S. announced the sanctions aimed at the second-biggest crude producer in the Organization of Petroleum Exporting Countries. Crude oil for August delivery increased 27 cents to settle at \$86.08 a barrel on the New York Mercantile Exchange. Prices have decreased 13 percent this year, even as the U.S. and European Union have imposed oil-related



Reflagging Tankers

In the past month, NITC changed the flags on 11 tankers to the Tanzania Zanzibar International Register of Shipping and 20 others to Tuvalu, according to the Equasis shipping database maintained by the European Commission. The ships were registered under new names

sanctions that went into effect recently.

The Treasury moves are part of a broader effort by the U.S. and EU to increase economic penalties on Iran to pressure its leaders to make concessions over its nuclear program. Iran's main source of revenue is petroleum exports, accounting for more than half of gross domestic product, according to the International Monetary Fund.

The EU embargoed Iranian oil and banned EU companies from insuring Iranian crude shipments effective July 1. The Treasury's list of NITC's tankers will help European shippers and insurers comply with the EU ban, U.S. officials said.

and companies, while NITC remained the operator, data show.

Iran's customers in Asia may be relying on NITC to deliver the country's oil as EU sanctions block insurance for international tankers carrying the cargoes. India, the third-largest buyer of Iranian oil, asked the Persian Gulf country to arrange transportation and insurance for its shipments, and Iran offered to do the same for South Korea after the Asian nation said it would halt shipments because of Western sanctions.

NITC's tankers are the only ones heading for Kharg Island, Iran's largest export terminal; no other ships have signaled from the port since the EU embargo on Iranian oil took effect July 1, according to ship-tracking data compiled by Bloomberg. The EU ban affects insurers of 95 percent of the global fleet.

Oil Trades Near Seven-Week High on Iran, Stockpiles

Oil traded near the highest level in seven weeks in New York amid speculation U.S. stockpiles will decline and tension with Iran may escalate.

Futures swung between gains and losses after rising for a fourth day on 16 July. Crude stockpiles probably fell 750,000 barrels last week, a fourth weekly drop that further erodes the biggest glut since 1990. The U.S. will use all elements of American power to prevent Iran from obtaining nuclear weapons, Secretary of State Hillary Clinton told reporters on 16 July in Jerusalem.

Oil for August delivery was at \$88.53 a barrel, up 10 cents, in electronic trading on the New York Mercantile Exchange. The contract gained 1.5 percent to \$88.43 on 16 July, the highest close since May 29. Prices are 10 percent lower this year.

Brent crude for September settlement was at \$103.49 a barrel, up 12 cents, on the London-based ICE Futures Europe exchange. The front-month price for the European benchmark contract was at a premium to West Texas Intermedi-

ate of \$14.58, compared with \$15.12 on 16 July.

U.S. Stockpiles

U.S. refineries probably boosted production to 93.1 percent of capacity last week, a five-year high and an increase of 0.4 percentage point from a week earlier.

Gasoline supplies may have increased 1.1 million barrels, according to the median estimate of six analysts. Inventories of distillates, a category that includes heating oil and diesel, probably rose 1 million barrels.

Iran Tension

Clinton departed Israel for Washington on 17 July after a nine-country, 12-day trip. She met with Israeli leaders on issues including Iran, upheaval in the Arab world, the stalled Israeli-Palestinian peace process and the political transition in Egypt, where she spent a day and a half.

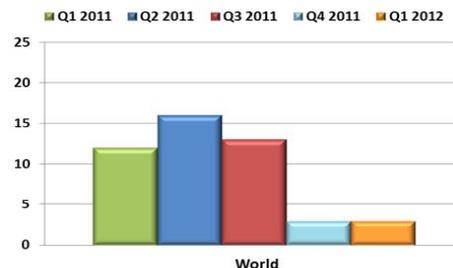
Iran has threatened to close the Strait of Hormuz, a transit route for about a fifth of the global oil shipments, in response to sanctions on its nuclear program. The Persian Gulf nation maintains that the program is for civilian use.

World Exports of Commercial Services Up by 3% in the First Quarter of 2012

According to preliminary estimates by the WTO and UNCTAD, in the first quarter of 2012, world exports of commercial services rose by 3% year-on-year (balance-of-payments basis, current price, not seasonally adjusted) following the same pattern recorded in the fourth quarter of 2011.

World exports of commercial services Q1 2011- Q1 2012

(percentage change, year-on-year)



Source: WTO/UNCTAD

World trade estimates are aggregated from individual reporters' quarterly balance-of-payments statistics taken from the IMF and Eurostat, supplemented with estimates for missing data, as well as national sources. Quarterly figures may not add up to annual figures published elsewhere in WTO or UNCTAD statistical publications or online databases. Quarterly data are released every three months.

China Blocks EU, US, Japan Request for WTO Dispute Panel on Rare Earths

The EU, US, and Japan have taken the next step in their dispute with China over the latter's export restrictions on rare earths, formally requesting the establishment of a dispute panel at Tuesday's WTO Dispute Settlement Body (DSB) meeting. While the request was rejected by Beijing, trade experts expect a second panel request to be made later this month.

The request is the latest effort by Brussels, Washington, and Tokyo to prompt Beijing to lift its export restrictions on rare earths, as well as tungsten and molybdenum. The 17 rare earth elements have unique magnetic, heat resistant, and phosphorescent properties, and are essential for the production of high-tech and green energy products, including wind turbines, engines for electric and hybrid vehicles, and medical equipment.

Beijing, which produces over 90 percent of the global supply of rare earths, maintains that these measures are intended to limit environmental damage and conserve natural resources, with officials recently defending the restrictions in a white paper issued on 20 June.

"The government is strengthening the management of the industry to protect the environment and resources, which is beneficial for the sustainable development of the industry and

Cont'd..144

WEEKLY INDEX OF CHANGES

Sugar Zero Duty Goes, 10% Duty from 13 July Flat Rolled Alloy Steel Duty Hiked to 7.5% from 5%

Ntnf 45
13.07.2012
(DoR)

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 further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) **No. 12/2012- Customs, dated the 17th March, 2012**, which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 185(E), dated



the 17th March, 2012, namely:-
In the said notification, -

(A) in the **Table**,

(i) against **S.No. 76**, for the existing entry in column (4), the entry 10% shall be substituted.

(ii) against **S.No. 77**, for the existing entry in column (4), the entry 10% shall be substituted.

(iii) against **S.No. 78**, for the existing entry in column (4), the entry 10% shall be substituted.

(iv) against **S. No. 334**, for the entry in column (2), the entry "7208, 7209, 7210, 7211, 7212, 7225 30 90, 7225 40 19, 7225 50 or 7225 99 00" shall be substituted.

(B) after the table, in the proviso, **clause (b)** shall be **omitted**.

[F. No.354/78/2009-TRU(Pt I)&F.No.354/102/2012 -TRU]

CBEC Classification on Mouse Pads

Mouse Pads are Neither Parts Nor Accessories of Computer Mouse of Heading 8471, it is Classifiable According to Constituent Material

Subject: Classification of Mouse Pads.

19-CBEC
11.07.2012
(DoR)

It has come to the notice of the Board that divergent practices are being followed by field formations regarding classification of Mouse Pads in heading 3926 (Other Articles of Plastics and Articles of Other Materials of Headings 3901 To 3914), 4016 (Other Articles of Vulcanised Rubber Other than Hard Rubber), and 8473 [Parts and Accessories (Other than Covers, Carrying Cases and

the Like) suitable for use Solely or Principally with Machines of Headings 8469 to 8472] of the Customs Tariff Act (CTA), 1975.

2. This issue was examined in the Board. It was also one of the agenda items in the WCO 48th and 49th Harmonized System Committee which examined this issue for decisions on classification. The HS Code considered was 8473.30 which covers, "parts and accessories", of goods of heading 8471. Mouse is classified as tariff item



Customs to Continue Verification of Reward Scrips, EDI not Operational

Sub: Verification of genuineness, of duty credit scrips issued under Chapter 3 of FTP, before registration

17-CBEC
05.07.2012
(DoR)

Attention is drawn to para 2 (e) of Circular No. 5/2010-Customs dated 16.03.2010, which reads - "As regards the duty credit scrips issued under Chapter 3 of FTP, the verification of genuineness of scrips in terms of Para 3.11.3 of the HBP v.1 shall be done before allowing registration of such scrips. Further, the Commissioner may cause random verification of the shipping bills based on which the said duty credit scrip has been issued to ascertain the genuineness of such shipping bills. A quarterly report on the outcome of the said verification may be forwarded to the Board, which should include inter alia the details of the discrepancies noticed during the verification and the measures taken to redress such discrepancies. This procedure will be reviewed once online transmission of the duty credit scrips issued under Chapter 3 of FTP is

operationalized".

2. The Annual Supplement 2012-13 (FTP for 2009-14) issued on 5th June 2012 has not retained the provision ("before registration, authorities shall verify genuineness of duty credit scrips, from RA concerned, until EDI system of message exchange is put in place") under para 3.11.3 of the HBP, Vol. 1.

3. The matter was reviewed by the Board. Field formations have reported that they do signature verification of issuing authority, they cross-check the particulars of the scrip with its issuance particulars available on the official website of the concerned Regional Authority (RA) of the DGFT and place in the file a copy of the print-out of details of scrip taken from the said official website, some also use fax or letter confirmation from the RA when required, and they check alerts, etc before registering the

84716060 under HS Code 847160 which covers input or output units, whether or not containing storage units in the same housing.

3. For the classification of goods in the Harmonized Commodity Description and Coding System, it is understood that parts are goods intended to be assembled into articles, together with other goods, or intended to be incorporated into other articles. In other words, a part constitutes a component of an article. Mouse Pads do not meet this criterion. Further, Mouse Pads fail to qualify as an accessory of a computer or Automatic Data Processing (ADP) mouse of heading 84.71, as they do not serve to adapt the computer mouse for a particular operation, perform a service relative to a computer mouse, and increase the range of operations of a computer mouse.

4. Mouse Pads are generally flat products of different shapes and consist of different materials or combinations of materials such as plastics, rubber, hard rubber, etc. The characteristics and properties of these materials of which Mouse Pads are made of do not make the product indispensable for the functioning of an ADP mouse. It is also apparent that an ADP mouse does not depend on the presence of a Mouse Pad in order to function or to carry out its specific activity. The ADP mouse could also be used and would also function without being placed on a Mouse Pad.

5. As such, Board is of the considered view that Mouse Pads are neither parts nor accessories of a computer mouse of heading 84.71 and would therefore be classifiable according to their constituent material.

6. Accordingly, suitable instructions may be given to the field formation and all pending assessments, if any, may be finalized. Difficulty faced, if any, may be brought to notice of the Board.

F.No. 528/115/2011-STO (TU)

scrip. Where scrip details are not available on the official website of RA, say for example in the case of manually issued scrips or for any other reason, field formations write a letter to RA and take steps to register such scrip when written confirmation is received.

4. Since, EDI system of message exchange has not been put in place and online transmission of duly validated duty credit scrips is not operational, it has been decided that even while the words and figures "in terms of Para 3.11.3 of the HBP v.1" shall stand deleted from first sentence of para 2(e) of Circular No.5/2010-Customs, the verification of genuineness of scrips shall continue to be done as before prior to registration of such scrips. No other aspect with respect to para(e) of Circular No.5/2010-Customs has undergone change.

5. These instructions should be brought to the notice of all concerned by way of issuance of instructions/trade notice. Difficulty faced, if any, may be brought to the notice of the Board.

F.No.605/12/2012-DBK

RBI Revises A-2 Form for Sending Remittances Abroad and List of Purpose Codes

Sub: Foreign Exchange Management Act, 1999 – Submission of Revised A-2 Form

AP(DIR Srs) Cir.05 12.07.2012 (RBI) Attention of Authorised Dealers (ADs) is invited to A.P. (DIR Series) Circular No.77 dated March 13, 2004, in terms of which guidelines for compilation of various R>Returns were issued to the Authorised Dealers. The purpose codes for foreign exchange purchase/ sale transactions, used for filling up of the cover page of R-Return have since been revised, vide A.P.(DIR Series) Circular No. 84 dated February 29, 2012. It has therefore become necessary to revise the list of purpose codes appended to Form A-2 also. The revised list of purpose codes along with Form A-2 are thus annexed for use by the applicants for remittance of funds abroad.

2. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Form A2

(For payments other than imports and remittances covering intermediary trade)

Application for Remittance Abroad

AD Code No. _____

Form No. _____

(To be filled in by the Authorised Dealer)

Serial No. _____

(For use of Reserve Bank of India)

Currency _____ Amount _____

Equivalent to Rs. _____

(To be completed by Authorised Dealer)

I/We _____

(Name of applicant remitter)

authorize _____

(Name of AD branch)

Savings Bank/ Current/ RFC/ EEFC A/c. No. _____ together with their charges and

* a) Issue a draft : Beneficiary's Name _____

Address _____

* b) Effect the foreign exchange remittance directly –

1) Beneficiary's Name _____

2) Name and address of the bank _____

3) Account No. _____

* c) Issue travelers cheques for _____

* d) Issue foreign currency notes for _____

* (Strike out whichever is not applicable)

for the purpose indicated below

(Remitter should put a tick ("") against an appropriate purpose code. In case of doubt/ difficulty, the AD bank should be consulted).

Signature

Date : _____ Name : _____

SNo.	Purpose Group Name	Purpose Code	Description
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As per the Annex -I

Declaration

(Under FEMA 1999)

I, _____ declare that –

* (1) The total amount of foreign exchange purchased from or remitted through, all sources in India during this calendar year including this application is within USD _____ (USD _____ only) the annual limit prescribed by Reserve Bank of India for the said purpose.

*(2) Foreign exchange purchased from you is for the purpose indicated above.

*(Strike out whichever is not applicable)

Date: _____ Signature _____
Name _____

Annex I: Purpose Codes for Reporting under FETERS

A. Payment Purposes (for use in BOP file)

Gr.No.	Purpose Group Name	Purpose Code	Description
0	Capital Account	S0017	Acquisition of non-produced non-financial assets (Purchase of intangible assets like patents, copyrights, trademarks etc., land acquired by government, use of natural resources)- Government
		S0019	Acquisition of non-produced non-financial assets (Purchase of intangible assets like patents, copyrights, trademarks etc., use of natural resources) – Non-Government
		S0026	Capital transfers (Guarantees payments, Investment Grand given by the government/international organisation, exceptionally large Non-life insurance claims) – Government
		S0027	Capital transfers (Guarantees payments, Investment Grand given by the Non-government, exceptionally large Non-life insurance claims) – Non-Government
		S0099	Other capital payments not included elsewhere
Financial Account			
	Foreign Direct Investments	S0003	Indian Direct investment abroad (in branches & wholly owned subsidiaries) in equity Shares
		S0004	Indian Direct investment abroad (in subsidiaries and associates) in debt instruments
		S0005	Indian investment abroad – in real estate
		S0006	Repatriation of Foreign Direct Investment made by overseas Investors in India – in equity shares
		S0007	Repatriation of Foreign Direct Investment in made by overseas Investors India – in debt instruments
		S0008	Repatriation of Foreign Direct Investment made by overseas Investors in India – in real estate
	Foreign Portfolio Investments	S0001	Indian Portfolio investment abroad – in equity shares
		S0002	Indian Portfolio investment abroad – in debt instruments
		S0009	Repatriation of Foreign Portfolio Investment made by overseas Investors in India – in equity shares
		S0010	Repatriation of Foreign Portfolio Investment made by overseas Investors in India – in debt instruments
	External Commercial Borrowings	S0011	Loans extended to Non-Residents
		S0012	Repayment of long & medium term loans with original maturity above one year received from Non-Residents
	Short term Loans	S0013	Repayment of short term loans with original maturity up to one year received from Non-Residents
	Banking Capital	S0014	Repatriation of Non-Resident Deposits (FCNR(B)/NR(E)RA etc)
		S0015	Repayment of loans & overdrafts taken by ADs on their own account.
		S0016	Sale of a foreign currency against another foreign currency

Financial Derivatives and Others	S0020	Payments made on account of margin payments, premium payment and settlement amount etc. under Financial derivative transactions.	3	Construction Services	S0501	Construction of projects abroad by Indian companies including import of goods at project site abroad			
	S0021	Payments made on account of sale of share under Employee stock option			S0502	Cost of construction etc. of projects executed by foreign companies in India.			
	S0022	Investment in Indian Depositories Receipts (IDRs)	4	Insurance and Pension Services	S0601	Life Insurance premium except term insurance			
	S0023	Remittances made under Liberalised Remittance Scheme (LRS) for Individuals			S0602	Freight insurance – relating to import & export of goods			
S0024	External Assistance extended by India. e.g. Loans and advances extended by India to Foreign governments under various agreements	S0603			Other general insurance premium including reinsurance premium; and term life insurance premium				
External Assistance	S0025	Repayments made on account of External Assistance received by India.			S0605	Auxiliary services including commission on insurance			
					S0607	Insurance claim Settlement of non-life insurance; and life insurance (only term insurance)			
1	Transport	S0201	Payments for surplus freight/passenger fare by foreign shipping companies operating in India	5	Financial Services	S0608	Life Insurance Claim Settlements		
		S0202	Payment for operating expenses of Indian shipping companies operating abroad			S0609	Standardised guarantee services		
		S0203	Freight on imports – Shipping companies			S0610	Premium for pension funds		
		S0204	Freight on exports – Shipping companies			S0611	Periodic pension entitlements e.g. monthly quarterly or yearly payments of pension amounts by Indian Pension Fund Companies.		
		S0205	Operational leasing/Rental of Vessels (with crew) –Shipping companies			S0612	Invoking of standardised guarantees		
		S0206	Booking of passages abroad – Shipping companies			S0701	Financial intermediation, except investment banking - Bank charges, collection charges, LC charges etc.		
		S0207	Payments for surplus freight/passenger fare by foreign Airlines companies operating in India			S0702	Investment banking – brokerage, under writing commission etc.		
		S0208	Operating expenses of Indian Airlines companies operating abroad			S0703	Auxiliary services – charges on operation & regulatory fees, custodial services, depository services etc.		
		S0209	Freight on imports – Airlines companies			6	Telecommunication, Computer & Information Services	S0801	Hardware consultancy/implementation
		S0210	Freight on exports – Airlines companies					S0802	Software consultancy / implementation
		S0211	Operational leasing / Rental of Vessels (with crew) – Airline companies					S0803	Data base, data processing charges
		S0212	Booking of passages abroad – Airlines companies					S0804	Repair and maintenance of computer and software
		S0214	Payments on account of stevedoring, demurrage, port handling charges etc.(Shipping companies)	S0805	News agency services				
		S0215	Payments on account of stevedoring, demurrage, port handling charges, etc.(Airlines companies)	S0806	Other information services- Subscription to newspapers, periodicals				
		S0216	Payments for Passenger - Shipping companies	S0807	Off-site software imports				
		S0217	Other payments by Shipping companies	S0808	Telecommunication services including electronic mail services and voice mail services				
		S0218	Payments for Passenger - Airlines companies	S0809	Satellite services including space shuttle and rockets etc.				
		S0219	Other Payments by Airlines companies	7	Charges for the use of intellectual property n.i.e	S0901	Franchises services		
		S0220	Payments on account of freight under other modes of transport (Internal Waterways, Roadways, Railways, Pipeline transports and others)			S0902	Payment for use, through licensing arrangements, of produced originals or prototypes (such as manuscripts and films), patents, copyrights, trademarks and industrial processes etc.		
		2	Travel	S0221	Payments on account of passenger fare under other modes of transport (Internal Waterways, Roadways, Railways, Pipeline transports and others)	8	Other Business Services	S1002	Trade related services – commission on exports / imports
				S0222	Postal & Courier services by Air			S1003	Operational leasing services (other than financial leasing) without operating crew, including charter hire-Airlines companies
				S0223	Postal & Courier services by Sea			S1004	Legal services
S0224	Postal & Courier services by others			S1005	Accounting, auditing, book-keeping services				
S0301	Business travel.			S1006	Business and management consultancy and public relations services				
S0303	Travel for pilgrimage			S1007	Advertising, trade fair service				
S0304	Travel for medical treatment			S1008	Research & Development services				
S0305	Travel for education (including fees, hostel expenses etc.)			S1009	Architectural services				
S0306	Other travel (including holiday trips and payments for settling international credit cards transactions)			S1010	Agricultural services like protection against insects & disease, increasing of harvest yields, forestry services.				
								S1011	Payments for maintenance of offices abroad
				S1013	Environmental Services				
				S1014	Engineering Services				

		S1015 Tax consulting services			S1307 Outflows on account of migrant transfers including personal effects
		S1016 Market research and public opinion polling service	12	Primary Income	S1401 Compensation of employees
		S1017 Publishing and printing services			S1402 Remittance towards interest on Non-Resident deposits (FCNR(B)/NR(E)RA, etc.)
		S1018 Mining services like on-site processing services analysis of ores etc.			S1403 Remittance towards interest on loans from Non-Residents (ST/MT/LT loans) e.g. External Commercial Borrowings, Trade Credits, etc.
		S1020 Commission agent services			S1405 Remittance towards interest payment by ADs on their own account (to VOSTRO a/c holders or the OD on NOSTRO a/c.)
		S1021 Wholesale and retailing trade services.			S1408 Remittance of profit by FDI enterprises in India (by branches of foreign companies including bank branches)
		S1022 Operational leasing services (other than financial leasing) without operating crew, including charter hire-Shipping companies			S1409 Remittance of dividends by FDI enterprises in India (other than branches) on equity and investment fund shares
		S1023 Other Technical Services including scientific/space services.			S1410 Payment of interest by FDI enterprises in India to their Parent company abroad.
		S1099 Other services not included elsewhere			S1411 Remittance of interest income on account of Portfolio Investment in India
9	Personal, Cultural & Recreational services	S1101 Audio-visual and related services like Motion picture and video tape production, distribution and projection services.			S1412 Remittance of dividends on account of Portfolio Investment in India on equity and investment fund shares
		S1103 Radio and television production, distribution and transmission services			S1501 Refunds / rebates / reduction in invoice value on account of exports
		S1104 Entertainment services			S1502 Reversal of wrong entries, refunds of amount remitted for non-exports
		S1105 Museums, library and archival services			S1503 Payments by residents for international bidding
		S1106 Recreation and sporting activities services			S1504 Notional sales when export bills negotiated/ purchased/ discounted are dishonored/ crystallised/ cancelled and reversed from suspense account
		S1107 Education (e.g. fees for correspondence courses abroad)			S1505 Deemed Imports (exports between SEZ, EPZs and Domestic tariff areas)
		S1108 Health Service (payment towards services received from hospitals, doctors, nurses, paramedical and similar services etc. rendered remotely or on-site)	13	Others	S1601 Payments on account of maintenance and repair services rendered for Vessels, ships, boats, warships, etc.
		S1109 Other Personal, Cultural & Recreational services			S1602 Payments on account of maintenance and repair services rendered for aircrafts, space shuttles, rockets, military aircrafts, helicopters, etc.
10	Govt. not included elsewhere (G.n.i.e.)	S1201 Maintenance of Indian embassies abroad			S1701 Payments for processing of goods
		S1202 Remittances by foreign embassies in India			
11	Secondary Income	S1301 Remittance for family maintenance and savings			
		S1302 Remittance towards personal gifts and donations			
		S1303 Remittance towards donations to religious and charitable institutions abroad			
		S1304 Remittance towards grants and donations to other governments and charitable institutions established by the governments.			
		S1305 Contributions/donations by the Government to international institutions			
		S1306 Remittance towards payment / refund of taxes.			

Soda Ash Anti-dumping Duty from China, EU, Kenya, Iran, Pak, Ukraine and USA – Final Findings

Ntfn 34-ADD 03.07.2012 (DoR) Whereas, in the matter of import of Soda Ash (hereinafter referred to as the subject goods), falling under sub-heading 283620 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the customs Tariff Act), originating in, or exported from, People's Republic of China, European Union, Kenya, Iran, Pakistan, Ukraine and United States of America (hereinafter referred to as the subject countries) and imported into India, the designated authority vide its final findings No. 14/17/2010-DGAD dated the 17thFebruary, 2012, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 17thFebruary, 2012, had come to the conclusion that-

(a) the subject goods have entered the Indian market from the subject countries below

associated normal values, thus resulting in dumping of the subject goods;

(b) the dumping margins of the subject goods imported from the each of the subject countries are above de-minimis;

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

(d) the material Injury to the domestic industry has been caused due to dumped imports of the subject goods from the subject countries; and had recommended imposition of definitive anti-dumping duty on the imports of subject goods, originating in or exported from, the subject countries;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 9A of the Customs Tariff Act, read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped

Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), and exported from the countries as specified in the corresponding entry in column (5), and produced by the producers as specified in the corresponding entry in column (6), and exported by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table:-

Table

SNo.	Sub-heading	Description of goods	Country/Territory of origin	Country/Territory of exports	Producer	Exporter	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	283620	Disodium Carbonate (Soda ash)	China PR	China PR	Any	Any	36.26	MT	US dollar
2	283620	-do-	China PR	Any country other than those subject to Antidumping duty	Any	Any	36.26	MT	US dollar
3	283620	-do-	Any country other than those subject to Antidumping duty	China PR	Any	Any	36.26	MT	US dollar
4	283620	-do-	Ukraine	Ukraine	Any	Any	15.64	MT	US dollar
5	283620	-do-	Ukraine	Any country other than those subject to Antidumping duty	Any	Any	15.64	MT	US dollar
6	283620	-do-	Any country other than those subject to Antidumping duty	Ukraine	Any	Any	15.64	MT	US dollar
7.	283620	-do-	European Union	European Union	Any	Any	9.17	MT	US dollar
8.	283620	-do-	European Union	Any country other than those subject to Antidumping duty	Any	Any	9.17	MT	US dollar
9.	283620	-do-	Any country other than those subject to Antidumping duty	European Union	Any	Any	9.17	MT	US dollar
10.	283620	-do-	Iran	Iran	Any	Any	28.86	MT	US dollar
11.	283620	-do-	Iran	Any country other than those subject to Anti dumping duty	Any	Any	28.86	MT	US dollar
12.	283620	-do-	Any country other than those subject to Antidumping duty	Iran dollar	Any	Any	28.86	MT	US
13	283620	-do-	USA	USA	Any	Any	38.79	MT	US dollar
14	283620	-do-	USA	Any country other than those subject to Antidumping duty	Any	Any	38.79	MT	US dollar
15	283620	-do-	Any country other than those subject to Antidumping duty	USA	Any	Any	38.79	MT	US dollar
16	283620	-do-	Pakistan	Pakistan	Olympia chemical limited	Olympia chemical limited	2.38	MT	US dollar
17	283620	-do-	Pakistan	Pakistan	ICI Pakistan Limited	ICI Pakistan Limited	5.60	MT	US dollar
18	283620	-do-	Pakistan	Pakistan	Any other combination	Any other combination	10.34	MT	US dollar
19	283620	-do-	Pakistan	Any country other than those subject to Antidumping duty	Any	Any	10.34	MT	US dollar
20	283620	-do-	Any	Pakistan	Any	Any	10.34	MT	US dollar
21	283620	-do-	Kenya	Kenya	Tata Chemicals Magadi limited	Tata Chemicals Magadi limited	20.35	MT	US dollar
22	283620	-do-	Kenya	Kenya	Any other combination	Any other combination	28.86	MT	US dollar
23	283620	-do-	Kenya	Any country other than those subject to Antidumping duty	Any	Any	28.86	MT	US dollar
24	283620	-do-	Any country other than those subject to Antidumping duty	Kenya	Any	Any	28.86	MT	US dollar

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, amended and superseded earlier) from the publication of this notification in the Official Gazette and shall be payable in Indian currency.

Explanation.- For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962, (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F. No.354/198/2011-TRU]

Bar Coding on Drugs and Pharma Export Postponed by 6 Months

Sub: Deferment in the date of effect for implementation of bar-coding on Primary and Secondary level packaging on export consignment of pharmaceuticals and drugs for tracing and tracking purpose.

10-PN(RE) 11.07.2012 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, as amended from time to time, Director General of Foreign Trade hereby makes following amendments in Public Notice No. 59(RE-2010)/2009-14 dated 30.06.2011 read with Public Notice No. 87 (RE-2010)/2009-2014 dated 22.12.2011:

2. The trace and track technology as per serial number 2(i) a and 2(i) b of Public Notice No. 59(RE-2010)/2009-14 dated 30.06.2011

will come into effect as follows:

(a) Primary Level packaging - With effect from 1st July, 2013

(b) Secondary Level packaging - With effect from 1st January, 2013

3. Effect of this Public Notice

Earlier the requirement of affixing barcodes on Secondary level and Primary level packaging was to come into effect from 01.07.2012 and 01.01.2013 respectively. Now this time limit is being extended by 6 months each.

DGFT Allows Raw Sugar Export of 4,476 MTs to USA GSP under TRQ

Subject: Export of additional 4,476 MTs of raw sugar to USA under Tariff Rate Quota.

09-PN(RE) In exercise of the powers
06.07.2012 conferred under Paragraphs
(DGFT) 2.1, 2.4 and 2.29 of the
Foreign Trade Policy, 2009-14,
the Director General of Foreign Trade hereby
allocates additional quantity of 4,476 MTs of Raw
Sugar, out of non-levy (free sale) quota for export
under tariff rate quota (TRQ) to USA for the US
fiscal year 2012 (October 1, 2011 to September
30, 2012). This export will be through M/s. Indian
Sugar Exim Corporation Ltd, New Delhi.

2. The existing procedure in respect of prefer-
ential sugar export to USA for issue of GSP
certificate as well as other certification require-
ment, if any, prescribed specifically for export of
sugar to USA would continue to be followed.

3. Effect of this Public Notice

Additional quantity of 4,476 MTs of raw sugar is
permitted to be exported to USA under TRQ by
M/s. Indian Sugar Exim Corporation Ltd. Earlier
8,300 MTs of raw sugar was allocated for export
to USA under TRQ.

DGFT Allows Time till Mid-August to Banks for Transition from Physical BRC to 'e-BRC'

Sub: Introduction of electronic Bank Realization Certificate (e-BRC) system.

08-PN(RE) Through Public Notice No.2
06.07.2012 (RE-2012)/2009-14 dated
(DGFT) 5.6.2012, the issuance and
transmission of 'e-BRC' by
Banks to DGFT in electronic form has been
made mandatory w.e.f. 5.7.2012.

BRC's on account of lack of readiness. Accord-
ingly, it has been decided that existing system of
physical BRC issuance from bank may be contin-
ued further for a period up to 16.08.2012 for
smooth transition.

Effect of Public Notice

Time upto 16.08.2012 is allowed to Banks for
transition from physical BRC system to 'e-BRC'
system.

2. Requests have been received from various
stakeholders for extension of the date of manda-
tory issuance and transmission of electronic

MEP Dropped on Basmati Export

Subject: Removal of Minimum Export Price (MEP) of Basmati rice.

[Ref: 06-Ntfn(RE)/04.07.2012]

In exercise of the powers conferred by Section
5 read with Section 3(2) of the Foreign Trade
(Development & Regulation) Act, 1992 (No.22
of 1992) and also read with Para 2.1 of the
Foreign Trade Policy, 2009-2014, the Central
Government hereby deletes the entry at Point
(ii) in the "Nature of Restriction" column [Col-
umn No. 6 of the table] against Sl. No. 57 in
Chapter 10 of Schedule 2 of ITC(HS) Classifica-
tion of Export and Import Items relating to
Basmati rice.

2. All other conditions [Point (i); Point (iii) to
(viii) in column 6 of the table against Sl. No. 57
in Chapter 10 of Schedule 2 of ITC(HS) book]
remain unchanged.

3. Effect of this notification

Basmati Rice can be exported without any Mini-
mum Export Price (MEP).

Cont'd..138

totally conforms to WTO regulations," Su Bo,
China's vice minister of industry and information
technology, said last month. "The protection of
the environment is never a pretext for gaining
advantage or increasing economic returns."

The complaining parties, for their part, argue
that the export restrictions are disruptive to do-
mestic industries and result in increased produc-
tion costs, while also providing Chinese competi-
tors with cheaper and easier access to the ele-
ments compared to foreign manufacturers.

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Customs Valuation Exchange Rates			
6 July 2012		Imports	Exports
Schedule I			
1	Australian Dollar	56.65	55.40
2	Bahraini Dinar	148.55	140.60
3	Canadian Dollar	54.35	53.15
4	Danish Kroner	9.35	9.10
5	EURO	69.30	67.70
6	Hong Kong Dollar	7.10	6.95
7	Kenyan Shilling	66.85	62.85
8	Kuwaiti Dinar	200.05	189.00
9	New Zealand Dollar	44.30	43.25
10	Norwegian Kroner	9.25	9.00
11	Pound Sterling	86.30	84.45
12	Singapore Dollar	43.65	42.65
13	South African Rand	6.95	6.55
14	South Arabian Riyal	14.95	14.15
15	Swedish Kroner	7.95	7.75
16	Swiss Franc	57.75	56.45
17	UAE Dirham	15.25	14.45
18	U.S. Dollar	54.90	54.05
Rate of exchange of one unit of foreign currency equipment to Indian Rupees			
Schedule II			
1	Japanese Yen	69.15	67.40
Rate of exchange of 100 units of foreign currency equivalent to Indian rupees			
(Source: Customs Notification 56(NT)/05.07.2012)			

Dollar-Rupee Rate at NSE Futures								
Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Value (Rs. lakhs)	Open Interest	RBI Reference rate
16-Jul-12	55.0000	55.3900	54.8800	55.3300	55.3300	1591794	1433345	54.9180
13-Jul-12	56.0300	56.0300	55.2100	55.2600	55.2600	1603370	1449994	55.6560
12-Jul-12	55.7600	56.0600	55.6600	56.0300	56.0300	1323018	1504960	55.6985
11-Jul-12	55.7000	55.9100	55.4200	55.6100	55.6100	1517151	1538362	55.3650
[Source: NSE and RBI Website]								