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Geneva Does not Like 2mn tonnes India Wheat Exports at a Loss



India appears set to export two million tonnes of wheat at subsidised prices as part of a plan to offload surplus grain, sparking concern among anti-poverty activists and raising questions for some of the country's trading partners.

The move, following a decision two weeks ago by the government's Cabinet Committee of Economic Affairs (CCEA), comes after five years of bumper harvests that have swelled wheat stockpiles to record levels in the world's second largest grain producer after China.

However, civil society groups are questioning why overflowing warehouses and a lack of storage space co-exist alongside widespread malnutrition amongst the country's poorest citizens.

Recorded grain stocks reached over 82 million tonnes in June, although the government only has storage capacity for 62 million tonnes.

Japan, the Netherlands, and Iraq are among over a dozen nations expressing interest in importing wheat from Indian government stocks. However, in order to stay competitive on the global market, the Indian government would have to absorb subsidy losses of 1 billion rupees (US\$18 million), press sources say.

Exports as a solution?

According to Reuters, out of the 20 million tonnes of surplus stock, an estimated 6 million could rot in the summer heat and upcoming monsoon season due to lack of storage space - a loss reportedly worth at least US\$1.5billion.

The government has seen new export deals as a way to ease pressure on storage. According to the US Department of Agriculture, India's wheat exports have increased by over 200 percent so far this year relative to the previous year, totalling 2.5 million tonnes. The government's recent decision is expected to push this number up by another 2 million tonnes.

Some trade sources that spoke to Bridges questioned how the decision to export the grain stockpiles would square with India's WTO commitments. While some countries have accepted limited export subsidy commitments that cap the amount of such support that can be provided, India has not done so - meaning "their commitment is zero," one source said.

However, one government official argued that national policies in this area were not meaningfully constrained by WTO rules. "We can export any product anywhere in the world, as long as there's a buyer," said the source.

India's spending on buffer stock operations and management - reported to the WTO as part of its official farm subsidy notification - prompted questions from trading partners at last month's meeting of the global trade body's Committee on Agriculture. Spending on public stockholding for food security is legal under WTO rules, so long as it complies with rules set out for 'green box' support - programmes that are not meant to cause more than minimal distortion to trade or production.

"The solution is not to target India and tell them they cannot export," argued a Geneva-based trade official from another developing country in the region. Instead, the source said, India needs "a long-term reform process for their agriculture sector," including greater involvement of the private sector in storage and exports.

Food security reform

The decision to export grain stocks, despite the prevalence of malnutrition domestically, prompted several prominent food activists to write to the Prime Minister earlier this month condemning the recent export decision.

Last year, the National Advisory Council - a body set up under government auspices that also includes non-government representatives - proposed a new National Food Security Bill (NFSB) in order to address these imbalances. It recommends that the government should extend legal entitlements of subsidised food grain to two thirds of the population: 75 percent of urban dwellers and 50 percent of the rural population.

Previously, only people earning less than 2000 rupees a month (US\$36), classed as 'Below Poverty Line' (BPL), would be entitled to receive assistance. However under the new proposals, the marginal 10 percent above the BPL would also be eligible, according to a report from the Expert Committee on NFSB. The poorest households would receive 35kg of grain as monthly entitlements at lower prices, whereas those in the bracket immediately above would receive monthly entitlements of 20kg.

According to a recent IFPRI paper, there is an apparent disconnect between agricultural production and national nutrition levels: 20 percent of the country's 2.1 billion people remain undernourished, despite a 50 percent increase in food production over the past 20 years.

Perceived failings in the operation of the public distribution system have been criticised by opposition groups and others as the root of the problem. "This is a case of criminal neglect by the government," D. Raja, national secretary of the Communist Party of India, told Reuters. "The ruling party has been the worst manager of the demand-supply of food grains."

New measures, old problems

Last month, the country's food minister K.V. Thomas announced that several measures are being taken for improving storage and the movement of food grains, such as "increased utilization of existing storage capacity, creation of additional capacity, evacuation plan for vulnerable stocks, and monitoring movement on daily basis."

However, it remains unclear whether the government's latest initiatives will be adequate to satisfy its domestic critics that want to see faster progress in tackling food insecurity, or trading partners that are anxious to avoid adverse effects on their own producers - whether in wealthy or poorer countries.

Back in Geneva, one developing country trade official drew a parallel with the difficulties that WTO members have faced in trying to discipline export subsidies, and in pursuing the broader reform process that countries agreed would continue at the end of the Uruguay Round of trade talks almost two decades ago.

Trade Delegation to Iran for International Industry Exhibition 05th – 08th October 2012, Tehran

Over the past years, changes in Iran and Middle East have created massive interest and investment opportunities. Tehran International Industry Exhibition is the 12th edition of the most important and comprehensive industry related exhibition in the Middle East. The Fair provides a highly targeted opportunity for any company or organization marketing products or services aimed at the growing industrial sector of the region.

Iran Desk of India Trade Association in association with Orbitz Tours and Travels is taking a delegation of Indian shippers to Tehran coinciding with Tehran International Indus-

tries Fair (05-08 Oct 2012). This gives an opportunity for first hand exposure of fast growing market in combination of delegation advantages. Please request us for the brochure for participation and travel package. Limited number of seats in Delegation are available on first come first serve basis. For participation, shippers can contact:

 Arun Goyal, Convener
India Trade Association
24/4866 Sheeltara House, Ansari Road, New Delhi - 110002
Ph: 011-23281314, Mob: 98100 79983
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Maize, Soya Rise as Drought Hits US

With more than half the continental US experiencing a severe drought, global food prices have skyrocketed in recent days. Separately, long-term projections just released by the UN Food and Agriculture Organization (FAO) and the Organisation for Economic Co-operation and Development (OECD) expect prices to remain high over the coming decade - with possible benefits to developing countries that invest in agriculture.

A few months earlier analysts projected global food production to grow smoothly in the wake of high prices in the previous year. However, low stocks and one of the driest months on record in the US - one of the warmest globally - have led traders to push up prices for corn and soy in the past few days, critical exports from the country.

High food prices drove millions into hunger in 2008, according to the FAO. Rice was blamed as the culprit at the time, as prices doubled and then tripled all within a matter of weeks. Abbassian observed that rice production was stable this year, but that the complex interplay for food, animal feed, and biofuels between corn, soy, and wheat would be critical for prices.

Disaster on output declared in much of the US

The situation across the US is "one of the worst

two or three droughts of the century," Chris Hurt, Professor of Agricultural Economics at Purdue University, said in a recent interview with OnPoint Radio.

In the US state of Illinois, both the country's second-biggest corn producer and one of the hardest hit by the drought, 26 percent of the corn crop is "nearly gone," Hurt explained.

Long-term outlook mixed for developing countries

High food prices, often caused by changes in major producers, can both benefit and hurt farmers. Farmers that are net buyers, often small, have to fork over a greater share of their income to food purchases while others, often large farmers, are able to benefit from investments made in earlier years.

Still, developing countries are projected to account for the majority of exports of certain commodities by 2021 according to the OECD-FAO report, including rice, sugar, poultry meat, and fish - with consequences for both farmers' incomes and hunger.

Notably, emerging economies are set to hold an increasing share in global agricultural trade. Countries like Brazil, China, Indonesia, Thailand, Russia, and Ukraine have made investment efforts to push agricultural production capacity for exports and domestic markets.



China Loses Credit Card Dispute with US, WTO Panel Holds GATS Commitment for National Treatment for Card Co Visa Binding



China's strict policies regarding foreign electronic payment providers are inconsistent with international trade rules, a WTO panel ruled on Monday. The decision (DS413), which was welcomed by Washington, found that Beijing was effectively putting foreign competitors at a disadvantage by favouring ChinaUnion Pay (CUP)- the world's third-largest payment network.

Specifically, Beijing requires all renminbi-denominated payment cards issued in China to use CUP's network, as well as all merchants

and ATMs to accept CUP-based cards. Foreign suppliers - like US-based Visa Inc. - are thus limited to payments and transactions in foreign currency, a requirement that Washington had argued was putting US credit and debit card companies at a disadvantage.

There are now close to 300 million credit cards in circulation in China, with the market amounting to US\$1 trillion annually - close to overtaking the US as the largest credit card market.

In the dispute, only minor claims were rejected by the panel, prompting the US to proclaim a major victory.

Beijing, for its part, expressed "reservations"

regarding certain panel findings, Shen Danyang, a spokesman for China's Ministry of Commerce (MOFCOM), said in a statement. Specifically Beijing takes issue with the finding that electronic payment services indeed fall under the category of "all payment and money transmission services" that China agreed to liberalise open joining the global trade body.

Some requirements deemed illegal, but no across-the-board monopoly in place

The US originally filed the complaint in September 2010, accusing China of violating its national treatment and market access commitments under the Generalised Agreement on Trade in Services (GATS).

GATS, unlike other WTO agreements, only obligates members if they have made commitments in a particular service area, though some aspects of the agreement - such as transparency - do apply to all parties equally. In this case, China argued that they had not made any electronic payment services commitments under GATS, and, thus, that they had no obligations to satisfy. The panel disagreed, asserting that the services at issue fell under the "all payment and money transmission services, including credit, charge, and debit cards, travellers cheques and bankers drafts (including import and export settlement)" category in which China had made certain commitments.

The US argued that China was unable to uphold these commitments because they imposed various requirements that "ensure CUP's privileged position" both "explicitly" and "effectively."

For instance, China required that all payment cards issued in China had to bear the CUP logo, all terminal equipment had to accept payment cards with the CUP logo, and all acquiring institutions had to post the CUP logo. The panel determined that each of these requirements "modify the conditions of competition in favour of CUP" and thus violated China's national treatment obligations under the GATS.

Furthermore, the panel ruled that China violated its market access commitments under the WTO's services agreement. Beijing requires that CUP manage all card transactions in Hong Kong or Macao using cards issued in China and that CUP manage all card transactions in China using cards issued in Hong Kong or Macao.

Laos in Final Stages of WTO Accession, Ukraine Fronts for Developed Countries

Laos is on track to complete its WTO accession negotiations after this year's summer break, officials announced last week, with the Asian country's membership in the Geneva-based trade body widely expected to be formalised before 2012 comes to a close.

Laos formally announced at a 12 July Working Party meeting that it had finished its series of bilateral negotiations with WTO members, clearing one of the last major hurdles of the accession process.

Laos completed its bilateral negotiations after finalising a deal with Ukraine last month, the last WTO member to agree to terms. During the

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WEEKLY INDEX OF CHANGES

Anti-dumping Duty Imposed on Grinding Media Balls from China and Taiwan on 16 July, 2012

Ntnf 36-ADD Whereas in the matter of 16.07.2012 imports of 'Grinding Media Balls' (excluding Forged Grinding Media Balls,

hereinafter referred to as the subject goods), classified under Chapter 73 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, Thailand and People's Republic of (China PR) (hereinafter referred to as the subject countries) and imported into India, the designated authority in its final findings *vide* notification No. 14/34/2010-DGAD, dated the 22nd May, 2012, published in the Gazette of India, Extraordinary, Part I, Section 1, dated 22nd May, 2012, had come to the conclusion that –

(a) the subject goods had been exported to India from the subject countries below their associated Normal values, thus resulting in dumping of the product;

(b) the domestic industry had suffered material injury;

(c) the material injury to the domestic industry had been caused by the dumped imports of the subject goods from 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) and sub section (5) of section 9A of the said 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 subject goods, the description and specification 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, specified in the corresponding entry in column (2), originating in the subject country specified in the corresponding entry in column (4), and exported from the country specified in the corresponding entry in column (5) and produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at a rate equal to the amount specified in the currency per unit of measurement specified in corresponding entry in column (8), of the said Table:-

Duty Table

SNo.	Sub-heading	Description of goods	Countries of origin	Countries of exports	Producer	Exporter	Duty USD/MT
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	7325 9100	'Grinding Media Balls' (excluding Forged Grinding Media Balls)	China PR	China PR	Any	Any	387.36
2	-do-	-do-	Any	China PR	Any	Any	387.36
3	-do-	-do-	China PR	Any	Any	Any	387.36
4	-do-	-do-	Thailand	Thailand	Magotteaux Co. Ltd, Thailand	Magotteaux Co. Ltd, Thailand	158.80
5	-do-	-do-	Thailand	Thailand	Any other except Magotteaux Co. Ltd Thailand	Any	187
6	-do-	-do-	Any	Thailand	Any	Any	187
7	-do-	-do-	Thailand	Any	Any	Any	187

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

Explanation.– For the purpose 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 notifi-

cation 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.354/92/2012 –TRU]

Chemicals Pvt. Ltd., which is the sole manufacturer of the product under consideration. Petitioner therefore, satisfy the standing and petitioner constitutes Domestic Industry within the meaning of the Rules. The petitioner has certified that there are no imports of the product under consideration by the petitioner or any of its related party within the meaning of Rule 2(b).

Like Articles

4. The applicant has claimed that the subject goods, which are exported from subject country into India, are identical to the goods produced by the domestic industry. Sodium Perchlorate produced by the domestic industry and imported from subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable and hence should be treated as 'like article' under the AD Rules.

Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India is being treated as 'Like Article' to the subject goods being imported from the subject countries.

Subject Country

5. The country involved in the present investigation are China PR.

Anti-dumping Investigation on Sodium Perchlorate from China on Sole Manufacturer Complaint

[F.No. 14/10/2012-DGAD dated 27th June 2012]

Subject: Initiation of Anti-Dumping Duty investigation concerning imports of Sodium Perchlorate from China PR.

M/s Calibre Chemicals Pvt Ltd., (hereinafter referred to as 'petitioner company' or applicant) has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of Anti-Dumping Duty investigation concerning imports of Sodium Perchlorate (hereinafter also referred to as the subject goods) originating in or exported from China PR (hereinafter also referred to as the subject country..

Product under consideration

2. The product under consideration for the purpose of present investigation is "Sodium Perchlorate" from China PR. The main function of sodium perchlorate is to manufacture explosives for mining, in perchloric acid and other perchlorates manufacture and UV Stabilizer for engineering plastics. Sodium perchlorate is an organic compound and is classified under Chapter 28 (within perchlorates with 8 digit subhead 28299010) of the Customs Tariff Act, 1975. The customs classification is, however, indicative only and is in no way binding on the scope of the present investigation

Domestic Industry & Standing

3. The petition has been filed by M/s Calibre

Normal value

6. The Applicant has submitted that China PR should be treated as a non-market economy and the normal value should be determined in accordance with para-7 of Annexure-I to the Rules. The petitioner has claimed normal value on the basis of cost of production in India, duly adjusted; stating that consideration of cost or price in a market economy third country is not available. The Normal value claims by the applicant have been considered for the purposes of initiation.

Export Price

7. The applicant has claimed export prices on the basis data from secondary source, i.e., Balaji Data Information Services to assess the volume and value of imports in India. Price adjustments have been made on account of port expenses, inland freight, ocean freight, marine insurance, bank commission & VAT to arrive at the net export price.

Dumping Margin

8. The applicant has provided sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices, prima-facie indicating that the subject goods originating in or exported from the subject country are being dumped, to justify initiation of an antidumping investigation.

Injury and Causal Link

9. The applicant has claimed that they have suffered material injury by way of losses, increase in inventories, decline in return on capital employed and cash profits, and deterioration in their operating performance. The applicant has also claimed adverse price effects as evidenced by price suppression, price undercutting and price underselling. The applicant has claimed that the material injury has been caused due to the dumped imports from the subject country. The Authority considers that there is sufficient evidence of 'injury' being suffered by the applicant caused by dumped imports from subject country to justify initiation of an anti-dumping investigation.

Period of Investigation

10. The period of investigation (POI) for the purpose of present investigation is from 1st April 2011 to 31st March 2012. However, for the purpose of analyzing injury, the data of previous three years, i.e. Apr'08-Mar'09, Apr'09-Mar'10, Apr'10-Mar'11 and the period of investigation has been considered.

Submission of information

11. The known exporters in the subject countries and their Governments through their Embassies in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

The Designated Authority,
Directorate General of Anti-Dumping & Allied

Duties, Ministry of Commerce & Industry,
Department of Commerce
Room No.240, Udyog Bhawan,
New Delhi -110107.

Time limit

12. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the 'facts available' on record in accordance with the AD Rules.

Submission of Information on Non-Confidential basis

13. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2) of the AD Rules for the confidential information provided as per Rule 7 (1) of the AD Rules. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a

meaningful understanding of the information to the other interested parties. If in the opinion of the party providing information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

Notwithstanding anything contained in para above, if the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalised or summary form, it may disregard such information.

Inspection of Public File

14. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

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

Meta Phenylene Diamine from China under Anti-dumping Investigation on Complaint of Aarti Industry Mumbai, Sole Manufacturer

[F.No.14/4/2012-DGAD dated 19th June 2012]

Subject: Initiation of anti-dumping investigation concerning imports of 'Meta Phenylene Diamine' (MPDA) originating in or exported from China PR.

Whereas M/s Aarti Industry Ltd., Mumbai (hereinafter referred to as the Applicant) has filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975, as amended from time to time, (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, as amended from time to time, (hereinafter referred to as the AD Rules), alleging dumping of 'Meta Phenylene Diamine' (MPDA) (hereinafter also referred to as the subject goods) originating in or exported from China PR (hereinafter also referred to as the subject country) and has requested for initiation of anti-dumping investigation and levy of anti dumping measures.

Product under consideration

2. The product under consideration in the present application is 'Meta Phenylene Diamine' (MPDA). The product under consideration is also referred to as MPDA. Commercially, it is also called MPD or MPDA. Under normal (room) conditions, it is a colourless or white colour solid, which tends to turn red, purple (dark colour) in air, on storage. Meta Phenylene Diamine has two amino groups attached to a Benzene ring, at Meta position, with respect to each other. It is an isomer of o- Phenylene Diamine (Ortho Phenylene Diamine) and p-Phenylene Diamine (Para Phenylene Diamine). There are no known grades of the product under consideration. Meta Phenylene Diamine functions as a chemical intermediate.

MPDA is a chemical intermediate used for manufacturing dyes, engineering polymer, aramid fiber and in photography & medical applica-

tions.

3. 'Meta Phenylene Diamine' is classified under Chapter 29 at subheading no. 29215120 in the Customs Tariff Act. However, Customs classifications are indicative only and in no way binding on the scope of this investigation.

4. The applicant has claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no known difference either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods. The two are technically and commercially substitutable and hence should be treated as 'like article' under the AD Rules.

5. Thus, the subject goods produced by the Applicant are being treated as like article to the product under consideration imported from the subject country within the meaning of the AD Rules for the purpose of this investigation.

Domestic industry & 'Standing'

6. The Application has been filed by M/s Aarti Industry Ltd., Mumbai on behalf of the domestic industry. It has been claimed that M/s Aarti Industry Ltd. is the sole producer of the subject goods in India. The application, therefore, satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules. Thus, the Authority has determined that the application satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules and the Applicant is being treated as 'domestic industry' within the meaning of Rule 2(b) of the AD Rules.

Country involved

7. The country involved in the present investigation is China PR (hereinafter also referred to

as the subject country).

Normal value

8. The Applicant has claimed that China PR should be treated as a non-market economy country. The applicant has further claimed that normal value could not be determined by them on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not publicly available. It has been further stated that there are no other known producers of the subject goods except in China PR, USA, Canada and India. In the absence of information with regards to cost or price of the product under consideration in USA or Canada; for the purposes of this initiation, the normal value claims has been estimated on the basis of cost of production method based on the price payable in India, duly adjusted.

9. The Authority has prima-facie considered the normal value of subject goods in subject country on the basis of constructed value, for the purpose of the initiation of this investigation.

Export price

10. The applicant has claimed export prices on the basis of data obtained from DGCI&S. The DGCI&S data has been taken into consideration for the latest available period that is till September 2011. Price adjustments have been prima facie allowed on account of ocean freight, marine insurance, commission, port expenses and bank charges to arrive at the net ex-factory export price.

Dumping margin

11. Based on the normal value and export price so determined, it is found that the normal value of the subject goods in the subject country is significantly higher than the net export prices, prima-facie, indicating that the subject goods originating in or exported from the subject country are being dumped, to justify initiation of an antidumping investigation.

'Injury' and Causal link

12. The applicant has furnished evidence regarding the 'injury' having taken place as a result of the alleged dumping in the form of increased volume of dumped imports, price undercutting, price suppression and decline in profitability, return on capital employed and cash flow for the domestic industry.

13. There is sufficient evidence of the 'injury' being suffered by the domestic industry caused by the dumped imports from the subject country to justify initiation of an antidumping investigation in terms of the AD Rules.

Initiation of Anti Dumping Investigation

14. In view of the foregoing, the Authority finds that sufficient evidence of dumping of the subject goods from the subject country, 'injury' to the domestic industry and causal link between the dumping and 'injury' exists to justify initiation of an anti-dumping investigation. Accordingly, the Authority hereby initiates an investigation into the alleged dumping, and consequent 'injury' to the domestic industry in terms of the Rules 5 of the AD Rules, to determine the

existence, degree and effect of alleged dumping and to recommend the amount of anti-dumping measure, which, if levied, would be adequate to remove the injury to the domestic industry.

Period of investigation

15. The period of investigation considered in the present investigation is **1st October 2010 to 31st December 2011** (15 Months). However, the injury analysis would cover the periods April 2008-March 2009, April 2009-March 2010, April 2010-March 2011 and the POI.

Submission of information

16. The known exporters in the subject country and its Government through their Embassy in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties, Ministry of Commerce & Industry,
Department of Commerce
Room No.240, Udyog Bhawan,
New Delhi -110107. Phone: 00-91-11-23061377/
23063418(fax)

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

Time Limit

18. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of publication of this Notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules.

19. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire's responses and offer their comments to the domestic industry's application regarding the need to continue or otherwise the AD measures within 40 days from the date of initiation of this investigation.

Submission of information on confidential basis

20. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

21. Information supplied without any mark shall be treated as non-confidential and the Authority

Anti-dumping Duty on Acetone from EU, USA, South Africa and Singapore Extended upto 18 June 2013 After a Review

Ntfn 37-ADD Whereas, the designated 19.07.2012 authority vide notification (DoR) No. 15/1/2012-DGAD, dated the 15th June, 2012, published in Part I, Section 1 of the Gazette of India, Extraordinary, dated the 15th June, 2012, had initiated review, in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of 'Acetone', originating in, or exported from, European Union, South Africa, Singapore and USA imposed vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 33/2008-Customs, dated the 11th March, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 174 (E), dated the 11th March, 2008, and had requested for extension of anti-dumping duty upto one more year, in terms of sub-section (5) of Section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of Section 9A of the said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 33/2008-Customs, dated the 11th March, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 174(E), dated the 11th March, 2008, namely:- In the said notification, at the end, the following shall be added, namely: -

"3. Notwithstanding anything contained herein above, this notification shall remain in force up to and inclusive of the 18th day of June, 2013, unless revoked earlier".

[F.No. 354/65/2007 -TRU (Pt-I)]

shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies each of the confidential version and the non-confidential version must be submitted.

22. For information claimed as confidential; the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed and/or why summarization of such information is not possible.

23. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out / summarized depending upon the

information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible of summary; a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority.

24. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

25. Any submission made without a meaningful non-confidential version thereof or without a

good cause statement on the confidentiality claim may not be taken on record by the Authority. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

Inspection of public file

26. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

Non-cooperation

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

have increased throughout the injury period in absolute terms. There is a sudden, sharp and significant increase in imports during the injury period. The Imports from China have increased phenomenally from 5364 MT in 2009-10 to 36183MT in 2011-12 which shows an increase of 674%. Imports have also increased in relation to domestic production in India. It is noticed that the import from China with respect to domestic production was 4% in 2009-10, which has increased significantly now to 20% in 2011-12 .

5. Market disruption to the Domestic industry: The applicant have claimed that the increased imports of product under consideration have caused and are threatening to cause market disruption to the domestic producers of Hot Rolled Flat Products of Stainless Steel of 300 series (of all widths). The threat of market disruption is visible from the data provided by the applicants for the period April,09 to March,12 as detailed below:

a) Production: The domestic production increased during the period due to setting up of a new unit in Odisha, which started functioning from July, 2011. The increase in import is greater than the increase in production in 2011-12 over 2009-10.

Financial Year	Production (MT)
2009-10	138139
2010-11	142496
2011-12	181512

Source: Domestic Industry

b) Capacity Utilization: Capacity utilized by the domestic industry for production of the product under consideration for sale in the domestic market has declined. Capacity utilization of the domestic industry has declined significantly during the injury period, from 91% in 2009-10 to 58% in 2011-12 as can be seen below:

Financial Year	Available capacity for product under consideration(MT)	Capacity Utilisation (%)
2009-10	151053	91%
2010-11	165311	86%
2011-12	313155	58%

Source: Domestic Industry

c) Market Share & Changes in levels of Sales: The market share of the domestic industry declined as compared to the base year whereas share of the import from China has increased significantly. Applicant had a market share of 50% in 2009-10 which fell to 43% during 2011-12; i.e. a decline of about 7%. During the same period, share of import from China jumped from 4% in 2009-10 to 25% in 2011-12.

Jindal Files for Safeguard Duty on Stainless Steel HR Flats

[F.No. D-22011/06/2012 dated 26th June 2012]

Sub: Initiation of safeguard investigation concerning imports of Hot Rolled Flat Products of Stainless Steel of 300 series into India from China PR.



An application has been filed before me Under Rule 5 of the Custom Tariff (Transitional Product Specific Safeguard

Duty)Rules, 2002 by M/s. Jindal Stainless Ltd. 12,Bhikaji Cama Place, New Delhi:-110066 through M/S TPM Consultants for imposition of Safeguard Duty on imports of "Hot Rolled Flat Products of Stainless Steel of 300 series" to protect the domestic producers of "Hot Rolled Flat Products of Stainless Steel of 300 series" against market disruption and threat of market disruption caused by the increased imports of "Hot Rolled Flat Products of Stainless Steel of 300 series" into India from PR China.

2. Domestic Industry: The application has been filed by M/s. Jindal Stainless Ltd. 12,Bhikaji Cama Place, New Delhi:-110066 for imposition of Safeguard Duty on imports of "Hot Rolled Flat Products of Stainless Steel of 300 series". The applicant account for more than 80% of the total production of "Hot Rolled Flat Products of Stainless Steel of 300 series".

3. Product Involved: The product under consideration is Hot Rolled Flat Products of Stainless Steel of 300 series (of all widths) and encompassing all austenitic grades having mini-

mum Nickle (Ni) content of 6%, compulsorily containing chromium with or without the presence of other alloying elements like molybdenum, titanium etc." classified under Customs sub-heading no. 721911, 721912, 721913, 721914, 721921, 721922,721923, 721924, 722011,722012 of the Customs Tariff Act, 1975

4. Increased Imports: Imports of Hot Rolled Flat Products of Stainless Steel of 300 series (of all widths) from People's Republic of China into India have shown sharp increase in absolute terms as well as in relative terms. It is also noticed that the rate of increase in imports from People's Republic of China is significantly higher than that from countries other than People's Republic of China, causing market disruption and threat of market disruption. The data relating to imports of the product involved from April 2009 to March 2012 is as under:

Financial Year	Total Import (MT)	Import from China (MT)	Import from other countries (MT)	Production (MT)
2009-10	50484	5364	45120	138139
2010-11	62988	27309	35679	142496
2011-12	73254	36183	37071	181512

Source: Domestic Industry (Import-IBIS).

The Imports of the product under consideration

Financial Year	Total Import	Import from China (MT)	Import from other countries	Production (MT)	Sales of DI (MT)	Sales of other Indian Producers	Total Demand (MT)	% of Market Share
	1	2	3	4	5	6	7=1+5+6	8=5/7
								9=2/7
								10=3/7
2009-10	50484	5364	45120	138139	63805	12500	126789	50
2010-11	62988	27309	35679	142496	55978	9500	128466	44
2011-12	73254	36183	37071	181512	63331	9500	146085	43

Source: Domestic Industry (Import-IBIS).

The sales of the domestic industry decreased during the year 2010-11 & 2011-12 as compared with the sale during the base year 2009-10. This decline in sales is despite the fact that the demand increased significantly. This clearly

shows that the domestic industry suffered loss in sales, market share and steep rise in inventory caused by increased imports.

d) Share of Domestic Industry in demand: It is seen from the table above that the share of

the domestic industry in demand decreased from 50% in the year 2009-10 to 43% in 2011-12. In absolute terms also during the injury period, the DI suffered discernible loss in the share of demand showing market disruption

and grave threat of market disruption due to rising imports from China.

e) Inventories – The inventories with the domestic industry have increased significantly. The table below depicts the inventory levels which have witnessed a massive surge from 4257 MT in 2009-10 to 15498 MT in 2011-12, reflecting the plight of the domestic industry.

Financial Year	Inventory (MT)
2009-10	4257
2010-11	5710
2011-12	15498

Source: Domestic Industry

f) Productivity & Employment: The productivity has decreased during the year 2011-12 despite the fact that the employment increased during 2011-12 due to setting up of new unit in Orissa which started functioning from July, 2011.

Financial Year	Production (MT)	Employment (Nos)	Productivity
2009-10	138139	511	270
2010-11	142496	526	271
2011-12	181512	802	226

Source: Domestic Industry

6. The domestic industry has requested in their application for immediate imposition of Safeguard duty on imports of **Hot Rolled Flat Products of Stainless Steel of 300 series** originating from People's Republic of China for a period of four years.

7. The application has been examined and it has been found that prima facie increased imports of Hot Rolled Flat Products of Stainless Steel of 300 series have caused and are threatening to cause market disruption to the domestic producers of Hot Rolled Flat Products of Stainless Steel of 300 series and as such it has been decided to initiate an investigation in the matter through this notice.

8. 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.
Telephone: 011- 23741537
FAX: 011-23741542

E-mail: dgsafeguards@nic.in

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

10. 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 21 days from the date of this notice.

RBI Circulars – See Full Notification Text at our Website
www.worldtradesscanner.com

ID Communication in Online Reporting of ODI

[Ref: RBI Circular No.131 dated 31.05.2012]

Number of Remittances Raised to 30 under Money Transfer Service

[Ref: RBI Circular No. 132 dated 08.062012]

New Format of FDI Annual Return & RBI by 15 July Every Year

[Ref: RBI Circular No. 133 dated 20.062012]

Manufacturer Exporters Allowed to Avail of ECBs for Repayment of Rupee Loans

[Ref: RBI Circular No. 134 dated 25.062012]

FII Limits for Infrastructure and Govt. Securities Enhanced to \$20bn

[Ref: RBI Circular No. 135 dated 25.062012]

RBI Revises Form-83 for Loan Registration Number for ECB w.e.f. 1 July 2012

[Ref: RBI Circular No. 136 dated 26.062012]

FEMA Updates Sectoral FDI Policy for DIPP Sectoral Policy

[Ref: RBI Circular No. 137 dated 28.062012]

Exim Bank Open \$50mn on Zambia Credit

[Ref: RBI Circular No. 138 dated 28.062012]

CBEC Seeks Suggestions on Proposed Amendments in the CESTAT Forms

[Ref: CBEC Draft Circular dated 04.072012]

World Commodities Crash

[Ref: World Bank Pink Sheet – June 2012]

TRU Issues Guidelines on Service Tax Provisions

[Ref: D.O.F.No.334/1/2012-TRU dated 29th June 2012]

You will be already aware that the Negative List, together with many other accompanying changes, comes into operation from July 1, 2012.

2. The necessary notifications from 25/2012-ST to 40/2012-ST and Notification No. 28/2012-CX (NT) were issued on June 20, 2012 and have comprehensive changes relating to exemptions, Place of Provision Rules, 2012, changes to Service Tax Rules, 1994, Cenvat Credit Rules, 2004 and details of all the notifications that are being rescinded.

3. Notification No 52/2011-ST dated 30.12.2011 relating to refunds on specified services has also been revised in accordance with the new regime and the new notification No.41/2012-ST dated 29.06.2012 has been issued under the revised section 93A. Services of commission agents to exporters on the existing lines have also been validated by the issue of Notification No.42/2012-ST dated 29.06.2012.

4. There has been some doubt regarding the applicability of provisions of the Finance Act, 2004 relating to education cess and the Finance Act, 2007 relating to secondary and higher education cess as the concerned acts make reference to section 66 of the Finance Act, 1994, which shall cease to have effect from July 1, 2012. In this connection, as also in general, you may kindly refer to the sub-section (1) of section 8 of the General Clauses Act, 1897 which reads as under:

"Where this Act, or any Central Act or Regulation made after reference to the commence-

ment of this Act, repeals and re-enacts, with or without modification, any provision of a former enactment, then references in any other enactment or in any instrument to the provision so repealed shall, unless a different intention appears, be construed as references to the provisions so re-enacted."

Thus any reference to section 66 of the Finance Act, 1994 shall be construed as reference to the newly re-enacted provision i.e. section 66B of the same Act. Despite the stated position of law, the matter has been settled by the issue of Removal of Difficulties Order No. 2/2012 dated 29.06.2012.

5. It may be noted that Notification No. 11/2005-ST dated 19.04.2005 has not been rescinded to enable sanction of pending rebates. It shall, however, automatically cease to have effect for exports on or after July 1, 2012 as the Export of Services Rules, 2005 will stand superseded from the said date.

6. You may kindly go through all the changes and let me know at the earliest if anything is required in any manner for the smooth implementation of the new provisions.

7. The successful implementation of this reform requires an involved approach at all levels, in particular in the initial months. It is necessary that these changes are well understood by the tax payers as well as our staff. To this end CBEC has released an elaborate Educational Guide (with further improvisation over the draft Guidance Papers that were released at the time of budget) and adequate copies of the same should be available to you already or shortly. You may also like to download the same from CBEC website (from the dropdown menu under the title service tax).

8. It is clarified that any Board circular that is contrary to the revised law will stand automatically superseded. In case you have any doubt about any specific circular the same may be referred to the Board.

9. CBEC has already held five seminars dur-

Dollar-Rupee Rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
24-Jul-12	56.1100	56.2825	55.9550	56.2325	56.2325	1161454	2321294	1302610	56.0150
23-Jul-12	55.6300	56.0700	55.6300	56.0150	56.0150	1356062	2427470	1357092	55.7643
20-Jul-12	55.2800	55.4075	55.1325	55.3375	55.3375	1386551	1818636	1004790	55.1515
19-Jul-12	55.3400	55.5050	55.1625	55.2025	55.2025	1402336	1929067	1067568	55.3830

[Source: NSE and RBI Website]

ing this month at Delhi, Chennai, Kolkata, Ahmedabad and Hyderabad for both the trade and some of the officers in and around these places. Seminar at Mumbai is scheduled on July 13, 2012.

10. It will be desirable if similar events are held locally, supplemented also by training of our officers who have to implement the new provisions. If you need, some of the TRU officers could also assist subject a little bit to the exigencies of work here. Those who desire may source a copy of the power point presentation from TRU (by sending a request at garg.vk@nic.in).

11. Despite a very elaborate consultative process starting from August, 2011, when the first concept paper was released, it is likely that the actual implementation of negative list will throw some issues that appear a little complex. You may like to discuss them appropriately within your own set up and in appropriate cases refer them to the Board for suitable examination. Any precipitated action will be ill-advised at the early stages of implementation unless the revenue is at immediate stakes.

12. A list of services that are likely to come into the tax net in your charge may be drawn and communicated to me. This would help us to share the same with other formations as also provide information from other formations to you so that a coordinated approach is followed until the system gets streamlined.

13. In general any case resulting in taxation of an activity that is not liable to tax under the present regime should at least receive the attention of the Commissioner in charge before it is taken up for any further action.

14. Of equal importance is to devote attention to activities that are presently liable to tax and may cease to be taxed in future. Some of these have been clearly exempted. There could be others where, either due to a particular interpretation or due to applicability of Place of Provision Rules, 2012 or in some other manner, an interpretation may be taken that the same are no more liable to tax. Such cases may be immediately identified and in case of doubt referred to the Board.

15. The allotment of accounting heads is being communicated by a separate communication.

16. A spirit of Helpfulness, Understanding and Guidance (HUG for short) should guide us in balancing our task keeping in perspective the enormity of changes that are being implemented shortly.

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Exchange Rates for Customs Valuation

Rupee Rate for Customs Valuation Rises to Rs. 55.50 on Imports w.e.f. 20 July

61-Cus(NT) In exercise of the powers conferred by section 14 of the 19.07.2012 Customs Act, 1962 (52 of 1962), and in super session (DoR) of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.56/2012-CUSTOMS (N.T.), dated the 5th July, 2012 vide number S.O.1504 (E), dated the 5th July, 2012, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or vice versa shall, **with effect from 20th July, 2012** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo. Currency	Imported Goods		Exported Goods	
	Current	Previous	Current	Previous
Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees				
1. Australian Dollar	57.40	56.65	56.05	55.40
2. Bahraini Dinar	150.15	148.55	142.15	140.60
3. Canadian Dollar	55.05	54.35	53.70	53.15
4. Danish Kroner	9.20	9.35	8.95	9.10
5. EURO	68.40	69.30	66.80	67.70
6. Hong Kong Dollar	7.15	7.10	7.05	6.95
7. Kenyan Shilling	67.30	66.85	63.35	62.85
8. Kuwaiti Dinar	201.30	200.05	189.85	189.00
9. New Zealand Dollar	44.40	44.30	43.30	43.25
10. Norwegian Kroner	9.20	9.25	8.90	9.00
11. Pound Sterling	87.10	86.30	85.25	84.45
12. Singapore Dollar	44.20	43.65	43.20	42.65
13. South African Rand	6.95	6.95	6.55	6.55
14. South Arabian Riyal	15.10	14.95	14.30	14.15
15. Swedish Kroner	8.05	7.95	7.80	7.75
16. Swiss Franc	57.05	57.75	55.65	56.45
17. UAE Dirham	15.40	15.25	14.60	14.45
18. US Dollar	55.50	54.90	54.65	54.05
Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees				
1 Japanese Yen	70.55	69.15	68.80	67.40

[F.No.468/13/2012-Cus.V]

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process, Ukraine's strong positions on lowering tariffs in certain sectors reportedly prompted Laos to take the unusual step of requesting intervention from senior diplomats. The WTO accession process dictates that all member countries must consent to the terms of the agreement before an applicant can become a member.

Yemen accession on the horizon?

Ukraine also reportedly remains the final holdout in negotiations surrounding Yemen's entry into the WTO. Yemen, another least developed country, is the next furthest along in the WTO accession process.

A source with knowledge of the negotiations noted that talks between Yemen and Ukraine, however, were "still a bit dicey," and Yemen did not appear ready to make concessions demanded by Ukraine.

Only five LDCs have completed negotiations to join the global trade body since the initial 30 LDCs acceded to the WTO in 1995. These five include Cambodia, Nepal, Cape Verde (who has since graduated from the LDC designation), Samoa, and Vanuatu. Of these, Vanuatu is the only one whose membership has yet to be formalised, as the accession accord still needs to be ratified domestically.