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ITA II for Bali Ministerial Suspended as China Dithers

Talks to expand the product coverage of the WTO's Information Technology Agreement (ITA) have been temporarily suspended, according to a statement released by the US' top trade official on Wednesday, 17 July.

The negotiations in Geneva have been put on hold due to differences between China and many of the WTO members involved, Washington says. The group, which includes the US and EU, has been working to develop a list of products to add to the agreement for over a year, and had hoped to complete a final list this month.

"The United States is extremely disappointed that it became necessary today to suspend negotiations to expand the Information Technology Agreement," US Trade Representative Michael Froman said in a statement. "Unfortunately, a diverse group of members participating in the negotiations determined that China's current position makes progress impossible at this stage."

Geneva sources speaking to press in recent weeks had noted that Beijing's sensitivities regarding certain product lines could prove difficult to resolve as the group tries to whittle down its draft list to a consolidated final version.

In an e-mailed statement later on Wednesday, China stressed that it has taken a "very serious attitude" toward the ITA talks.

"We share the same goal with the rest of the participants to conclude the negotiations before the Ninth Ministerial Conference in December," China said. "After intensive and difficult domestic consultations, China has added its support to 150 tariff lines, or two thirds of the proposed products, which is a concrete contribution to the negotiations."

Expressing "deep regret" for the decision of other members to put the talks on hold, Beijing said that resuming the talks "should not be conditioned upon China's supporting its list of sensitive products."

However, Washington has said that it is "hopeful" that Beijing will take into account the concerns of its negotiating partners, and urged the Asian country to "revise its position in a way that will allow the prompt resumption of the negotiations."

Bali in the background

The ITA is a plurilateral pact under the aegis of the WTO that eliminates tariffs on trade in information and communication technology (ICT) products. Forty-nine of the WTO's 159 members have signed onto the ITA, if counting the EU as one member, though the benefits extend to the full WTO membership. Of these 49, over 20 are currently involved in the expansion talks.

The original pact dates back to 1996. Countries involved in the expansion negotiations have said that the agreement must be updated to reflect the realities of today's trade, given the development of new technology products over the last 17 years.

With the WTO's Ninth Ministerial Conference in the Indonesian province of Bali scheduled for early December, many hope that a revised ITA could be one concrete outcome to present at the high-profile event. Finalising a list of products is a key step in this direction, followed by completing the legal terms of the agreement and getting any ITA members not currently involved in the talks on board.

The USTR statement gives no indication of when the ITA expansion negotiations might resume. However, with the WTO set to go on its annual August break in a matter of weeks, the earliest date for new discussions would likely be September.

Only Standard Unit Quantity Code as per CTA 1975 in Bills of Entry/Shipping Bills, Says CBEC

[We suggest units used in International Practice and the invoice may also be put in the documents. Trade will come to a stop otherwise. Buyer may want quantity in dozens but CTA asks for weight or nos. Thus we will be landed with a custom made barrier!

In many cases, the unit may be wrong. Thus printed circuits in 8534 are sold in pieces or length in metres but the CTA heading asks for weight in kg. The customs inspector will reject all documents where quantity other than kg. is indicated. A sure recipe for hike transaction costs in customs clearance!!! – Ed.]

Subject: Standard Unit Quantity Code (UQC).

26-CBEC
19.07.2013
(DoR)

The issue of poor quality of trade data has been engaging the attention of the Government. Further, an analysis of National Import Data Base (NIDB) reveals that there are at times variations between the lowest and highest unit values of the same item, which might escape detection on account of the use of different unit codes.

2. The matter has been carefully examined with the objective of improving data quality both from the view point of generating error free trade statistics as well as providing usable contemporary reference values to the assessing officers. The Board notes that Standard Unit Quantity Codes (UQC) indicated in the Customs Tariff Act, 1975 are not being uniformly declared by importers and exporters for the same items across different Customs locations. This impacts data quality and makes comparisons and aggregations difficult. The use of non-uni-

form UQCs for the same item also vitiates the quality of the NIDB data and reduces its utility to the assessing officers, who are unable to ascertain the contemporaneous values or assessment practice of a given item in different Customs locations. Therefore, the solution lies in improving the quality of data by using standard UQCs.

3. In this regard, it is seen that the Customs Tariff Act, 1975 prescribes only a single Unit Quantity Code (UQC) against each Tariff Item, and it is the requirement of the law that the same is properly declared by importers/exporters/ Customs Brokers in the Bills of Entry/Shipping Bills. It is the view that the correct declaration of the UQC, as indicated in the Customs Tariff Act, 1975 would resolve the aforementioned difficulties. Accordingly, it is directed by the Board that Customs field formations should ensure that only the correct and prescribed Standard UQC as per the Customs Tariff Act, 1975 is mentioned in Bills of Entry/ Shipping Bills.

4. Board desires the Chief Commissioners of Customs to ensure that instructions as aforementioned are complied with scrupulously. There should, however, be an endeavour that the exercise does not result in delays in clearance of cargo. The Directorate of Valuation shall monitor the correct use of UQCs and DG (System) shall modify the software applications suitably to give effect to mandatory compliance of correct UQC.

5. Difficulty faced, if any, in implementation of aforementioned instructions may be brought to the notice of the Board.

F. No. 450/180/2009- Cus. IV

EU Parliament for 5.5% cap on Food Based Biofuels, Sea Weeds Share 2% by 2020

The European Parliament's environment committee has approved draft legal measures that would cap the share of food-based biofuel used in vehicles at 5.5 percent, ahead of a plenary vote in September.

The committee's vote last Thursday is the latest attempt to ensure that support for biofuels does not indirectly enhance greenhouse gas emissions, through deforestation resulting from the extension of farmland.

First generation biofuels - sugar, cereals, or oilseeds - were originally set to be limited at five percent of total energy consumption by 2020, under plans first tabled by the European Commission. As well as raising this ceiling to 5.5 percent, the draft measures approved by the environment committee would also require "advanced" biofuels - from sources such as seaweed or certain waste products - to account for no less than two percent of consumption by the same date.

Marc Olivier Herman, Oxfam's EU biofuels expert, suggested that support to biofuels should be phased out, arguing that food production for energy has proven to fuel "hunger and land grabs in poor countries." He called on MEPs to resist pressure to weaken current proposals before the September plenary vote.

Developing Countries Share in World Export Rises to 47%, Asia Leads Growth

The future of world trade, and the global trading system, will be shaped by a range of economic, political and social factors, including technological innovation, shifts in production and consumption patterns, and demographic change, according to the 2013 World Trade Report published by the WTO on 18 July 2013.

One of the most significant drivers of change is technology. Not only have revolutions in transport and communications transformed our world but new developments, such as 3D printing, and the continuing spread of information technology will continue to do so. Trade and foreign direct investment, together with a greater geographical spread of income growth and opportunity, will integrate a growing number of countries into more extensive international exchange. Higher incomes and larger populations will put new strains on both renewable and non-renewable resources, generating even greater need for careful resource management. More effort must also be devoted to addressing environmental issues, the report says.

Regulatory Convergence

Economic and political institutions will continue to have a significant role to play in shaping international co-operation, including in trade, as will the interplay of cultural customs among countries. Non-tariff measures will gain in prominence and regulatory convergence will likely constitute the greatest challenge to the trading system of the future.

Main points of the Report

Trends in international trade

- **Dramatic decreases in transport and communication costs** have been the driving forces behind today's global trading system. Geopolitics has also played a decisive role in advancing and reinforcing these structural trends.
- In the last 30 years, **trade in merchandise and commercial services** have **increased by about 7 per cent per year** on average, reaching a peak of $18 trillion and $4 trillion respectively in 2011. When trade is measured in value-added terms, services play a larger role.
- Between 1980 and 2011, **developing economies raised their share in world exports from 34 per cent to 47 per cent** and their share in world imports from 29 per cent to 42 per cent. **Asia is playing an increasing role in world trade**.
- For a number of decades, **world trade has grown on average nearly twice as fast as world production**. This reflects the increasing prominence of international supply chains and hence the importance of measuring trade in value-added terms.
- Simulations show that in a dynamic economic and open trade environment, developing countries are likely to outpace developed countries in terms of both export and GDP growth by a factor of two to three in future decades. By contrast, their GDP would grow by less than half this rate in a pessimistic economic and protectionist scenario, and export growth would be lower than in developed countries.

Fundamental economic factors

- Demographic change affects trade through its impact on countries' comparative advantage and on import demand. An **ageing population, migration, educational improvements** and **women's participation** in the labour force will all play a role in years to come, as will the continuing emergence of a global middle class.
- Investment in **physical infrastructure** can facilitate the integration of new players into international supply chains. The accumulation of capital and the build-up of **knowledge and technology** associated with investment, particularly foreign direct investment, can also enable countries to move up the value chain by altering their comparative advantage.
- New players have emerged among the countries driving technological progress. Countries representing 20 per cent of the world's total population accounted for about 70 per cent of research and development (R&D) expenditure in 1999, but only about 40 per cent in 2010. **Technology spill-overs are largely regional and stronger among countries connected by production networks.** In addition to the traditionally R&D intensive manufacturing sectors, **knowledge-intensive business services** are emerging as key drivers of knowledge accumulation.
- The **shale gas revolution** portends dramatic shifts in the future pattern of energy production and trade as North America becomes energy sufficient. Increasing **water scarcity** in the future in large swathes of the developing world may mean that the long-term decline in the share of food and agricultural products in international trade might be arrested or even reversed.
- Ample opportunities exist for **policy actions**, at the national and multilateral level, to reduce **transportation costs** and offset the effect of higher fuel costs in the future – improving the quantity and quality of transportation infrastructure, successfully concluding the Doha Round negotiations on trade facilitation, introducing more competition on transport routes, and supporting innovation.
- Improvements in **institutional quality**, notably in relation to **contract enforcement**, can reduce the costs of trade. Institutions are also a source of comparative advantage, and trade and institutions strongly influence each other.

Trade openness

- Successful integration into global markets requires the constant need for individuals

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WEEKLY INDEX OF CHANGES

Self Copy Paper, Duplicator and Other Paper and Paper Boards Included in ASEAN FTA List at 2.5% Duty

Ntfn 35
18.07.2013
(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.46/2011-Customs, dated the 1st June, 2011 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i), vide number G.S.R. 423 (E), dated the 1st June, 2011, namely:-

In the said notification, in the Table, after S. No. 565 and the entries relating thereto, the following S.No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“565 A	480890, 480920 and 480990	All Goods	2.5	6.0”

[F.No. 341/30/2012-TRU]

DGFT to Hold Personal Hearing on 2nd Tuesday at 3 pm under Grievance Redressal Mechanism

Subject: Providing Personal Hearing in terms of Para 2.49.2 of Foreign Trade Policy (FTP) which is incorporated by Notification No 08(RE-2013)/2009-2014 dated 22.04.2013.

05-TN
19.07.2013
(DGFT)

The Para 2.49.2 of FTP deals with the grievance redressal mechanism. It was amended on 22.04.2013 as mentioned in the subject header above. Now as per the amended provisions, DGFT would grant a Personal Hearing (PH) to such exporter/importer as stated in the Para 2.49.2 of FTP. For this purpose, the important conditions required to be fulfilled are: (a) Exporter/Importer is aggrieved by any decision, except an adjudication order (b) the Exporter /Importer continues to be aggrieved in-spite of a review of that decision.

2. It has now been decided that Personal Hearing (PH) in such cases by the Director General of Foreign Trade will be held at Udyog Bhawan, New Dehli-11 on second Tuesday of every month between 3:00PM to 4:00PM. In case, in any month, 2nd Tuesday is not a working day then such PH may be held on next Tuesday.

3. Any importer/exporter who satisfies the conditions given in the Para 2.49.2 of Foreign Trade Policy (FTP) may submit a representation addressing to DGFT for seeking PH before him with the header: Request for PH before DG under Para 2.49.2 of FTP.

4. The covering page of such representation must have the following details:

1. Name of the applicant with Importer and Exporter Code(IEC) number
2. E-mail address of the applicant
3. Mobile No, office land line no of the applicant
4. Name of the person with designation who will appear for PH
5. Subject matter on which relaxation /intervention is required
6. Reasons for seeking such relaxation/intervention with Justification for reconsideration of request
7. Date, File No & gist of decision against which PH is being sought
8. The date when this decision was reviewed by PRC/ competent Authority
9. Reason of rejection by PRC/Authority/officer
10. Preferable date for PH(2nd Tuesday of every month is earmarked for PH)
11. How many pages of documents are being enclosed?

    (Documents enclosed must be duly indexed & pages are numbered)

Loans under $10bn ECB Extended to Overseas JVs

Sub: External Commercial Borrowings (ECB) Policy Repayment of Rupee loans and/or fresh Rupee capital expenditure – USD 10 billion Scheme

AP(DIR Srs) Cir.12
15.07.2013
(RBI)

Attention of Authorized Dealer Category - I (AD Category - I) banks is invited to A.P. (DIR Series) Circular No. 134 dated June 25, 2012, A.P. (DIR Series) Circular No. 26 dated September 11, 2012 and A.P.(DIR) Circular No.78 dated January 21, 2013 on the captioned scheme.

2. As per the extant guidelines, Indian companies in the manufacturing, infrastructure sector (as defined under the extant ECB policy) and hotel sector, which are consistent foreign exchange earners, are allowed to avail of ECB for repayment of outstanding Rupee loan(s) availed of from the domestic banking system and / or for fresh Rupee capital expenditure under the **Approval Route**.

3. On a review, it has been decided to extend the benefit of USD 10 billion scheme to Indian companies in the aforesaid sectors which have established Joint Venture (JV) / Wholly Owned Subsidiary (WOS) / have acquired assets overseas in compliance with extant regulations under FEMA, 1999 subject to the conditions as under:

(a) ECB can be availed of for repayment of all term loans having average residual maturity of 5 years and above / credit facilities availed of by Indian companies from domestic banks for overseas investment in JV/WOS, in addition to ‘Capital Expenditure’;

(b) ECB can be availed of within the scheme based on the higher of 75 per cent of the average foreign exchange earnings realized during the past three financial years and/ or 75 per cent of the assessment made about the average of foreign exchange earnings potential for the next three financial years of the Indian companies from the JV/ WOS / assets abroad as certified by Statutory Auditors / Chartered Accountant / Certified Public Accountant / Category I Merchant Banker registered with SEBI / an Investment Banker outside India registered with the appropriate regulatory authority in the host country;

(c) ECB availed of under the scheme will have to be repaid out of forex earnings from the overseas JV / WOS / assets.

4. The past earnings in the form of dividend/ repatriated profit/ other forex inflows like royalty, technical know-how, fee, etc from overseas JV/WOS/assets will be reckoned as foreign exchange earnings for the purpose of US$ 10 billion scheme.

5. All other aspects of the scheme shall remain unchanged. The amended ECB policy will

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Ram Tirath Appointed as DG China Specific Safeguards and General Safeguards in Place of GS Sarna

77-Cus(NT)
19.07.2013
(DoR)

In exercise of the powers conferred by sub-rule (1) of Rule 3 of the Customs Tariff (Transitional Product Specific Safeguard Duty) Rules, 2002 and in supersession of notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 33/2013-Customs (N.T.) issued vide G.S.R. No. 199 (E) dated the 2nd April, 2013, the Central Government hereby appoints Sh. Ram Tirath as the Director General (Specific Safeguard) for the purposes of the said Rules.

[F.No. 528/89/2012-STO (TU)]

78-Cus(NT)
19.07.2013
(DoR)

In exercise of the powers conferred by sub-rule (1) of Rule 3 of the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 and in supersession of notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 34/ 2013-Customs (N.T.) issued vide G.S.R. No. 200 (E) dated the 2nd April, 2013, the Central Government hereby appoints Sh. Ram Tirath as the Director General (Safeguard) for the purposes of the said Rules.

[F.No. 528/89/2012-STO (TU)]

World Bank Pink Sheet – July 2013

Precious Metals Crash by 5.6%, Metals 3.7% and Beverages 5.1% in June

In June of 2013, energy prices decreased by 0.1%, while the non-energy commodities decreased by 1.5%. Food prices are up by 0.5%, beverages dropped by 5.1%, raw materials have eased by 1.1%, metals are down by 3.7% and precious metals plunged by 5.6%.

Up ↑

Coconut oil, Copra; Palm oil, Palmkernel oil, Soybean meal and Soybeans; Maize; Bananas Europe; Meat

Logs, Plywood, Sawnwood and Woodpulp; Cotton; Lead

Down ↓

Coal and Natural gas; Cocoa, Coffee and Tea

Groundnut oil and Soybean oil

Sorghum, Rice and Wheat; Oranges; World Sugar

Fishmeal and Beef; Rubber

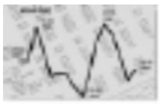
DAP, Potassium Chloride, TSP and Urea

Aluminium, Copper, Iron ore, Nickel and Tin

Gold, Silver and Platinum

Steady ↔

Crude; Groundnuts; Barley; Bananas US; Shrimp; Rock phosphate; Zinc



	Monthly averages				Quarterly averages					Annual averages		
	2013				2012		2013	2010		2011	2012	
	Apr	May	Jun		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Dec
Energy												
Coal, Australia $/mt	87.8	87.7	82.8	↓	95.5	89.4	86.9	92.9	86.1	99.0	121.4	96.4
Coal, Colombia $/mt	75.1	73.4	66.9	↓	82.2	82.7	79.3	79.3	71.8	78.0	111.5	84.0
Coal, South Africa $/mt	82.0	81.8	77.3	↓	93.5	87.4	85.8	84.7	80.4	91.6	116.3	92.9
Crude oil, average $/bbl	98.9	99.4	99.7	↔	102.8	102.8	101.9	105.1	99.3	79.0	104.0	105.0
Crude oil, Brent $/bbl	102.9	103.0	103.1	↔	108.9	110.0	110.5	112.9	103.0	79.6	110.9	112.0
Crude oil, Dubai $/bbl	101.7	100.3	100.3	↔	106.2	106.2	107.2	108.0	100.8	78.1	106.0	108.9
Crude oil, West Texas Int. $/bbl	92.0	94.8	95.8	↑	93.4	92.2	88.1	94.3	94.2	79.4	95.1	94.2
Natural gas Index 2005=100	125.0	120.2	116.8	↓	106.3	108.0	112.1	114.5	120.6	91.1	107.3	108.2
Natural gas, Europe $/mmbtu	12.9	12.3	11.9	↓	11.5	11.1	11.7	11.8	12.4	8.3	10.5	11.5
Natural gas, US $/mmbtu	4.2	4.0	3.8	↓	2.3	2.9	3.4	3.5	4.0	4.4	4.0	2.8
Natural gas LNG $/mmbtu	16.2	15.9	16.1	↑	17.1	17.6	15.2	16.2	16.0	10.8	14.7	16.6
Beverages												
Cocoa ¢/kg	229.4	234.3	228.4	↓	228.2	249.4	245.1	220.9	230.7	313.3	298.0	239.2
Coffee, arabica ¢/kg	330.3	324.5	304.8	↓	400.4	400.0	357.1	335.5	319.9	432.0	597.6	411.1
Coffee, robusta ¢/kg	224.2	218.6	200.1	↓	231.0	234.1	219.5	227.8	214.3	173.6	240.8	226.7
Tea, auctions (3) avg. ¢/kg	288.9	295.4	277.5	↓	292.2	308.4	303.6	294.6	287.3	288.5	292.1	289.8
Tea, Colombo auctions ¢/kg	339.1	329.2	317.3	↓	304.7	308.1	319.5	338.4	328.5	329.0	326.4	306.3
Tea, Kolkata auctions ¢/kg	290.9	318.4	284.4	↓	289.9	313.4	291.4	258.1	297.9	280.5	277.9	275.0
Tea, Mombasa auctions ¢/kg	236.8	238.8	230.8	↓	282.0	303.5	300.0	287.3	235.4	256.0	271.9	288.1
Fats and Oils												
Coconut oil $/mt	793.0	828.0	896.0	↑	1187.0	1012.7	843.7	836.7	839.0	1123.6	1730.1	1110.8
Copra $/mt	523.0	556.0	601.0	↑	793.3	671.7	564.7	553.3	560.0	749.6	1157.3	740.6
Groundnuts $/mt	1400.0	1400.0	1400.0	↔	2616.7	1858.3	1423.0	1360.3	1400.0	1283.9	2086.2	2174.5
Groundnut oil $/mt	1899.0	1867.0	1813.0	↓	2548.3	2476.3	2298.0	2002.0	1859.7	1403.9	1988.2	2435.7
Palm oil $/mt	842.0	849.0	861.0	↑	1088.3	993.0	809.3	852.7	850.7	900.8	1125.4	999.3
Palmkernel oil $/mt	828.0	827.0	855.0	↑	1242.3	1019.7	813.0	824.3	836.7	1184.2	1648.3	1110.3
Soybean meal $/mt	484.0	543.0	558.0	↑	487.7	630.3	586.7	531.0	528.3	378.4	398.0	524.1
Soybean oil $/mt	1095.0	1073.0	1043.0	↓	1236.0	1258.0	1157.7	1160.3	1070.3	1004.6	1299.3	1226.3
Soybeans $/mt	495.0	497.0	524.0	↑	571.7	672.0	604.3	566.3	505.3	449.8	540.7	591.4
Grains												
Barley $/mt	229.5	229.8	229.9	↔	237.8	258.4	249.3	239.5	229.7	158.4	207.2	240.3
Maize $/mt	279.9	295.5	298.4	↑	270.2	328.6	317.2	305.0	291.3	185.9	291.7	298.4
Rice, Thailand, 5% $/mt	557.0	543.5	538.8	↓	582.8	568.3	558.4	562.1	546.4	488.9	543.0	563.0
Rice, Thailand, 25% $/mt	535.6	508.8	483.8	↓	..	547.9	530.8	537.9	509.4	441.5	506.0	..
Rice,Thai, A.1 $/mt	530.6	510.8	492.0	↓	545.4	513.3	521.2	532.5	511.1	383.7	458.6	525.1

	Monthly averages			Quarterly averages					Annual averages		
	2013			2012		2013	2010		2011	2012	
	Apr	May	Jun	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Dec
Rice, Vietnam 5% $/mt	390.8	386.8	385.9	↓ 428.7	433.6	438.6	401.5	387.8	429.2	513.6	434.4
Sorghum $/mt	269.2	273.6	236.8	↓ 259.4	273.4	285.4	292.0	259.9	165.4	268.7	271.9
Wheat, Canada $/mt	..	..	..	..	..	..	..	..	312.4	439.6	..
Wheat, US, HRW $/mt	308.3	319.7	313.4	↓ 269.0	349.5	355.7	321.4	313.8	223.6	316.3	313.2
Wheat, US, SRW $/mt	278.1	279.3	268.2	↓ 251.8	333.4	337.3	297.6	275.2	229.7	285.9	295.4
Other Food											
Bananas, Europe $/mt	1103.3	1054.0	1060.0	↑ 1171.2	982.3	1102.8	1095.7	1072.4	1002.2	1124.7	1099.7
Bananas, US $/mt	902.5	909.4	909.8	↔ 979.2	959.9	944.5	929.6	907.2	868.3	968.0	984.0
Fishmeal $/mt	1847.0	1816.0	1802.0	↓ 1481.3	1676.7	1775.7	1868.7	1821.7	1687.5	1537.4	1558.3
Meat, beef ¢/kg	426.2	419.8	386.5	↓ 413.0	400.1	419.1	427.1	410.8	335.1	404.2	414.2
Meat, chicken ¢/kg	226.1	229.5	232.7	↑ 207.1	209.7	213.2	221.0	229.4	189.2	192.6	207.9
Meat, sheep ¢/kg	543.5	542.7	550.2	↑ 618.3	587.5	586.2	553.2	545.5	531.4	663.1	609.1
Oranges $/mt	980.5	1057.0	1148.5	↓ 843.8	995.5	861.9	825.9	1062.0	1033.2	891.1	868.0
Shrimp ¢/kg	1146.4	1146.4	1146.4	↔ 977.4	970.0	1023.9	1126.2	1146.4	1004.5	1193.1	1006.5
Sugar, EU ¢/kg	42.5	42.4	43.1	↑ 41.9	40.9	42.4	43.1	42.7	44.2	45.5	42.0
Sugar, US ¢/kg	44.8	43.0	42.3	↓ 66.6	61.5	50.5	46.4	43.4	79.2	83.9	63.6
Sugar, world ¢/kg	39.3	38.9	37.7	↓ 47.1	46.8	43.3	40.9	38.6	46.9	57.3	47.5
Timber											
Logs, Cameroon $/cum	455.9	454.2	462.0	↑ 452.6	436.2	453.2	456.2	457.4	428.6	484.8	451.4
Logs, Malaysia $/cum	304.5	294.8	306.0	↑ 361.0	355.1	352.7	322.5	301.8	278.2	390.5	360.5
Plywood ¢/sheets	558.6	540.7	561.3	↑ 609.9	607.1	611.5	591.6	553.5	569.1	607.5	610.3
Sawnwood, Cameroon $/cum	733.6	732.5	742.6	↑ 760.7	755.2	765.9	740.7	736.2	812.7	825.8	759.3
Sawnwood, Malaysia $/cum	834.4	833.2	844.6	↑ 883.8	864.3	874.4	845.2	837.4	848.3	939.4	876.3
Woodpulp $/mt	807.0	817.0	832.0	↑ 786.8	735.2	748.2	784.0	818.7	866.8	899.6	762.8
Other Raw Materials											
Cotton ¢/kg	203.4	204.3	205.2	↑ 198.9	185.6	180.9	198.2	204.3	228.3	332.9	196.7
Rubber, RSS3 ¢/kg	286.7	303.8	281.0	↓ 359.1	297.0	309.6	315.6	290.5	365.4	482.3	337.7
Rubber, TSR20 ¢/kg	249.9	251.3	232.6	↓ 330.1	275.0	288.3	296.3	244.6	338.1	451.9	315.6
Fertilizers											
DAP $/mt	508.3	485.1	478.3	↓ 545.2	565.0	532.3	491.6	490.5	500.7	618.9	539.8
Phosphate rock $/mt	168.8	165.0	165.0	↔ 179.4	183.3	185.0	173.0	166.3	123.0	184.9	185.9
Potassium chloride $/mt	391.5	393.0	392.5	↓ 461.3	464.8	430.1	390.8	392.3	331.9	435.3	459.0
TSP $/mt	435.0	423.0	420.0	↓ 470.4	485.0	452.2	435.0	426.0	381.9	538.3	462.0
Urea $/mt	361.5	344.4	321.4	↓ 470.0	381.3	383.0	396.6	342.4	288.6	421.0	405.4
Metals and Minerals											
Aluminum $/mt	1861.7	1832.0	1814.5	↓ 1982.5	1928.6	2003.3	2000.3	1836.1	2173.1	2401.4	2023.3
Copper $/mt	7234.3	7249.4	7000.2	↓ 7889.4	7729.2	7913.2	7918.0	7161.3	7534.8	8828.2	7962.3
Iron ore $/dmt	137.4	124.4	114.8	↓ 139.6	111.6	120.9	148.5	125.5	145.9	167.8	128.5
Lead ¢/kg	202.7	203.3	210.0	↑ 197.9	198.7	220.1	229.0	205.3	214.8	240.1	206.5
Nickel $/mt	15673.0	14948.0	14280.3	↓ 17185.7	16383.9	16984.2	17295.8	14967.1	21808.9	22910.4	17547.5
Tin ¢/kg	2166.2	2077.6	2026.7	↓ 2062.6	1936.3	2160.9	2401.8	2090.2	2040.6	2605.4	2112.6
Zinc ¢/kg	185.6	183.2	183.9	↔ 193.2	189.2	195.2	202.9	184.2	216.1	219.4	195.0
Precious Metals											
Gold $/toz	1487.9	1414.0	1343.4	↓ 1612.3	1656.5	1717.7	1630.8	1415.1	1224.7	1569.2	1669.5
Platinum $/toz	1493.1	1475.2	1430.2	↓ 1500.1	1500.9	1598.1	1632.1	1466.2	1609.8	1719.5	1550.8
Silver ¢/toz	2535.5	2303.8	2110.9	↓ 2941.0	2994.7	3261.2	3006.0	2316.7	2015.3	3522.4	3113.7

$ = US dollar; ¢ = US cent; bbl = barrel; cum = cubic meter; dmtu = Dry Metric Ton Unit; kg = kilogram; mmbtu = million British thermal units; mt = metric ton; toz = troy oz; n.a. = not available; n.q. = no quotation

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come into force with immediate effect and is subject to review based on the experience gained in this regard.

6. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.

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

RBI Grants General Permission to Bank in India to Acquire Shares of SWIFT

RBI for Admission to the SWIFT Users Group in India

Sub: Overseas Investments – Shares of SWIFT

AP(DIR Srs) Cir.08 11.07.2013 (RBI)

Attention of the Authorised Dealers (AD) is invited to Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 notified by the Reserve Bank vide Notification No. FEMA 120/RB-2004 dated July 07, 2004 and as amended from time to time.

2. As per the extant FEMA provisions, the proposal of acquisition of the shares of Society for Worldwide Interbank Financial Telecommunication (SWIFT), Belgium by the resident bank is considered by the Reserve Bank on case to case basis under the approval route.

3. On a review, it has now been decided to grant general permission to a bank in India, being licensed by the Reserve Bank under the provisions of the Banking Regulation Act, 1949, to acquire the shares of SWIFT as per the by-laws of SWIFT, provided the bank has been permitted by the Reserve Bank for admission to the 'SWIFT User's Group in India' as member.

4. This modification shall come into force with immediate effect. Necessary amendment to the Notification No. FEMA.120/RB-2004 dated July 07, 2004 has been issued vide Notification No. FEMA.271/RB-2013 dated May 29, 2013 and notified vide dated G.S.R.No.345 (E) dated 29.05.2013.

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

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

RBI Liberalises Documentation Requirements for Resident Entities in Indian Forex Market

Subject: Risk Management and Inter-Bank Dealings- Liberalization of documentation requirements for the resident entities in the Indian Forex Market

AP(DIR Srs) Cir.02 04.07.2013 (RBI)

Attention of Authorized Dealers Category – I (AD Category – I) banks is invited to A.P. (DIR Series) Circular No. 32 dated December 28, 2010 issued on Comprehensive Guidelines on Over the Counter (OTC) Foreign Exchange Derivatives and Overseas Hedging of Commodity Price and Freight Risks. In the annex to this circular, under paragraph (II) sub-paragraph (b) (ii) it has been stated that in the case of contracted exposure, AD Category I banks must obtain "Quarterly certificates from the statutory auditors of the users, that the contracts outstanding at any point of time with all AD Category I banks during the quarter did not exceed the value of the underlying exposures"

2. In view of the recommendations of the Technical Committee on Services / Facilities for the Exporters (Chairman: Shri G. Padmanabhan, Executive Director, Reserve Bank of India) regarding rationalization of the documentation process, it has now been decided that AD banks, while offering hedging products under the contracted exposure route to their customers may obtain an annual certificate from the statutory auditors to the effect that the contracts outstanding with all AD category I banks at any time during the year did not exceed the value of the underlying exposures at that time. It is reiterated, however, that that the AD bank, while entering into any derivative transaction with a client, shall have to obtain an undertaking from the client to the effect that the contracted exposure against which the derivative transaction is being booked has not been used for any derivative transaction with any other AD bank.

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

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

Import Cold Storage at Sahar Air Cargo Complex from 7 June 2013

[The following Facility Circular was issued by the Commissioner of Customs (Import), Air Cargo Complex, Mumbai]

The Import Cold Storage facility at Air Cargo Complex Mumbai is a temperature controlled storage facility dedicated for import air freight requiring controlled ambient storage condition (+15 to +25 Degree Celsius).This is the largest airport-based facility in India that can accommodate cargo received from 08 cargo aircrafts at a time. The facility is a modular building constructed over an area of 1400 square meters with an operational area spread over 900 square meters. It has a one-time holding capacity of 860 metric tons with an annual throughput capacity of 75,000 metric tons. The facility is designed to handle all kinds of temperature sensitive products, monitored with precise temperature devices to eliminate margin of error, your cargo is guaranteed its proper temperature.

Services Offered

- Temperature recording at cargo acceptance
- 24 x 7 temperature recording and monitoring
- Cargo available for regulatory inspection within 06 hours of receipt of ULD's and documents
- Speedy transfer between storage location, inspection area and delivery truck docks
- Temperature record on request
- Customised handling through key account and pre-alerts
- Dedicated customer service cell
- Online shipments status

Libor Plus Ceiling at 350bps for ECB Extended Till 30 Sept 2013

Sub: External Commercial Borrowings (ECB) Policy – Review of all-in-cost ceiling

AP(DIR Srs) Cir.11 11.07.2013 (RBI)

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No. 99 dated March 30, 2012 and A.P. (DIR Series) Circular No. 60 dated December 14, 2012 relating to ECB.

2. On a review, it has been decided that the all-in-cost ceiling as specified in A.P. (DIR Series) Circular No. 99 dated March 30, 2012 will continue to be applicable till September 30, 2013 and is subject to review thereafter.

3. All other aspects of ECB policy remain unchanged and AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

Brass Scrap Down by US$158/MT; Crude Palm Oil US$20/MT, Crude Soyabean Oil US$45/MT

Tariff Value of Gold (US$15/10 gm) and Silver (US$34/kg) Up

75-Cus(NT) 15.07.2013 (DoR)

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

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

"Table-1

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	834
2	1511 90 10	RBD Palm Oil	867
3	1511 90 90	Others – Palm Oil	851
4	1511 10 00	Crude Palmolein	876
5	1511 90 20	RBD Palmolein	879
6	1511 90 90	Others – Palmolein	878
7	1507 10 00	Crude Soyabean Oil	975
8	7404 00 22	Brass Scrap (all grades)	3759
9	1207 91 00	Poppy seeds	4395

Table-2

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	416 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	638 per Kilogram

Table-3

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Tons)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	1613"

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

Exchange Rates for Customs Valuation

Rupee Rises to Rs. 59.65 for Customs Valuation on Imports w.e.f. 19 July 2013

76-Cus(NT) 18.07.2013 (DoR)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 70/2013-CUSTOMS (N.T.), dated the 4th July, 2013 *vide* number S.O. 2004(E), dated the 4th July, 2013, 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 19th July, 2013** 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	Imprted Goods Current	Imprted Goods Previous	Exported Goods Current	Exported Goods Previous
***Schedule I** – Rate of exchange of one unit of foreign currency equivalent to Indian rupees*					
1.	Australian Dollar	55.35	55.35	53.95	54.00
2.	Bahrain Dinar	161.45	163.70	152.55	154.65
3.	Canadian Dollar	57.65	57.60	56.25	56.25
4.	Danish Kroner	10.60	10.60	10.25	10.25
5.	EURO	78.60	78.80	76.85	76.90
6.	Hong Kong Dollar	7.70	7.80	7.55	7.65
7.	Kenya Shilling	70.40	71.95	66.10	67.60
8.	Kuwait Dinar	213.70	216.35	201.15	203.70
9.	Newzeland Dollar	47.30	47.00	45.90	45.80
10.	Norwegian Kroner	10.00	9.95	9.70	9.65
11.	Pound Sterling	90.55	91.95	88.45	89.80
12.	Singapore Dollar	47.45	47.70	46.35	46.55
13.	South African Rand	6.20	6.15	5.85	5.80
14.	Saudi Arabian Riyal	16.25	16.45	15.35	15.55
15.	Swedish Kroner	9.10	9.05	8.85	8.80
16.	Swiss Franc	63.65	63.85	62.05	62.30
17.	UAE Dirham	16.55	16.80	15.65	15.85
18.	US Dollar	59.65	60.50	58.65	59.50
***Schedule II** – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees*					
1.	Japanese Yen	60.30	60.30	58.80	58.80

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

Existing ECB Borrowers can Raise Fresh ECB at Higher All-in-Cost under Approval Route Till 30 Sept 2013

Sub: External Commercial Borrowings (ECB) Policy – Refinancing/ Rescheduling of ECB

AP(DIR Srs) Cir.10 11.07.2013 (RBI)

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No. 112 dated April 20, 2012 relating to ECB.

2. On a review, it has been decided that the instructions contained in the above mentioned circular will continue to be applicable till September 30, 2013 and is subject to review thereafter.

3. All other aspects of ECB policy remain unchanged and AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.

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

External Commercial Borrowings in Renminbi Discontinued

Sub: External Commercial Borrowings (ECB) in Renminbi (RMB)

AP(DIR Srs) Cir.117 25.06.2013 (RBI)

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No. 30 dated September 27, 2011 on the captioned subject in terms of which Indian companies in the infrastructure sector are allowed to avail of ECB in Renminbi (RMB) under approval route subject to an annual cap of USD one billion pending further review.

2. It has been observed that the facility of ECB in Renminbi (RMB) had remained unused so far. Accordingly, the scheme of ECB in Renminbi has been reviewed and it has been decided that this scheme may be **discontinued from the date of issue of this circular.**

3. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.

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

US Orders "No Kill" Dolphin Certificate from Ship Captain for Tuna Outside ETP

The US has enacted new reforms to its dolphin-safe labelling programme, in an effort to comply with an adverse WTO ruling issued last year. However, Mexico, which had been the complainant in the high-profile dispute regarding tuna imports, has already said that the changes do not go far enough toward meeting Washington's WTO obligations and has promised to challenge them at the global trade arbiter.

The new US regulation was developed by the National Oceanic and Atmospheric Administration (NOAA), which had circulated its proposals in April in order to allow for public comments. The final version was announced last week, ahead of the WTO-established 13 July compliance deadline.

Under the changes, captains and other approved observers will be required to certify "that no dolphins were killed or seriously injured during fishing operations occurring outside the eastern tropical Pacific Ocean." This, Washington says, would make the labelling program "even-handed" compared to before, where no such requirements were necessary for importers outside the Eastern Tropical Pacific (ETP) region.

The WTO's Appellate Body had found last May that the US' dolphin-safe label was inconsistent with international trade rules, confirming an earlier panel ruling.

Specifically, WTO judges found that the US had discriminated unfairly against Mexican tuna products, given that tuna caught with "purse-seine" nets - encircling nets that temporarily set on dolphins to attract the tuna that swim below-were ineligible for a dolphin-safe label.

Such nets are nearly exclusively used by Mexican fisheries, due to specific conditions in the ETP, effectively preventing the country's tuna from accessing the US market.

Mexico: New rules insufficient

Though the new US measure now covers tuna caught in both the ETP and non-ETP regions, Mexico alleges that its fishermen will continue to face two separate regulatory regimes and will still be subject to discriminatory treatment. The NOAA regulation, Mexico says, is therefore not in compliance with the terms of the Appellate Body ruling.

Washington is set to provide a status report on the dispute at the next meeting of the WTO's Dispute Settlement Body (DSB), which is scheduled for 23 July.

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See details in www.worldtradescanner.com

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and societies to **cope with changes** in the competitive environment. These adjustments can put labour markets under strain and can shape attitudes towards trade openness.

- Societies' transition to a sustainable development path requires careful management of the **multi-faceted relationship** between **trade and the environment** in order to maximize the environmental benefits that open trade can bring.
- The expansion of trade needs to be supported by a stable financial and monetary system – delivering a sufficient volume of trade finance at an affordable cost, particularly for developing countries, and macroeconomic policies that promote **exchange rate stability**.

Prospects

- Some of the main trends which will affect world trade in the coming decades are the **emergence of international value chains**, the rise of new forms of **regionalism**, the growth of **trade in services**, the greater incidence of non-**tariff measures**, higher and more **volatile commodity prices**, the rise of emerging economies, and evolving perceptions about the link between trade, jobs and the environment.
- These trends will raise a number of challenges for the WTO. Trade opening, especially in the context of non-tariff measures beyond WTO disciplines, is taking place outside of the WTO. A greater focus on **regulatory convergence** will therefore be required. Interdependence between trade in goods and trade in services is increasing. Frictions in natural resource markets expose some regulatory gaps. The emergence of new players affects global trade governance in ways that need to be better understood. Coherence between WTO rules and non-trade regulations in other multilateral fora needs to be maintaine• d.
- Addressing these challenges will involve reviewing and possibly expanding the WTO agenda. Traditional market access issues will not disappear but new issues, particularly with regard to non-tariff measures, are emerging. Internal governance matters as well as the role of the WTO in global governance may need to be addressed. An important issue will be how to "**multilateralize" the gains made in preferential trade agreements and to secure regulatory convergence**.

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