Postal Regn.No. DL(C)-01/1251/12-14
Licence to Post without Prepayment U(C)-30/12-14
RNI No. 42906/84

WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 $2

Vol. XXXI No 18 **23 - 29 July 2014**

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

Annual subscription Rs 750

India Wins at WTO Over US Anti Subsidy Action on HR Coils

A WTO panel granted a victory to India in its dispute with the US over countervailing duties that Washington had imposed on HR Coils.

At issue in the complaint (DS436) were certain provisions of the United States Tariff Act of 1930, and how these were applied in countervailing duty investigations on hot rolled carbon steel flat products from India. New Delhi had first filed the challenge in April 2012.

Back in 2004, the US Commerce Department had determined in an administrative review that the India National Mineral Development Corporation (NMDC) the country's largest producer of iron ore – had provided high-grade iron ore at throw away rates to Indian Steel Industry.

According to the panel, the US did not have sufficient evidence to make the determination that a captive coal mining lease granted to Tata Steel under these programmes constituted a financial contribution – another violation of WTO subsidy rules.

This, in effect, constituted a specific subsidy, the US agency said, as those companies that received the iron ore were limited in number.

However, in determining whether a subsidy is, in fact, specific, the SCM Agreement says that one should take into account how diversified the relevant economy is and how long the programme at issue has been in operation.

Referring to prior proceedings in which the United States imposed trade remedies on imports from India, Washington tried to demonstrate that its Commerce Department did indeed consider India's economic diversification.

In its ruling, the panel found that this reference was not enough to support the US' argument, finding that Washington failed to account for all mandatory factors in determining that this subsidy was indeed specific to the steel industry.

Price benchmarks

To be considered as subsidy under the SCM Agreement, the government measures at issue should confer a benefit to the recipient.

The panel found that the US acted inconsistently with WTO rules by failing to consider the relevant domestic price information for use as in-country benchmarks.

Injury from six is not same as injury from one

In addition, India also challenged a rule that requires the US International Trade Commission – another agency involved in US trade remedy investigations – to cumulatively assess, for purposes of determining material injury, the effects of dumped and subsidised imports on the domestic industry under certain conditions.

In its injury assessment in the original CVD investigations, the USITC had lumped together the effects of subsidised imports from India with those of similar imports from ten other countries. Four of these countries – Argentina, Indonesia, South Africa, and Thailand – faced CVD investigations at the same time as India, as well as parallel anti-dumping probes. The other six were only subject to anti-dumping investigations.

The panel considered that the US rule – as it was applied in the original Commerce investigation – is inconsistent with several paragraphs of Article 15 of the SCM Agreement. Article 15.3 only allows the effects of imports subjected to simultaneous CVD investigations to be assessed jointly for the purposes of completing an injury analysis, the panel said.

One of the major Ruling in favour of India is that the Panel has held that the US law mandating cumulation of non-subsidized imports with subsidized imports while determining injury in a CVD investigation is inconsistent with WTO obligations. This Ruling potentially questions the validity of a number of other CVD proceedings conducted by the United States on products of Indian origin. The government is undertaking an evaluation all other products of Indian origin on which the US has applied the same provision to arrive at CVD. This provision has been in existence in the US for many years and India is the first country to successfully challenge this provision.

Moreover, the panel said, the use of the term "subsidised imports" in various articles of the SCM Agreement limits the scope of the investigating authority's injury assessment only to subsidised imports – meaning that the effects of other "unfairly traded" imports that are not subsidised are not a relevant consideration.

The panel did not rule on all of India's claims, as it deemed some as not being necessary to resolve the complaint – known in legal jargon as "judicial economy" – while rejecting the other remaining allegations.

India said on Tuesday, 15 July it may appeal against parts of a World Trade Organization ruling against countervailing U.S. duties on some of its steel exports, despite being partly vindicated in a trade dispute.

States impose countervailing duties, or punitively high import tariffs, when they suspect another country of gaining an unfair trade advantage through subsidies.

"Important issues have been in our favour but there are still some issues on which we are not happy," India Commerce Secretary Rajeev Kher told reporters. "There are several procedural issues which are in U.S. favour."

Commerce Secretary says No to Trade Facilitation without Food Security

In some media reports, the Commerce Secretary of India has been completely misquoted as saying that "the government would not block the world's first global trade deal over lack of progress on food subsidy talks and further that progress on food stockpiling is not a condition for signing the protocol."

The relevant portion of the statement recently made by India in the WTO is reproduced below to reflect the correct position:

"Till we have an assurance and visible outcomes which convince developing countries that Members will engage in negotiations with commitment to find a permanent solution on public stock holding and all other Bali deliverables, especially those for the LDCs, India will find it difficult to join the consensus on the Protocol of Amendment."

In the statement that India gave in PCTF meeting of WTO in Geneva on July 2, 2014, it was clearly stated that India has always engaged constructively and actively on Trade Facilitation and we are working on our commitments, however, India is deeply disappointed and concerned at the completely uneven progress in the other areas of work mandated by Ministers' in Bali, Mr. Kher clarified. It was also reiterated by the Commerce Secretary that there should be more clarity on this issue and Members' concerns satisfactorily addressed including on Public Stockholding.

It seems that by attributing 'wrong statement', to India an effort is being made to divide developing countries who have taken a clear stand on the issue.

Rooibos Tea Protected in EU Trade Pact with SACU

Rooibos tea has secured geographic indicator status in the long-awaited economic partnership agreement between southern African nations and the European Union, Trade and Industry Minister Rob Davies said on Monday.

"It will be the rooibos tea manufacturers of South Africa which will have ownership of that particular name and that term will be applicable only to products that come from and are approved by us," he said.

Davies termed the designation significant, given the widespread popularity Rooibos had acquired in Europe in recent years.

Last year, the SA Rooibos Council hurriedly managed to stop an attempt by a French company - the Compagnie de Trucy - to trademark the name, fearing that it could secure exclusive use.

The same trademark protection given to rooibos will apply to honeybush, another tea grown exclusively in the Cape region, and Karoo lamb - meaning that only products produced in those areas can be marketed under those trade names.

In turn South Africa was forced to make a concession on feta cheese, which has been a so-called protected designation of origin product in the European Union since 2002.

Davies said once the agreement was in place, existing local producers would be allowed to continue using the Greek name but new entrants into the market would be barred from doing so.

Geographic name protection has also been given to South African wines from a number of regions like Robertson, in the same manner that the French industry has trademarked its Bordeaux and Champagne domains.

Xavier Carim, deputy director-general for international trade, said Europe's motivation for protecting produce from a particular origin was essentially commercial and South Africa had realised that it too could secure higher prices for local produce under the same regime.

The trade pact will also see the volume of local wine that can be exported to Europe tariff-free every year increase from 47 million litres to 110 million litres.

Similarly, the EU has agreed that South Africa would be allowed to ship 150,000 tons of sugar to Europe tariff-free every year in what could prove a considerable boon for local producers given the higher going rate in Europe.

Carim told reporters: "Currently, South Africa is effectively excluded from the European Union for sugar exports... because of the very high tariffs that they apply.

"With 150,000 tonnes - I expect South African producers can easily take out that - the advantage of the EU market is that it is twice the price you get from the world market, so there is a benefit there.

He said the South African wines would become more price competitive in Europe because of the tariff removal on another 63 million tonnes annually, though Davies tempered expectations by saying the impact for the local industry would depend on demand in a still-depressed EU market.

Carim revealed that the issue of protected appellations had played a key role in unblocking the negotiations on the economic partnership agreement which first began in 2004 but soon stalled for several years.

"One of the critical turning points in the negotiations was our agreement to include geographic indications as part of an overall agreement.

"This had been a long-standing demand of the EU and when we agreed that we would pursue a discussion on the basis of certain very clear principles, the negotiations started to move more constructively."

The deal was initialled in Pretoria last week.

Davies said the timing was significant because of the deadline of October 1 when Botswana, Namibia and Swaziland would have lost their preferential access to the EU market for beef, sugar and fish - on which their economies depended heavily.

He said he was satisfied that South Africa had achieved its twin goals of maintaining a common external tariff for the Southern African Customs Union for EU products, and improving South Africa's access to the EU market beyond the terms of the existing trade and co-operation pact.

US-China Meetings Build Ground for Investment Treaty

Top government officials from the US and China met in Beijing late last week for a series of high-level discussions, addressing topics such as currency reform, a planned investment treaty, and a prolonged row over a tech trade deal. While officials reported constructive talks in these and other areas, analysts note that more work will be needed to translate this progress into concrete results.

The US-China Strategic & Economic Dialogue has become a regular feature on the international calendar, serving as an opportunity for the two sides to advance dialogue and potentially find solutions in what has traditionally been a complicated relationship, one of both cooperation and competition.

China became the world's largest trader earlier this year, surpassing the US, a long-time holder of that title. The rise of the Asian nation on the world economic stage has not been without controversy, however, and the two sides have sparred repeatedly over topics ranging from renewable energy support policies to the use of trade remedies.

The efforts of the US to close a trade deal with 11 other Pacific Rim countries in the near-term – an initiative known as the Trans-Pacific Partnership– has prompted many analysts to suggest that the pact is meant to counter the growing influence of China. To date, Beijing is not a member of the group negotiating the trade deal, and has not formally requested entry, though it has asked for information regarding TPP developments.

Cont'd..135

Project Exports Liberalised, RBI Withdraws from Approval Committee

Sub: Export of Goods and Services – Project Exports

AP(DIR Srs) Cir.11 22.07.2014 (RBI)

Attention of Authorised Dealers is invited to Regulation 18 of Notification No. FEMA 23/2000-RB dated 3rd May 2000 viz. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 in terms of which export of goods or services on deferred payment terms or in execution of a turnkey project or a civil construction contract requires prior approval of the approving authority, which shall consider the proposal in accordance with the guidelines issued by the Reserve Bank from time to time. Further, attention of Authorized Dealers (AD) is also invited to i) A. P. (DIR Series) Circular No. 32 dated October 28, 2003 in terms of which Memorandum of Instructions on Project and Service Exports (PEM) had been revised, ii) A. P. (DIR Series) Circular No. 118 dated June 26, 2013 in terms of which the time limit to submit form DPX 1 / PEX-1 / TCS-1 for obtaining post-award approval was increased to 30 days of entering into contract and iii) A. P. (DIR Series) Circular No. 51 dated September 20, 2013 in terms of which submission of forms DPX1, PEX-1, TCS-1 and DPX-3 to the Regional Office of the Reserve Bank of India (Foreign Exchange Department) within whose jurisdiction the Head Office of the exporter is situated by the Approving Authority (AA), such as, the AD Bank / Exim Bank/ Working Group has been dispensed with. However, submission of these forms to ECGC and Exim Bank where their participatory interests by way of funded / non-funded facilities, insurance / risk cover, etc are involved shall continue.

2. To further liberalise and simplify the procedure, it has been decided as under:

i) The structure of Working Group (consisting of representatives from Exim bank, ECGC & RBI), which has hitherto been permitted to consider project exports and deferred service exports proposals for contracts exceeding USD 100 Million in value will now be dispensed with. The AD banks/ Exim Bank can now consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations. Project and service exporters may accordingly approach AD banks / Exim Bank based on their commercial judgement. The respective AD bank / Exim Bank should monitor the projects for which post-award approval has been granted by them; and

ii) The stipulation of time limit of 30 days for the exporter undertaking Project Exports and Service contracts abroad to submit form DPX1/ PEX-1 / TCS-1 to the Approving Authority (AA) for seeking post award approval will not apply henceforth.

3. The revised Memorandum of Instructions on Project and Service Exports (PEM) is enclosed.

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2000 notified vide Notification No. FEMA 310/2014-RB dated June 12, 2014 c.f. G.S.R. No. 434 (E) dated July 8, 2014.

5. Authorised Dealers may bring the revised guidelines in the Memorandum to the notice of their constituents 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.

Forex Remittance Ceiling of $125,000 can be used for Acquisition of Immovable Property Outside India, says RBI

Sub: Liberalised Remittance Scheme (LRS) for resident individuals-Increase in the limit from USD 75,000 to USD 125,000

AP(DIR Srs) Cir.05 17.07.2014 (RBI)

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the guidelines regarding the Liberalised Remittance Scheme (LRS) for Resident Individuals (the Scheme).

2. It was decided vide A.P.(DIR Series) Circular No. 138 dated June 3, 2014, to increase the limit to USD 125,000 per financial year (April-March) from USD 75,000. Accordingly, AD Category –I banks have been allowed to remit up to USD 125,000 per financial year, under the Scheme, for any permitted current or capital account transaction or a combination of both. Further, it is clarified that the Scheme can now be used for acquisition of immovable property outside India.

3. All other terms and conditions mentioned in A.P.(DIR Series) Circular No. 64, dated February 4, 2004, A.P.(DIR Series) Circular No. 24 dated December 20, 2006, A.P.(DIR Series) Circular No.51 dated May 8, 2007, A.P.(DIR Series) Circular No.36 dated April 4, 2008, A.P.(DIR Series) Circular No.17 and 18 both dated September 16, 2011, A.P.(DIR Series) Circular No.106 dated May 23, 2013, A.P.(DIR Series) Circular No.24 dated August 14, 2013 and A.P.(DIR Series) Circular No. 138 dated June 3, 2014, shall remain unchanged.

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Permissible Capital Account Transaction) (Amendment) Regulations, 2014 notified vide Notification No. FEMA 311/2014-RB dated June 24, 2014 c.f. G.S.R. No. 488 (E) dated July 11, 2014.

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

USB Flash Drives Anti-dumping Investigation Extended upto 20 Dec 2014 after TRU Approval

[F.No. 14/22/2012-DGAD dated 15.07.2014]

Subject: Extension of time period of Anti-dumping investigation concerning imports of "USB Flash Drives", originating in or exported from China PR, Chinese Taipei and Korea RP.

Vide Office Memorandum No. 354/82/2014-TRU dated 8th July, 2014 the competent authority has accorded permission for extension of time up to 20th December, 2014 for completing the subject investigation and notifying the final findings.

2. This is for information of all the interested parties in this investigation.

Office Memorandum No. 354/82/2014-TRU dated 8th July 2014

Subject: Anti-dumping investigation concerning imports of 'USB Flash Drives' originating in or exported from China PR, Chinese Taipei and Korea RP.

The undersigned is directed to refer to your D.O. letter F.No. 14/22/2012-DGAD dated 5th June, 2014 addressed to Shri P.K. Mohanty, JS (TRU) on the above subject, and to state that in view of the special circumstances mentioned therein, the Competent Authority has granted extension of time up to 20th December, 2014 for completing the anti-dumping investigation and notifying the final findings.

6. The directions contained in this Circular have been issued under Section 10(4) and 11(1) of the Foreign Exchange Management Act, 1992 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

Sugar Quota of 8100 MT for EU to ISGEC Released

Subject: Export of 8,100 MTs of raw sugar to USA under Tariff Rate Quota.

65-PN(RE) 04.07.2014 (DGFT)

In exercise of the powers conferred under Paragraphs 2.1, 2.4 and 2.29 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby allocates a total quantity of 8,100 MTs of raw sugar (at 98 degree Pol), out of non-levy(free sale) quota for export under tariff rate quota(TRQ) to USA for the US fiscal year 2014 (October 1, 2013 to September 30, 2014). This export will be through M/s. Indian Sugar Exim Corporation Ltd, New Delhi.

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

3. Effect of this Public Notice

8,100 MTs of raw sugar is permitted to be exported to USA under TRQ by M/s. Indian Sugar Exim Corporation Ltd.

World Bank Pink Sheet – July 2014

Crude, Vegetable Oils and Rice Up; Metals, Beverages, Food, Precious Metals, Down in June

Up ↑

Crude; Cocoa;

Coconut oil and Copra; Fishmeal

Groundnuts and Groundnut oil

Rice; Bananas US; Meat;

Sawnwood ; DAP and TSP

Aluminium, Lead and Zinc; Silver

Down ↓

Coal and Natural gas; Coffee and Tea; Palm oil and Palmkernel oil

Soybean meal, Soybean oil and Soybeans

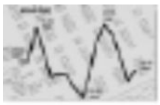
Barley; Maize; Sorghum; Wheat; Bananas EU; Oranges

Logs; Plywood; Woodpulp; Rock phosphate; Urea

Copper, Iron Ore, Nickel and Tin; Gold and Platinum

Steady ↔

Shrimp; Sugar; Cotton and Rubber; Potassium chloride



	Monthly averages				Quarterly averages					Annual averages		
		2014			2013		2014		2011	2012	2013	
	Apr	May	Jun		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Dec
Energy												
Coal, Australia $/mt	72.8	73.7	71.5	↓	86.1	77.3	82.0	77.1	72.7	121.4	96.4	84.6
Coal, Colombia $/mt	64.5	66.6	63.3	↓	71.3	65.8	71.1	68.4	64.8	111.5	84.0	71.9
Coal, South Africa $/mt	75.1	75.8	74.1	↓	80.4	72.9	83.0	78.4	75.0	116.3	92.9	80.2
Crude oil, average $/bbl	104.9	105.7	108.4	↑	99.3	107.4	104.5	103.7	106.3	104.0	105.0	104.1
Crude oil, Brent $/bbl	107.8	109.7	111.9	↑	103.0	110.1	109.4	107.9	109.8	110.9	112.0	108.9
Crude oil, Dubai $/bbl	104.7	105.6	108.0	↑	100.8	106.2	106.7	104.4	106.1	106.0	108.9	105.4
Crude oil, WTI $/bbl	102.1	101.9	105.2	↑	94.2	105.8	97.4	98.7	103.1	95.1	94.2	97.9
Natural gas, Index 2010=100	119.2	115.1	112.4	↓	118.6	108.3	111.9	127.8	115.6	108.5	99.2	112.1
Natural gas, Europe $/mmbtu	10.7	10.2	9.8	↓	12.4	11.5	11.4	11.3	10.2	10.5	11.5	11.8
Natural gas, US $/mmbtu	4.7	4.6	4.6	↔	4.0	3.6	3.9	5.2	4.6	4.0	2.8	3.7
Natural gas, LNG Japan $/mmbtu	16.8	16.1	15.2	↓	16.3	15.6	15.7	16.7	16.0	14.7	16.6	16.0
Beverages												
Cocoa $/kg	3.05	3.03	3.17	↑	2.31	2.47	2.77	2.95	3.08	2.98	2.39	2.44
Coffee, arabica $/kg	4.93	4.72	4.36	↓	3.20	2.98	2.77	3.82	4.67	5.98	4.11	3.08
Coffee, robusta $/kg	2.33	2.27	2.18	↓	2.14	2.04	1.85	2.12	2.26	2.41	2.27	2.08
Tea, average $/kg	2.67	2.87	2.81	↓	2.89	2.79	2.82	2.65	2.79	2.92	2.90	2.86
Tea, Colombo auctions $/kg	3.55	3.67	3.58	↓	3.29	3.37	3.77	3.72	3.60	3.26	3.06	3.45
Tea, Kolkata auctions $/kg	2.38	2.98	2.96	↓	3.04	2.76	2.56	1.94	2.77	2.78	2.75	2.73
Tea, Mombasa auctions $/kg	2.09	1.96	1.91	↓	2.35	2.23	2.14	2.29	1.98	2.72	2.88	2.40
Oils and Meals												
Coconut oil $/mt	1,356	1,404	1,406	↑	839	912	1,175	1,343	1,389	1,730	1,111	941
Copra $/mt	905	930	934	↑	560	603	791	896	923	1,157	741	627
Fishmeal $/mt	1,658	1,656	1,765	↑	1,821	1,699	1,600	1,583	1,693	1,537	1,558	1,747
Groundnuts $/mt	1,243	1,200	1,228	↑	1,400	1,380	1,370	1,329	1,224	2,086	2,175	1,378
Groundnut oil $/mt	1,174	1,200	1,310	↑	1,860	1,694	1,537	1,311	1,228	1,988	2,436	1,773
Palm oil $/mt	911	893	858	↓	850	827	897	911	887	1,125	999	857
Palmkernel oil $/mt	1,299	1,254	1,235	↓	836	871	1,057	1,278	1,263	1,648	1,110	897
Soybean meal $/mt	566	579	553	↓	528	552	570	582	566	398	524	545
Soybean oil $/mt	999	965	936	↓	1,070	1,006	991	977	967	1,299	1,226	1,057
Soybeans $/mt	516	521	515	↓	505	527	555	552	517	541	591	538
Grains												
Barley $/mt	135.9	145.0	132.6	↓	230.4	191.0	150.7	129.5	137.9	207.2	240.3	202.2
Maize $/mt	222.4	217.3	202.4	↓	291.3	241.9	199.4	209.9	214.0	291.7	298.4	259.4
Rice, Thailand 5% $/mt	395.0	388.0	397.0	↑	541.6	477.3	442.7	443.7	393.3	543.0	563.0	505.9
Rice, Thailand 25% $/mt	352.0	346.0	356.0	↑	509.4	435.7	408.9	375.0	351.3	506.0	543.8	473.0
Rice, Thailand A1 $/mt	399.3	391.6	402.6	↑	511.1	440.5	411.8	426.7	397.8	458.6	525.1	474.0
Rice, Vietnam 5% $/mt	370.9	390.5	404.5	↑	387.8	383.1	397.2	391.2	388.6	513.6	434.4	392.4

	Monthly averages				Quarterly averages					Annual averages		
		2014			2013		2014		2011	2012	2013	
	Apr	May	Jun		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Dec
Sorghum $/mt	232.4	221.0	204.7	↓	259.9	219.2	202.1	224.2	219.4	268.7	271.9	243.3
Wheat, US HRW $/mt	324.9	334.7	306.5	↓	313.8	305.8	308.0	297.1	322.1	316.3	313.2	312.2
Wheat, US SRW $/mt	277.1	277.2	236.6	↓	275.2	257.7	276.4	264.0	263.7	285.9	295.4	276.7
Other Food												
Bananas, EU $/kg	1.23	1.12	1.07	↓	1.07	0.98	0.94	1.05	1.14	1.12	1.10	1.02
Bananas, US $/kg	0.93	0.91	0.93	↑	0.91	0.93	0.93	0.95	0.92	0.97	0.98	0.92
Meat, beef $/kg	4.22	4.28	4.41	↑	4.11	3.89	4.03	4.23	4.30	4.04	4.14	4.07
Meat, chicken $/kg	2.36	2.40	2.44	↑	2.29	2.34	2.31	2.31	2.40	1.93	2.08	2.29
Meat, sheep $/kg	6.45	6.82	6.85	↑	5.45	5.56	6.06	6.32	6.70	6.63	6.09	5.65
Oranges $/kg	0.84	0.86	0.76	↓	1.07	1.14	0.83	0.80	0.82	0.89	0.87	0.97
Shrimp, Mexico $/kg	17.09	18.08	18.08	↔	12.24	15.15	16.70	17.09	17.75	11.93	10.06	13.84
Sugar, EU domestic $/kg	0.45	0.45	0.44	↔	0.43	0.43	0.44	0.45	0.45	0.45	0.42	0.43
Sugar, US domestic $/kg	0.53	0.54	0.56	↔	0.43	0.45	0.46	0.47	0.55	0.84	0.64	0.45
Sugar, World $/kg	0.39	0.40	0.40	↔	0.39	0.38	0.39	0.37	0.40	0.57	0.47	0.39
Timber												
Logs, Cameroon $/cum	483.5	480.9	475.7	↓	457.4	464.1	476.5	479.6	480.0	484.8	451.4	463.5
Logs, Malaysia $/cum	290.3	292.5	291.7	↓	301.8	301.1	296.3	289.8	291.5	390.5	360.5	305.4
Plywood ¢/sheets	532.5	536.5	535.1	↓	553.5	552.3	543.6	531.5	534.7	607.5	610.3	560.2
Sawnwood, Cameroon $/cum	802.2	807.1	810.0	↑	736.2	743.8	776.0	792.9	806.5	825.8	759.3	749.2
Sawnwood, Malaysia $/cum	912.5	918.1	921.3	↑	837.4	846.0	882.7	901.9	917.3	939.4	876.3	852.8
Woodpulp $/mt	875.0	912.5	875.0	↓	818.7	830.9	858.7	870.2	887.5	899.6	762.8	823.1
Other Raw Materials												
Cotton, A Index $/kg	2.08	2.04	2.00	↔	2.04	2.02	1.92	2.07	2.04	3.33	1.97	1.99
Rubber, RSS3 $/kg	2.20	2.07	2.09	↔	2.91	2.59	2.53	2.25	2.12	4.82	3.38	2.79
Rubber, TSR20 $/kg	1.78	1.70	1.71	↔	2.45	2.35	2.31	1.98	1.73	4.52	3.16	2.52
Fertilizers												
DAP $/mt	470.6	444.6	461.5	↑	489.8	432.1	366.1	476.1	458.9	618.9	539.8	444.9
Phosphate rock $/mt	108.0	112.0	110.0	↓	166.3	143.2	110.0	104.4	110.0	184.9	185.9	148.1
Potassium chloride $/mt	287.0	287.0	287.0	↔	392.3	391.9	341.6	314.0	287.0	435.3	459.0	379.2
TSP $/mt	371.3	365.0	371.3	↑	426.0	366.0	301.3	365.9	369.2	538.3	462.0	382.1
Urea, E. Europe $/mt	291.1	299.1	297.9	↓	342.4	307.5	313.9	337.5	296.0	421.0	405.4	340.1
Metals and Minerals												
Aluminum $/mt	1,811	1,751	1,839	↑	1,836	1,783	1,767	1,709	1,800	2,401	2,023	1,847
Copper $/mt	6,674	6,891	6,821	↓	7,161	7,086	7,163	7,030	6,795	8,828	7,962	7,332
Iron ore $/dmt	115	101	93	↓	125	133	135	120	103	168	128	135
Lead $/mt	2,087	2,097	2,107	↑	2,053	2,102	2,114	2,101	2,097	2,401	2,065	2,140
Nickel $/mt	17,374	19,401	18,629	↓	14,967	13,956	13,909	14,661	18,468	22,910	17,548	15,032
Tin $/mt	23,405	23,271	22,762	↓	20,902	21,314	22,897	22,636	23,146	26,054	21,126	22,283
Zinc $/mt	2,027	2,059	2,128	↑	1,842	1,861	1,909	2,026	2,071	2,194	1,950	1,910
Precious Metals												
Gold $/toz	1,298	1,289	1,279	↓	1,415	1,329	1,271	1,293	1,289	1,569	1,670	1,411
Platinum $/toz	1,430	1,456	1,453	↓	1,466	1,451	1,396	1,427	1,446	1,719	1,551	1,487
Silver $/toz	19.7	19.3	19.9	↑	23.2	21.4	20.8	20.5	19.7	35.2	31.1	23.8

$ = 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

Foie Gras Fatty Liver Import Prohibited

87-Ntfn(RE) 03.07.2014 (DGFT) In exercise of powers conferred by Section 3(2) and Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), read with paragraphs 2.1 and Para 2.6 of the Foreign Trade Policy, 2009-2014, as amended from time to time, the Central Government hereby makes the following amendments in the ITC (HS) 2012, Schedule 1 (Import Policy):

2. Import policy of the item 'foie gras' covered under EXIM Code 0207 43 00 in Chapter 2 of ITC(HS), 2012 Schedule I (Import Policy) is revised from **'free' to 'prohibited'.** After revision, the import policy is as under:

Exim Code	Item Description	Policy	Policy Conditions
0207 43 00	Fatty livers, fresh or chilled	Free, except 'foie gras' which is prohibited	Import of 'foie gras' is Prohibited

3. Effect of this Notification

Import policy of the item 'foie gras' covered under EXIM Code 0207 43 00 has been changed to 'prohibited'.

RBI Approval only for Large Size Overseas Direct Investment above USD 1mn Cases

Sub: Financial Commitment (FC) by Indian Party under Overseas Direct Investments (ODI) – Restoration of Limit

AP(DIR Srs) Cir.01 03.07.2014 (RBI) Attention of the Authorised Dealer (AD - Category I) banks is invited to the provisions of the Notification No. FEMA.120/RB-2004 dated July 7, 2004 [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time and the A.P.(DIR Series) Circular No. 23 dated August 14, 2013 and A.P.(DIR Series) Circular No. 30 dated September 04, 2013.

2. On a review, it has been decided to restore the limit of Overseas Direct Investments (ODI)/ Financial Commitment (FC) to be undertaken by an Indian Party under the automatic route to the limit prevailing, as per the extant FEMA provisions, prior to August 14, 2013. It has, however, been decided that any financial commitment exceeding USD 1 (one) billion (or its equivalent) in a financial year would require prior approval of the Reserve Bank even when the total FC of the Indian Party is within the eligible limit under the automatic route (i.e., within 400% of the net worth as per the last audited balance sheet).

3. All the other provisions under the Notification *ibid* shall remain unchanged.

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

5. 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.

FDI Reporting Switch Over to NIC 2008 Activity Code from NIC 1987 Ver

Uniform State and District Code List for Reporting in Form FCGPR

Sub: Foreign Direct Investment – Reporting under FDI Scheme

AP(DIR Srs) Cir.06 18.07.2014 (RBI) Attention of Authorised Dealers Category-I (AD Category - I) banks is invited to the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations 2000, notified by the Reserve Bank vide Notification No.FEMA20/ 2000-RB, dated 3rd May 2000, as amended from time to time.

2. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India has, vide Press Note 4 (2014 Series) dated June 26, 2014 decided to switch over to the National Industrial Classification 2008 (NIC 2008) from the NIC 1987 version, for the purpose of classification of activities under the industrial classification system. In terms of Para 9 (1) B of Schedule I to the FEMA Notification No. 20 dated May 03, 2000 as amended from time to time, Indian companies are required to report the details of the issue of shares, convertible debentures, partly paid shares and warrants in form FC-GPR, to the Regional Office concerned, within 30 days of issue of shares / convertible debentures. In terms of Para 10 of the Schedule ibid, transfer of shares, convertible debentures, partly paid shares and warrants by way of sale from a person resident in India to a person resident outside India or vice versa, are required to be reported by the transferor/transferee resident in India to the AD Bank in form FCTRS, within 60 days from the date of receipt or payment of the amount of consideration. Indian companies are required to report the NIC Codes in the FCGPR and FCTRS forms as per the NIC 2008 version, henceforth.

3. It has also been decided to introduce a uniform State and District code list for reporting of details of foreign direct investment by Indian companies in Form FCGPR. The list can be accessed on the RBI website (www.rbi.org.in ÀÛÆÜ FEMA – State and District Code List).

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

5. 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 is without prejudice to permissions / approvals, if any, required under any other law.

RBI Regional Office to Decide Bank Applications for Rupee Drawing Arrangement in Non-Resident Exchange House

Sub: Rupee Drawing Arrangement – Delegation of work to Regional Offices

AP(DIR Srs) Cir.07 18.07.2014 (RBI) Attention of Authorised Dealer Category – I (AD Cat – I) banks is invited to the A.P. (DIR Series) Circular No. 28 [A. P. (FL/RL Series) Circular No. 02] dated February 6, 2008 on Memorandum of Instructions for Opening and Maintenance of Rupee/ Foreign Currency Vostro Accounts of Non-resident Exchange Houses, as amended from time to time.

2. As per para (a) of Annex-II of the above mentioned circular, the application for obtaining first time approval to enter into Rupee / Foreign Currency Drawing Arrangements with Exchange Houses needs to be submitted by the AD Cat-I Bank, in the prescribed format, to the Chief General Manager-In-Charge, Foreign Exchange Department, Forex Markets Division, Reserve Bank of India, Central Office, Mumbai - 400001. It has now been decided to delegate the work of granting first time permission to AD Cat-I Banks for entering into Rupee Drawing Arrangement (RDA) with non-resident exchange house to the Regional Offices of the Reserve Bank. Therefore, AD Cat-I Banks willing to enter into Rupee/ Foreign Currency Drawing Arrangement with non-resident exchange house for the first time should submit the application, in the prescribed format, to the respective Regional Office of the Foreign Exchange Department of the Reserve Bank under whose jurisdiction the registered office of the applicant falls. Subsequently, AD Cat-I Banks may enter into RDAs, subject to the prescribed guidelines and inform the concerned Regional Office of the Reserve Bank, immediately.

3. As per clause (vii) of para (G) – 'Reports/ Statements' of Annex-I of the above mentioned circular, AD Cat-I Banks are required to submit to the Chief General Manager, Reserve Bank of India, Foreign Exchange Department, Central Office, Forex Markets Division, Mumbai- 400001 by 30th June every year an annual review note covering the period January 1 to December 31 of the previous year, on the vostro accounts of the Exchange Houses maintained by them under the Rupee/ Foreign Currency Drawing Arrangements (RDAs), duly approved by their Board. Henceforth, AD Cat-I Banks should submit the duly approved Annual Review note by 30th June every year, to the respective Regional Office of the Foreign Exchange Department of the Reserve Bank under whose jurisdiction the registered office of the applicant falls.

4. All other instructions issued vide A.P. (DIR Series) Circular No. 28 [A. P. (FL/RL Series) Circular No. 02] dated February 6, 2008, as amended from time to time, will remain unchanged.

5. AD Cat-I Banks may bring the contents of this circular to the notice of their constituents concerned.

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

RBI will not Issue Instructions on Tax Deduction at Source on Remittances to Non Residents – Approach CBDT for Clarification

Sub: Remittances to non-residents – Deduction of Tax at Source

AP(DIR Srs) Cir.151 30.06.2014 (RBI)

Attention of Authorised Dealers in Foreign Exchange is invited to A.P (DIR Series) Circular No. 56 dated November 26, 2002 read with A. P. (DIR Series) Circular No. 3 dated July 19, 2007 regarding the procedure to be followed in respect of deduction of tax at source while allowing remittances to the non-residents.

2. The Central Board of Direct Taxes (CBDT) has revised the existing instructions to be followed while allowing remittances to the non residents, with effect from October 1, 2013. It has issued Income Tax (14th Amendment) Rules, 2013 vide Notification No. S.O 2659(E) dated September 2, 2013 on furnishing of information under Section 195(6) of the Income Tax Act, 1961 and prescribed the rules and forms to this effect.

3. Reserve Bank of India has reviewed the policy relating to issue of instructions under Foreign Exchange Management Act, 1999 (FEMA), clarifying tax issues. It has now been decided that Reserve Bank of India will not issue any instructions under the FEMA, in this regard. It shall be mandatory on the part of Authorised Dealers to comply with the requirement of the tax laws, as applicable.

4. Authorised Dealers may bring the content of this circular to the notice of their constituents concerned. Further, they may also be advised to approach CBDT for any clarification in this regard.

5. The directions contained in this circular have been issued under Section 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.

Cont'd..130

Investment treaty timetable

A potential timetable for the negotiation of a bilateral investment treaty (BIT) between the two sides was another key focus of the meeting. The renewal of these plans was a key outcome of last year's bilateral talks, though the process had originally begun under previous US President George W. Bush.

The recent move to ease investment restrictions in the Shanghai Free Trade Zone – a Chinese pilot project that aims to serve as a testing ground for reforms – has been raised as a potential model for how Beijing may approach its BIT negotiations with Washington.

According to Froman, the US has received assurances from its Asian trading partner about a "timetable for moving forward" on the "negative list" component of the pact. Under a negative list approach, all sectors are open to investment except for those specifically deemed closed.

Chinese Vice Premier Wang Yang confirmed additional details in his statement to reporters last week, noting that the two sides are aiming to reach a deal this year on the BIT text's core issues and main articles, and would launch negative list negotiations in early 2015.

Exchange Rates for Customs Valuation

Rupee Falls by 60 paise to Reach 60.70 to the Dollar for Customs Valuation on Imports

53-Cus(NT) 17.07.2014 (DoR)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.49/2014-CUSTOMS (N.T.), dated the 3rd July, 2014 *vide* number S.O. 1684(E), dated the 3rd July, 2014, 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 18th July, 2014*** 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
(1)	(2)	(3)			
		(a)		(b)	
Schedule I *– Rate of exchange of one unit of foreign currency equivalent to Indian rupees*					
1.	Australian Dollar	57.05	56.65	55.70	55.10
2.	Bahrain Dinar	164.30	162.70	155.25	153.70
3.	Canadian Dollar	56.75	56.55	55.40	55.10
4.	Danish Kroner	11.10	11.10	10.75	10.75
5.	EURO	82.40	82.35	80.45	80.40
6.	Hong Kong Dollar	7.85	7.75	7.70	7.60
7.	Kuwait Dinar	219.80	217.65	207.20	205.40
8.	Newzeland Dollar	52.95	52.90	51.65	51.55
9.	Norwegian Kroner	9.85	9.80	9.55	9.50
10.	Pound Sterling	104.40	103.40	102.10	101.10
11.	Singapore Dollar	49.05	48.30	47.95	47.20
12.	South African Rand	5.80	5.70	5.50	5.40
13.	Saudi Arabian Riyal	16.50	16.35	15.60	15.45
14.	Swedish Kroner	8.95	9.00	8.70	8.75
15.	Swiss Franc	68.00	67.90	66.15	66.05
16.	UAE Dirham	16.85	16.70	15.95	15.80
17.	US Dollar	60.70	60.10	59.70	59.10
Schedule II *– Rate of exchange of 100 units of foreign currency equivalent to Indian rupees*					
1.	Japanese Yen	60.05	59.25	58.55	57.80
2.	Kenya Shilling	70.70	70.00	66.60	65.95

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Owned, Edited, Published and Printed by Arun Goyal and Printed at Mercury Printers, 602 Choori Walan, Delhi
Published from 24/4866, Sheeltara House, Ansari Road, New Delhi 110002. (INDIA) Phone: 2328 1314; Fax: 91-11-2324 0230
Email:academy.delhi@gmail.com; Website: worldtradescanner.com
This issue contains 8 pages in all (Page 129 to 136)