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IT Agreement II Signed by 22 Majors (China, Taiwan, Japan, Thai, MY, SG, EU, US)

- 27 Other Signatories of ITA I (India, Indonesia, Russia, Egypt) not on Board
- New ITA not to Cover Consumer Goods
- Telecomm Broadened, Instruments and Multi Components ICs in, Wider Coverage for Monitors
- Implementation by End of 2015, Final Zero Duty by End 2018

EU Ambassador to the WTO Angelos Pangratis told a meeting of the WTO's General Council that the two Asian nations - both large producers of IT products - have joined other leading traders of high-tech goods in accepting the deal, which will see tariffs removed on products such as new-generation semi-conductors, GPS navigation systems, tools for manufacturing printed circuits, telecommunications satellites, and touch screens.

- 44 WTO members signed agreement to expand product coverage of Information Technology Agreement (ITA). Nearly all the participants have now confirmed their acceptance of the product coverage list, which was finalized on 24 July.
- Ambassador Pangratis said he would present to WTO members the outcome of the negotiations, which includes a declaration setting out a road map for finalising the overall negotiations in time for the WTO's 10th Ministerial Conference in Nairobi in December. He also provided members with the list of 201 high-tech goods that will eventually have their tariffs reduced to zero.
- Both the EU Ambassador and the Director-General underlined that the Agreement brings benefits to all WTO members, since it will be implemented on a most-favoured nation basis. This means that exports of covered goods from all WTO members will enjoy duty-free treatment in the participating members.
- They also noted the Agreement is open to all members to join at any time, regardless of whether they have participated in the negotiations up to now.
- Under the declaration, participants have agreed to reduce tariffs on the covered goods in four equal annual reductions of customs duties, beginning on 1 July 2016 and concluding on 1 July 2019. Extended staging of reductions for some sensitive products may be necessary in limited circumstances.
- Each participant will, by 30 October, submit draft schedules detailing how they will provide duty-free treatment to the covered products and make them binding under WTO rules. These schedules will be reviewed and approved by participants no later than 4 December.
- The Agreement takes effect once participants accounting for

approximately 90 per cent of world trade in the covered goods have their draft schedules approved. This threshold is expected to be reached in time for the 10th Ministerial Conference in December.

- The participants have also agreed to meet no later than January 2018 to review the product coverage and consider whether the coverage list should be updated to incorporate additional products. In addition, they have agreed to intensify their discussions concerning non-tariff barriers in the information technology sector.



What is the ITA?

The original Information Technology Agreement (ITA) was reached on 13 December 1996 at Singapore Ministerial, through a "Ministerial Declaration on Trade in Information Technology Products", at the first WTO Ministerial Conference, held in Singapore. India joined the Agreement in 2000 with a phased programme to introduce zero duties.

Elimination of import duties on products which in 2013 accounted for an estimated US\$ 1.6 trillion, almost three times as much as when it was signed in 1996. The IT sector has been one of the fastest growing sectors in world trade. Today, trade in these products accounts for approximately 10 per cent of global merchandise exports.

The ITA covers a large number of high technology products, including computers, telecommunication equipment, semiconductors, semiconductor manufacturing and testing equipment, software, scientific instruments, as well as most of the parts and

Crude Falls to \$52

Crude Oil (Indian Basket) from 22 to 28 July 2015

	22 July	23 July	24 July	27 July	28 July
(\$/bbl)	55.80	55.39	54.41	53.71	52.93
(Rs/bbl)	3544.97	3528.90	3476.25	3437.44	3389.11
(Rs/\$)	63.53	63.71	63.89	64.00	64.03

(Previous Trading Day Price)

Source: Ministry of Petroleum & Natural Gas

accessories of these products.

The ITA now covers 81 WTO members, which account for approximately 97 per cent of world trade in information technology products.

The ITA requires each participant to eliminate and bind customs duties at zero for all products specified in the Agreement.

The tariff elimination is implemented on a most-favoured nation (MFN) basis. This means that the 80 or so non Signatories such as Brazil and South Africa can export IT goods to the 80 Signatories at zero duty even as they impose duties on imports.

Product expansion negotiations

In May 2012, on the occasion of the 15th anniversary of the ITA, it was recognized that new categories of IT products had been developed, including a number of products which do not fall within the scope of the existing ITA. In light of new technological developments, some WTO members considered that the current product coverage of the ITA should be expanded.

After 17 rounds of negotiations, on Saturday, 18 July 2015, negotiators edged close to an agreement on a list of products for an ITA expansion, together with a draft declaration which spells out how the agreement would be implemented.

What is the current level of MFN applied tariffs for the products under the ITA expansion?

Import duties on some of the covered products are relatively high in some markets. In the United States, for instance, applied duties on certain parts of **telephone handsets** are at 8.5%, while in China 35% duties are applied on **video cameras**, the EU tariff applied on **DVD recorders** is 14% and Thailand applies a duty of 30% on certain **magnetic cards**.

Beyond the monetary gains for the IT industry resulting from the elimination of import duties, investors and traders would also gain from significantly improved market access, predictability and certainty. This is because a number of these products are either currently unbound (i.e. they

are not subject to a legal maximum limit at the WTO) or are bound at high tariff levels. With the ITA product expansion, the participating members would have the legal obligation not to impose import duties on covered products.

What happens next?

Under the terms of the agreement, the majority of tariffs will be eliminated on the 201 products within three years, with reductions beginning in 2016. By the end of October 2015, each of the participating members will submit to the other participants a draft schedule which spells out how the terms of the agreement would be met. Participants will spend the coming months preparing and verifying these schedules. The objective is to conclude this technical work in time for the Nairobi Ministerial Conference in December.

Roadblocks on LCDs

Most recently, participants in the ITA expansion effort had put their talks on hold this past December, after China and South Korea found themselves at odds over whether to include items such as liquid-crystal displays (LCDs) in the final agreement, with Seoul arguing for their inclusion. Taiwan had also expressed an interest in including these and other products.

Sources familiar with last week's discussions said that while LCD displays ultimately did not make it into the final product list, there were some concessions by other participants to help form a package that could be more attractive for Seoul to accept. The key negotiations in these final stages were mainly between China, South Korea, the US, and the EU.

Even so, some sources noted that Taiwan was less satisfied with the outcome than many of the other ITA-II participants, though whether this dissatisfaction will be enough for it not to approve the final list tomorrow was unclear.

Nairobi next

The work of providing the schedules would be concluded in time for the WTO's Tenth Ministerial Conference (MC10) in Nairobi, Kenya, scheduled for 15-18 December of this year, in order for ministers to approve the overall result. The goal would then be to have ITA-II enter into force by July 2016, subject to the agreed staging of tariff lines.

"All parties in the talks are to be congratulated," said DIGITALEUROPE's Director General John Higgins in a statement. "They have paved the way for a deal that will have a major boost to the global trade in tech products, many of which didn't exist when the ITA was signed."

DIGITALEUROPE is a group that includes 59 corporate members and 36 national trade associations from across Europe, representing much of the digital technology industry.

"In all of US industry's

ITA II Members

- | | |
|---------------------|------------------------------|
| 1. Albania | 13. Malaysia |
| 2. Australia | 14. Montenegro |
| 3. Canada | 15. New Zealand |
| 4. China | 16. Norway |
| 5. Costa Rica | 17. Philippines |
| 6. European Union | 18. Singapore |
| 7. Guatemala | 19. Switzerland ¹ |
| 8. Hong Kong, China | 20. Taiwan, Penghu, |
| 9. Iceland | Kinmen and |
| 10. Israel | Matsu |
| 11. Japan | 21. Thailand |
| 12. Korea | 22. United States |

ITA I Members – Not Joined ITA II

- | | |
|----------------|------------------|
| 1. Bahrain | 15. Moldova |
| 2. Colombia | 16. Morocco |
| 3. Dominican | 17. Nicaragua |
| 4. Egypt | 18. Oman |
| 5. El Salvador | 19. Qatar |
| 6. Georgia | 20. Russia |
| 7. Honduras | 21. Saudi Arabia |
| 8. India | 22. Seychelles |
| 9. Indonesia | 23. Tajikistan |
| 10. Jordan | 24. Turkey |
| 11. Kuwait | 25. Ukraine |
| 12. Kyrgyz | 26. UAE |
| 13. Macao | 27. Vietnam |
| 14. Mauritius | |

meetings with the various parties to the negotiation this week, the one common thread in our discussions was that these talks have gone on too long and the time for delay is over," said John Neuffer, President and CEO of the Semiconductor Industry Association, in a blog post.

Among the products covered in this agreement are new-generation semi-conductors, GPS navigation systems, medical products which include magnetic resonance imaging machines, machine tools for manufacturing printed circuits, telecommunications satellites and touch screens.

ITA Majors

Member	Exports Imports	
	Average 2011-13 (\$bn)	
Australia	3.6	18.9
Canada	16.3	34.5
China	300.4	372.6
European Union (28)	196.7	178.8
Israel	10.4	7.1
Hong Kong, China	0.9	19.2
Japan	139.7	79.1
Korea	95.5	67.3
Malaysia	45.6	41.0
Norway	3.4	6.2
Philippines	4.7	6.9
Singapore	120.9	85.0
Switzerland	19.0	13.6
Chinese Taipei	95.1	62.8
Thailand	23.0	26.7
Turkey*	1.9	10.8
United States	178.9	212.0

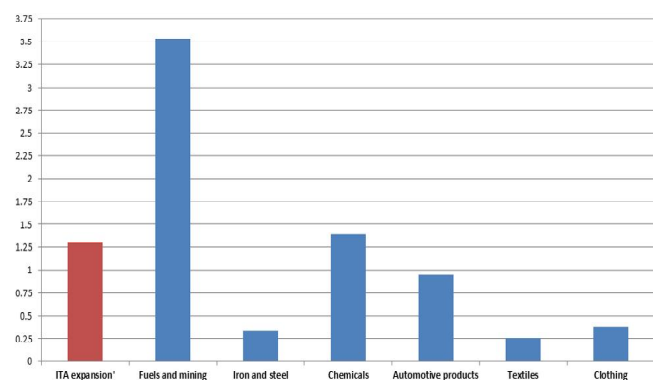
1) excluding EU-intra trade and re-exports of Hong Kong, China.

*Participation in the expanded ITA to be confirmed

Source: WTO Secretariat (based on data from UN Comtrade).

ITA Goods, Second Position in World Trade?

Chart 1 ITA Expansion: World exports of selected product groups, 2013 \$tn



Exports by participants in the ITA expansion negotiations.

Excluding EU-intra trade and excluding re-exports of Hong Kong, China.

Source: UN Comtrade (ITA expansion; avail. reporters), WTO Secretariat (all other product groups)

Important Items

Item	HS 2007	ex*	Product Description
037	847689	ex	Money-changing machines
038	847690	ex	Parts of money-changing machines
039	847989	ex	Automated electronic component placement machines of a kind used solely or principally for the manufacture of printed circuit assemblies
040	847990	ex	Parts of automated electronic component placement machines of a kind used solely or principally for the manufacture of printed circuit assemblies
041	848610		Machines and apparatus for the manufacture of boules or wafers
042	848620		Machines and apparatus for the manufacture of semiconductor devices or of electronic integrated circuits
043	848630		Machines and apparatus for the manufacture of flat panel displays
044	848640		Machines and apparatus specified in Note 9(C) to this Chapter
045	848690		Parts and accessories
046	850440		Static converters
047	850450		Other Inductors
048	850490		Parts
049	850590	ex	Electromagnets of a kind used solely or principally for magnetic resonance imaging apparatus other than electromagnets of heading 90.18
050	851430	ex	Other furnaces and ovens of a kind used solely or principally for the manufacture of printed circuits or printed circuit assemblies
051	851490	ex	Parts of other furnaces and ovens of a kind used solely or principally for the manufacture of printed circuits or printed circuit assemblies
052	851519	ex	Other wave soldering machines of a kind used solely or principally for the manufacture of printed circuit assemblies
053	851590	ex	Parts of other wave soldering machines of a kind used solely or principally for the manufacture of printed circuit assemblies
054	851761		Base stations
055	851762		Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus
056	851769		Other
057	851770		Parts
058	851810		Microphones and stands therefor
059	851821		Single loudspeakers, mounted in their enclosures
060	851822		Multiple loudspeakers, mounted in the same enclosure
061	851829		Other
062	851830		Headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers
063	851840		Audio-frequency electric amplifiers
064	851850		Electric sound amplifier sets
065	851890		Parts
066	851981		Using magnetic, optical or semiconductor media
067	851989		Other
068	852110		Magnetic tape-type
069	852190		Other
070	852290		Other
071	852321		Cards incorporating a magnetic stripe
072	852329		Other
073	852340		Optical media
074	852351		Solid-state non-volatile storage devices
075	852352		"Smart cards"
076	852359		Other
077	852380		Other
078	852550		Transmission apparatus
079	852560		Transmission apparatus incorporating reception apparatus
080	852580		Television cameras, digital cameras and video camera recorders
081	852610		Radar apparatus
082	852691		Radio navigational aid apparatus
083	852692		Radio remote control apparatus
084	852712		Pocket-size radio cassette-players
085	852713		Other apparatus combined with sound recording or reproducing apparatus
086	852719		Other
087	852721	ex	Radio-broadcast receivers not capable of operating without an external source of power, of a kind used in motor vehicles, combined with sound recording or reproducing apparatus capable of receiving and decoding digital radio data system signals
088	852729		Other
089	852791		Combined with sound recording or reproducing apparatus
090	852792		Not combined with sound recording or reproducing apparatus but combined with a clock
091	852799		Other
092	852849		Other
093	852871		Not designed to incorporate a video display or screen
094	852910		Aerials and aerial reflectors of all kinds; parts suitable for use therewith
095	852990	ex	Other, excluding organic light emitting diode modules and organic light emitting diode panels for the apparatus of subheadings 8528.72 or 8528.73
096	853180	ex	Other apparatus excluding doorbells, chimes, buzzers and similar
097	853190		Parts
098	853630		Other apparatus for protecting electrical circuits
099	853650		Other switches
100	853690	ex	Other apparatus, excluding battery clamp of a kind used for motor vehicles of heading 8702, 8703, 8704, or 8711
101	853810		Boards, panels, consoles, desks, cabinets and other bases for the goods of heading 8537, not equipped with their apparatus
102	853939	ex	Cold-cathode fluorescent lamps(CCFLs) for backlighting of flat panel displays
103	854231		Processors and controllers, whether or not combined with memories, converters, logic circuits, amplifiers, clock and timing circuits, or other circuits
104	854232		Memories
105	854233		Amplifiers
106	854239		Other
107	854290		Parts
108	854320		Signal generators
109	854330	ex	Electroplating and electrolysis machines of a kind used solely or principally for the manufacture of printed circuits
110	854370	ex	Articles specifically designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks
111	854370	ex	Microwave amplifiers
112	854370	ex	Cordless infrared remote control devices for video game consoles
113	854370	ex	Digital flight-data recorders
114	854370	ex	Portable battery operated electronic reader for recording and reproducing text, still image or audio file
115	854370	ex	Digital signal processing apparatus capable of connecting to a wired or wireless network for the mixing of sound
116	854390		Parts
117	880260	ex	Telecommunications satellites

118	880390	ex	Parts of telecommunication satellites
119	880521		Air combat simulators and parts thereof
120	880529		Other
121	900120		Sheets and plates of polarising material
122	900190		Other
123	900219		Other
124	900220		Filters
125	900290		Other
126	901050		Other apparatus and equipment for photographic (including cinematographic) laboratories; negatoscopes
127	901060		Projection screens
128	901090	ex	Parts and accessories of articles of subheadings 901050 and 901060
129	901110		Stereoscopic microscopes
130	901180		Other microscopes
131	901190		Parts and accessories
132	901210		Microscopes other than optical microscopes; diffraction apparatus
133	901290		Parts and accessories
134	901310	ex	Telescopes designed to form parts of machines, appliances, instruments or apparatus of this Chapter or Section XVI
135	901320		Lasers, other than laser diodes
136	901390	ex	Parts and accessories, other than for telescopic sights for fitting to arms or for periscopes
137	901410		Direction finding compasses
138	901420		Instruments and appliances for aeronautical or space navigation (other than compasses)
139	901480		Other instruments and appliances
140	901490		Parts and accessories
141	901510		Rangefinders
142	901520		Theodolites and tachymeters (tacheometers)
143	901540		Photogrammetrical surveying instruments and appliances
144	901580		Other instruments and appliances
145	901590		Parts and accessories
146	901811		Electro-cardiographs
147	901812		Ultrasonic scanning apparatus
148	901813		Magnetic resonance imaging apparatus
149	901819		Other
150	901820		Ultra-violet or infra-red ray apparatus
151	901850		Other ophthalmic instruments and appliances
152	901890	ex	Electro-surgical or electro-medical instruments and appliances, and parts and accessories thereof
153	902150		Pacemakers for stimulating heart muscles, excluding parts and accessories
154	902190		Other
155	902212		Computed tomography apparatus
156	902213		Other, for dental uses
157	902214		Other, for medical, surgical or veterinary uses
158	902219		For other uses
159	902221		For medical, surgical, dental or veterinary uses
160	902229		For other uses
161	902230		X-ray tubes
162	902290	ex	Parts and accessories of apparatus based on the use of X-rays
163	902300		Instruments, apparatus and models, designed for demonstrational purposes (for example, in education or exhibitions), unsuitable for other uses
164	902410		Machines and appliances for testing metals
165	902480		Other machines and appliances
166	902490		Parts and accessories
167	902519		Other
168	902590		Parts and accessories

169	902710		Gas or smoke analysis apparatus
170	902780		Other instruments and apparatus
171	902790		Microtomes; parts and accessories
172	902830		Electricity meters
173	902890		Parts and accessories
174	903010		Instruments and apparatus for measuring or detecting ionising radiations
175	903020		Oscilloscopes and oscillographs
176	903031		Multimeters without a recording device
177	903032		Multimeters with a recording device
178	903033	ex	Other, without a recording device, excluding resistance measuring instruments
179	903039		Other, with a recording device
180	903084		Other, with a recording device
181	903089		Other
182	903090		Parts and Accessories
183	903110		Machines for balancing mechanical parts
184	903149		Other
185	903180		Other instruments, appliances and machines
186	903190		Parts and accessories
187	903220		Manostats
188	903281		Hydraulic or pneumatic
189	950410		Video games of a kind used with a television receiver
190	950430	ex	Other games, operated by coins, banknotes, bank cards, token, or by any other means of payment, other than automatic bowling equipment and games of chance that immediately return a monetary award
191	950490	ex	Video game consoles and machines, other than those of subheading 950430

* Partially covered subheadings are identified by the symbol "ex".

192 **Multi-component integrated circuits (MCOs):** a combination of one or more monolithic, hybrid, or multi-chip integrated circuits with at least one of the following components: silicon-based sensors, actuators, oscillators, resonators or combinations thereof, or components performing the functions of articles classifiable under heading 8532, 8533, 8541, or inductors classifiable under heading 8504, formed to all intents and purposes indivisibly into a single body like an integrated circuit, as a component of a kind used for assembly onto a printed circuit board (PCB) or other carrier, through the connecting of pins, leads, balls, lands, bumps, or pads.

For the purpose of this definition the following expressions mean:

1. "Components" may be discrete, manufactured independently then assembled onto the rest of the MCO, or integrated into other components.
2. "Silicon based" means built on a silicon substrate, or made of silicon materials, or manufactured onto integrated circuit die.
 - (a). "Silicon based sensors" consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of detecting physical or chemical quantities and transducing these into electric signals, caused by resulting variations in electric properties or displacement of a mechanical structure. "Physical or chemical quantities" relates to real world phenomena, such as pressure, acoustic waves, acceleration, vibration, movement, orientation, strain, magnetic field strength, electric field strength, light, radioactivity, humidity, flow, chemicals concentration, etc.
 - 3(b). "Silicon based actuators" consist of microelectronic and mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of converting electrical signals into physical movement.
 - 3(c). "Silicon based resonators" are components that consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and have the function of generating a mechanical or electrical oscillation of a predefined frequency that depends on the physical geometry of these structures in response to an external input.
 - 3(d). "Silicon based oscillators" are active components that consist of microelectronic or mechanical structures that are created in the mass or on the surface of a semiconductor and that have the function of generating a mechanical or electrical oscillation of a predefined frequency that depends on the physical geometry of these structures.

- 193 **Light-Emitting Diode (LED) Backlights modules**, which are lighting sources that consist of one or more LEDs, and one or more connectors and are mounted on a printed circuit or other similar substrate, and other passive components, whether or not combined with optical components or protective diodes, and used as backlights illumination for liquid crystal displays (LCDs)
- 194 **Touch-Sensitive Data Input Devices (so-called touch screens)** without display capabilities, for incorporation into apparatus having a display, which function by detecting the presence and location of a touch within the display area. The sensing of touch may be obtained by means of resistance, electrostatic capacity, acoustic pulse recognition, infra-red lights, or other touch-sensitive technology
- 195 **Ink cartridges** (with or without an integrated print head) for insertion into apparatus of HS subheadings 844331, 844332 or 844339, and incorporating mechanical or electrical components; thermoplastic or electrostatic toner cartridges (with or without moving parts) for insertion into apparatus of HS subheadings 844331, 844332 or 844339; solid ink in engineered shapes for insertion into apparatus of HS subheadings 844331, 844332 or 844339
- 196 **Printed matter** which grants the right to access, install, reproduce or otherwise use software (including games), data,

internet content (including in-game or in-application content) or services, or telecommunications services (including mobile services)**

- 197 **Self-adhesive circular polishing pads** of a kind used for the manufacture of semiconductor wafers
- 198 **Boxes, cases, crates and similar articles**, of plastic, specially shaped or fitted for the conveyance or packing of semiconductor wafers, masks, or reticles, of subheading 392310 or 848690
- 199 **Vacuum pumps** of a kind used solely or principally for the manufacture of semiconductors or flat panel displays
- 200 **Plasma cleaner machines** that remove organic contaminants from electron microscopy specimens and specimen holders
- 201 **Portable interactive electronic education devices** primarily designed for children

** The tariff elimination for printed matter shall only affect the rights and obligations with respect to trade in goods, that is, it shall not affect market access other than tariffs of the participants. Nothing in the ITA expansion agreement shall prevent an ITA member from regulating the content of such goods, including Internet content, among other things. Nothing in the ITA expansion agreement shall affect a member's market access rights and obligations on trade in services or prevent a member from regulating its services market.

dumping duty on import of the subject goods, originating in or exported from the subject country, the designated authority in its final findings, published *vide* notification No. 15/22/2013-DGAD dated the 11th May, 2015, in the Gazette of India, Extraordinary, Part I, Section 1, has come to the conclusion that-

(i) Subject goods exported from the subject country are at prices below their normal value, thus resulting in dumping;

(ii) Subject goods originating in subject country are taking place at dumped prices and are likely to cause material injury to the domestic industry in the event of cessation of anti-dumping duty;

(iii) Subject goods exported from the subject country are at prices below cost of production, Non Injurious Price and selling price of the domestic industry, and are likely to cause injury to the domestic industry in the event of cessation of anti-dumping duty;

(iv) Injury to the domestic industry is likely from the dumped imports from the subject country in the event of cessation of anti-dumping duty,

and has recommended imposition of the anti-dumping duty on the subject goods, originating in or exported from the subject country.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act read with rules 18 and 23 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, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, specification of which is specified in column (4), falling under heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (5), exported from the countries as specified in the corresponding entry in column (6), produced by the producers as specified in the corresponding entry in column (7), exported by the exporters as specified in the corresponding entry in column (8) and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (9), in the currency as specified in the corresponding entry in column (11) and as per unit of measurement as specified in the corresponding entry in column (10) of the said Table, namely:-

CFL in CKD/SKD Condition from China – Duty Slashed to \$0.302 per pc after Review

Sri Lanka and Vietnam Out of the Net

Ntnfn 34-ADD 28.07.2015 (DoR) Whereas, the designated authority *vide* notification No. 15/22/2013-DGAD dated 14th November 2013, published in the Gazette of India, Extraordinary, Part I, Section 1, had initiated a review in the matter of continuation of anti-dumping duty on imports of Compact Fluorescent Lamps [CFL] with or without ballast or control gear or choke, whether or not assembled, either in completely knocked down or semi knocked down condition (hereinafter referred to as the subject goods), falling under heading 8539 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)[hereinafter referred to as the Customs Tariff Act], originating in, or exported from the People's Republic of China (hereinafter referred to as the subject country), imposed *vide* notification of the Government

of India, in the Ministry of Finance (Department of Revenue) No. 55/2009-Customs, 26th May, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 360(E), dated the 26th May, 2009;

And whereas, the Central Government had extended the anti-dumping duty on the subject goods, originating in or exported from the subject country upto and inclusive of the 20th day of November, 2014, *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue) No. 02/2014-Customs (ADD), dated the 3rd January, 2014, published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary, *vide* number G.S.R 4(E), dated the 3rd January, 2014;

And whereas, in the matter of review of anti-

Table

SNo.	Heading	Description of goods	Specification and sub specification	Country of origin	Country of exports	Producer	Exporter	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	8539	Compact Fluorescent Lamps	Any upto 26 Watts	People's Republic of China	Any	Any	Any	0.302	Per pc	US Dollar
2.	8539	Compact Fluorescent Lamps	Any upto 26 Watts	Any	People's Republic of China	Any	Any	0.302	Per pc	US Dollar

Note:- Scope of the product subject to duty is Compact Fluorescent Lamps with or without ballast or control gear or choke, whether or not assembled, either in completely knocked down or

semi knocked down conditions, including unassembled Compact Fluorescent Lamps without ballast or choke or control gear, sealed tubular shell with or without lamp base, and

finished Compact Fluorescent Lamps are,-

(a) integrated type with built in ballast or control gears or choke; and

(b) integrated type without built in control gears or ballast or choke.

2. The anti-dumping duty imposed under this notification shall be effective 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 paid in Indian currency.

Explanation.- For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be

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

[F. No.354/43/2008-TRU(Pt.-I)]

Tariff Value of Gold Down by \$22/10 gms

69-Cus(NT) In exercise of the powers
23.07.2015 conferred by sub-section (2) of
(DoR) 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	650
2	1511 90 10	RBD Palm Oil	674
3	1511 90 90	Others – Palm Oil	662
4	1511 10 00	Crude Palmolein	680
5	1511 90 20	RBD Palmolein	683
6	1511 90 90	Others – Palmolein	682
7	1507 10 00	Crude Soya bean Oil	742
8	7404 00 22	Brass Scrap (all grades)	3488
9	1207 91 00	Poppy seeds	1913

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	354 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	498 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	2268"

[F. No. 467/01/2015 -Cus-V]

Russian Gas Wants Access to EU Market

Russia's complaint (DS476) over the EU's Third Energy Package – a 2009 policy which sets common rules for transmission, distribution, supply, and storage of natural gas within the 28-nation bloc – has now advanced to the panel stage, after Moscow filed its second panel request on the subject.

Russia has argued that these energy sector regulations violate trade rules by not according imports of Russian natural gas the same treatment as that to imports originating from third countries.

Furthermore, according to the panel request, Russia "considers that the [Third Energy Package], like the EU's natural gas and broader energy policy overall, unjustifiably restricts imports of natural gas originating in Russia and discriminates against Russian natural gas pipeline transport services and service suppliers."



The EU reiterated on Monday that its energy policies are in line with global trade rules, while repeating earlier concerns that Russia's panel request has expanded

DGFT Allows Exports of Sawn Timber Made from Imported Logs to Nepal through Raxaul Border

Subject: Amendment in export policy of sawn timber-addition of ports for export to Nepal.

16-Ntfn(RE) In exercise of the powers
28.07.2015 conferred by Section 5 of
(DGFT) the Foreign Trade
(Development & Regulation)
Act, 1992 (No.22 of 1992) read with Para 1.02 of the Foreign Trade Policy, 2015-20, the Central Government, with immediate effect, hereby makes the following amendments in Chapter 44 of Schedule 2 of ITC(HS) Classification of Export and Import Items.

2. The entry at Point No. (ii) in the Nature of Restriction against Sl. No. 181 of Chapter 44 of Schedule 2 of ITC(HS) Classification of Export and Import Items is substituted as under:

"The importer and exporter shall be the same firm and the import and export shall have to be effected from the same port. The scheme will be operational only from the ports of Chennai, Kandla, Kolkata, Mangalore, Mumbai, Mundra, Nhava Sheva (JNPT), Tuticorin, Vishakhapatnam and the Land Customs Station (LCS) of Raxaul. However, for this purpose, Mangalore & Tuticorin shall be treated as the same port thereby allowing importers to import wood logs from Mangalore and export the Sawn timber from Tuticorin and vice-versa. Similar facility shall also be available for Kandla, Mumbai, Mundra and Nhava Sheva (JNPT) ports thereby allowing importers to import from any of the above ports and export either from the same port or from any of the remaining three ports. For the purpose of export to Nepal, the Land Customs Station (LCS) of Raxaul and Kolkata port shall be treated as the same port thereby allowing importers to import wood logs from Kolkata port and export the Sawn timber to Nepal from the LCS of Raxaul".

3. Effect of this notification

Export of sawn timber to Nepal made exclusively out of imported wood logs through the port of Kolkata has been permitted from the Land Customs Station (LCS) of Raxaul.

the scope of the original complaint by including new measures and claims, according to sources familiar with the meeting.

China Poultry Denied EU Access

The EU-China dispute concerning the 28-nation bloc's tariffs on poultry meat products (DS492) has now advanced to the panel stage, after Beijing submitted its second panel request on the subject.

Brussels had moved to renegotiate its tariff concessions on certain poultry meat products in 2006 and then again in 2009, reaching deals with Brazil and Thailand in 2006 for the first and 2012 for the second.

Beijing had submitted a request for consultations earlier this year, arguing that it should have

been included in the renegotiation process. At the time of the renegotiations, the EU had said that China did not have a "principal or substantial supplying interest" in the goods involved, given the restrictions in place at the time on Chinese poultry imports over avian flu concerns.

China has also challenged the country-specific quotas that the EU reached with Brazil and Thailand, arguing that the latter two countries have been given a market access advantage that other WTO members lack, among various other concerns. The allocation of these tariff-rate quotas (TRQs), China added, also "do not approach as closely as possible" the shares that WTO members would have should these not be in place.

The TRQs and tariff rates that resulted from the renegotiation also "failed to maintain a general level of reciprocal and mutually advantageous concessions not less favourable to trade than that existing prior to the medication," Beijing said in its panel request.

Along with violating global trade rules, China claims, this move significantly hurt the interests of its domestic producers and exporters.

EU Bio Diesel Restrictions on Indonesia, Argentina at WTO

At Monday's DSB meeting, a first request by Indonesia for a panel be established in its complaint (DS480) against the EU's anti-dumping duties on biodiesel imports was rejected, sources confirmed.

Under WTO rules, a first request for a panel may be rejected by a respondent; however, should Indonesia re-submit the request, a panel will then be automatically established to hear the case.

The anti-dumping duties are already the subject of another dispute (DS473) lodged by Argentina against the EU, with that case currently undergoing review by a panel. A report in that case is

expected by the end of this year, according to a communication circulated by the panel last December.

In its panel request, Jakarta raised questions over the "cost adjustment" methodology used by EU investigative authorities in the anti-dumping investigation, as well as citing various other concerns about how the probe was conducted.

While Argentina had filed its original consultations request in December 2013, Indonesia had followed suit several months later, in June 2014, and held consultations with the EU in July of that same year.

Argentina and Indonesia together make up 90 percent of the EU's biodiesel imports, as well as over 20 percent of the 28-nation bloc's market share. The two countries are the world's top suppliers of the fuel.

Argentina compliance date set in import restrictions case

In January of this year, the WTO's Appellate Body ruled that a series of Argentine import restrictions were in violation of global trade rules, upholding an earlier panel ruling.

The original dispute was filed almost three years ago following claims from the EU, Japan, and the US alleging that Argentina's various trade-related requirements (TRRs) under its *comercio administrado*, or managed trade, policy were restricting imports and giving domestic products an unfair edge over their foreign equivalents (DS438, DS444, and DS445).

At this week's DSB meeting, Argentina reported that it had reached an understanding with the complainants on the "reasonable period of time" for bringing the WTO-inconsistent measures into compliance, with the parties agreeing on a 31 December deadline.

Selling Pressure

The stock index closed 3.4 percent higher on Wednesday, with all the gains coming in the last hour of trading, as the value of shares traded fell to the lowest level in almost two months.

State intervention won't be enough to offset the "relentless selling pressure" caused by margin traders unwinding an estimated \$600 billion of wagers, once unofficial figures are included.

The risk is that the unwinding of the leverage will be disorderly. Investors could easily panic if they suffer from meaningful capital losses.

Yuan Falls in Hong Kong, Volatility Rises

China is in a currency quandary: How to promote the yuan in global trade while at the same time using it to stabilize market volatility?



The People's Bank of China is holding the onshore version of the yuan at about 6.2 to the dollar, even as it pledges a bigger role for market forces.

In a single statement last week, the cabinet said both that it would allow the currency to move in a wider range and that the exchange rate should be stable.

A freely usable yuan is a key requirement of the International Monetary Fund's Special Drawing Rights status that China is seeking. Yet loosening controls while stocks are plunging risks the kind of swings that may spur capital outflows and disrupt the world's second-biggest economy.

"This is a time of policy confusion," said Cliff Tan, East Asian head of global markets research at Bank of Tokyo-Mitsubishi UFJ in Hong Kong. "The Chinese government is panicking a little bit as they take the equity market selloff as a threat to its credibility. Different departments are coming up with what can be done, but they're mutually contradictory."

This tension is being borne out in markets, where the gap between the onshore yuan and the currency's value in Hong Kong widened last week to 0.29 percent, the most since March. While the onshore rate has remained fixed, the offshore yuan tumbled the most in three months on July 24 as the cabinet's statement sowed confusion among traders.

Wider Band?

JPMorgan Chase & Co. and Commonwealth Bank of Australia took the State Council's statement as a sign China will relax the limit of 2 percent moves either side of a daily fixing.

Achieving SDR status would be the crowning achievement of the nation's efforts to boost global use of its currency and challenge the dominance of the dollar. The yuan failed to make the cut in 2010 because it wasn't deemed to be freely usable. The next five-yearly review is scheduled for November.

It's critical for China to adopt a flexible, market-based exchange rate to help correct the imbalances that are limiting domestic consumption, the IMF said in a report.

"Let the exchange rate trade more freely within the band first and then we can talk about widening

China Stock Market Crash – Individual Investors, Margin Investors

China's efforts to rekindle investor enthusiasm for the stock market are gaining little traction as margin traders cash out and new equity-account openings tumble.

Speculators reduced bets using borrowed money to the lowest level in four months on Tuesday, while the number of new stock investors shrank last week to the smallest since the government started releasing figures in May.

Waning interest in equities among China's 90 million investors underscores the challenge of supporting a market where individuals account for more than 80 percent of trading. The Shanghai Composite Index nearly erased gains from its July 8 low on Tuesday, despite government support measures that include arming a state-run financing agency with more than \$480 billion to bolster the market.

At the market's peak in June, investors were opening more than 1 million accounts a week. Margin debt surged fivefold over the preceding 12 months, propelling the Shanghai Composite to a 150 percent advance.

The outstanding balance of loans backed by share purchases fell by 31.9 billion yuan (\$5.1

billion) to 887.5 billion yuan on the Shanghai Stock Exchange Tuesday, the lowest level since March 17. The combined margin debt on Shanghai and Shenzhen bourses has fallen by the equivalent of \$136 billion to \$230 billion from the June 18 peak through Monday.

Healthier Market

New stock investors totaled 391,500 in the week ended July 24, a 26 percent decline from the previous week, according to data from China Securities Depository and Clearing Corp.'s website. Investors opened 1.64 million accounts in the week ended May 29.

The Shanghai Composite tumbled 29 percent from its June 12 peak through Tuesday, the biggest loss among global benchmark indexes tracked by Bloomberg. Volatility surged to its highest levels since 1996 as the Shanghai measure plunged 8.5 percent on Monday.

Waning interest by new investors may help restore calm to Chinese markets.

The drop in new accounts and outstanding margin loans could actually be healthier for the Chinese stock markets in the longer term, as much of the run-up and subsequent collapse was riding on record number of retail traders and rocketing margin financing.

the band,” said Ken Peng, a strategist at Citigroup Inc. in Hong Kong. “The intervention has been very aggressive in the foreign-exchange market during this equity rout. That’s an easy target for those who are opposed to China joining the SDR.”

Awaiting Direction

Widening the trading band will add unwanted uncertainty at a time when financial markets are already volatile.

A measure of anticipated yuan volatility in three months’ time rose to 1.61 percent on Wednesday, above the 1.4 percent average of the past two months.

The Shanghai Composite tumbled 29 percent from its June 12 peak through Tuesday, the biggest loss among global benchmark indexes, after a 12-month rally that saw it surge 150

percent.

Some of the signs for China’s currency are more positive. Yuan trading in London bucked the global trend of declines in April, climbing to a record \$43 billion a day, up 25 percent from October, data from the Bank of England showed this week.

And the PBOC issued new rules this month making it easier for big international investors to access its bond market.

There are dissenting voices, though, spurred by the rout that’s wiped \$4 trillion from Chinese equities.

The goals of opening up the capital account, which tracks investment flows, and making the yuan fully convertible should be reassessed given the stock collapse.

have suffered from a weaker ruble and sanctions and would be interested in a channel to access hard currency.”

Russian banks will remain loss-making in 2015, despite a significant reduction in interest rates this year because of increased provisioning, according to a Moody’s report this month. Total bad loans will “likely” rise to 13-14 percent of overall lending over the next 12 months, compared with 9.5 percent at the end of 2014, Moody’s said. OAO Sberbank said in May its first-quarter profit slid 58 percent.

Any issuers may face higher borrowing costs. The yields on outstanding yuan bonds sold by Russian companies ranged from 7.6 percent to 8.8 percent, compared with an average 4.3 percent on Dim Sum bonds, according to data compiled by Bloomberg and a Deutsche Bank AG index.

Higher Costs

Higher costs have also dragged on overall offshore yuan bond sales. Issuance has dropped 33 percent in the first seven months from a year earlier, data compiled by Bloomberg show.

“Russian issuers have been cost-sensitive and the market is not favorable” as a whole, said Steve Wang, Hong Kong-based head of fixed-income research at BOCI Securities Ltd., a subsidiary of China’s third-largest bank.

Closer ties between Russia and China help. The Asian country was Russia’s biggest trading partner in the first five months, accounting for 11.2 percent of total turnover compared with 8.7 percent each for Germany and the Netherlands. Russia’s trade slid 32.8 percent from the year-earlier period.

Russia Seeks \$117bn in HK as Sanctions Hit Bond Issue

Russian banks hobbled by sanctions are exploring funding sources in Hong Kong to help the nation’s companies refinance \$117 billion in external debt due in the coming year.

OAO Gazprombank, Russia’s third-largest lender, is applying for licenses to offer securities services in the city, while Vnesheconombank and OAO Sberbank said they are monitoring opportunities. The yield on October 2015 yuan bonds of VTB Bank JSC, the nation’s second-largest, was 8.04 percent on Tuesday, 121 basis points below its similar ruble debt. Moscow Exchange forecast last week that Russian companies and banks will list yuan-denominated bonds on its bourse.

Russian companies have been able to win loans from Chinese banks even as U.S. and European sanctions shut many out of global markets since conflict broke out in Ukraine in 2014. China is encouraging international issuers to sell Dim Sum notes, denominated in offshore yuan, as it seeks to make the yuan a rival for the U.S. dollar as a reserve currency. The renminbi has the second-lowest volatility in major currencies and is the world’s second most-used currency for trade finance.

“Russian corporates have a hard time issuing

U.S. dollar bonds as several companies are excluded from the primary market because of the U.S. and European sanctions,” said Victor Verberk, Rotterdam-based global co-head of credit at Robeco Groep NV. “It makes sense that Russian corporates are looking for alternate sources of funding for their business. Using the Dim Sum market may be one of them.”

December Rout

VTB Bank was the first Russian Dim Sum issuer, raising 1 billion yuan (\$161 million) in a three-year debt sale in 2010 at 2.95 percent. Since 2012, lenders from the nation including Gazprombank and Russian Standard Bank have raised 7.5 billion yuan in the market.

Yuan bonds sold by Russian companies tumbled in December when the ruble plunged to an all-time low and oil prices slumped. They haven’t sold any new debt in the market since January 2014.

Sanctions Impact

“The sanctions are having an impact in the West and there is thinking that it will be easier to break through in China, which has funds available for investments,” said Egor Fedorov, a Moscow-based analyst at ING Groep NV. “State banks

Customs Valuation Exchange Rates

17 July 2015		
	Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equivalent to Indian Rupees]		
1 Australian Dollar	47.60	46.20
2 Bahrain Dinar	173.45	163.95
3 Canadian Dollar	49.80	48.60
4 Danish Kroner	9.45	9.20
5 EURO	70.35	68.60
6 Hong Kong Dollar	8.25	8.15
7 Kuwaiti Dinar	216.15	204.30
8 New Zealand Dollar	42.30	41.00
9 Norwegian Kroner	7.90	7.70
10 Pound Sterling	100.50	98.25
11 Singapore Dollar	47.05	46.05
12 South African Rand	5.25	4.95
13 South Arabian Riyal	17.45	16.50
14 Swedish Kroner	7.55	7.35
15 Swiss Franc	67.45	65.90
16 UAE Dirham	17.80	16.85
17 U.S. Dollar	64.10	63.10
Schedule II [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]		
1 Japanese Yen	51.95	50.80
2 Kenyan Shilling	64.25	60.45

(Source: Customs Notification 68(NT)/16.07.2015)

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