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India-Japan CEPA in Force from 1 August

- India Notifies Customs Duty Cut
- Zero Duty in 10 Years on 2/3rd Lines
- Commerce Secretary Calls It a Major Step for a Larger East Asian Partnership

The Commerce Secretary, Rahul Khullar has said that India and Japan Comprehensive Economic Partnership Agreement (CEPA) is a major step in the direction of larger vision of an East Asia partnership. He was speaking after co-Chairing the first meeting of Joint Committee of India Japan CEPA with Mr. Akitaka Saiki Ambassador of Japan in India, on 1 August. The CEPA enters into force on 1 August 2011.

The Union Minister for Ministry of Commerce Industry and Textiles Anand Sharma had said "We have no doubt in our minds that this will usher in a new era of economic engagement, which will bring development, innovation and also prosperity in both societies," when the CEPA was signed on 16th Feb, 2011 in Tokyo. Subsequently on 30th June, 2011 Diplomatic Notes were exchanged informing each side that legal procedures necessary for entry into force of the Agreement have been completed.

This is India's 3rd Comprehensive Economic Partnership Agreement (after Singapore and South Korea) and India's first with a developed country. The Agreement is most comprehensive of all the agreements concluded by India so far as it covers more than 90% of trade, a vast gamut of services, investment, IPR, customs and other trade-related issues. Under the India- Japan CEPA only 17.4% of the tariff-lines have been offered for immediate reduction of tariff to zero % by India. Tariffs will be brought to zero in 10 years on 66.32% of tariff lines to give sufficient time to industry to adjust to the trade liberalization.

The Japanese side has put 87% of its tariff lines under immediate reduction of tariff to zero. A large number of these items are of India's export interest e.g. seafood, agricultural products such as mangoes, citrus fruits, spices, instant tea, most spirits such as rum, whiskies, vodka etc, textile products such as woven fabrics, yarns, synthetic yarn, readymade garments, petro chemical & chemicals products, cement, jewellery, etc.

The exclusion list of Japan (where no tariff concessions are proposed) mainly consists of items such as rice, wheat, oil, milk, sugar, leather and leather products. The trade volume of items in the Japanese exclusion list is only 2.93%.

India's exclusion list contains 1538(13.62%) lines at the 8 digit level. Auto parts and agricultural and other sensitive items have been kept out of the liberalization schedule.

Under India-Japan CEPA the Japanese government shall accord no less favourable treatment to the applications of Indian companies than that it accords to the like applications of its own persons for drug registration. This will greatly help Indian pharmaceutical companies.



Under India-Japan CEPA, Indian professionals will be able to provide their services and contribute towards further development of Japan's IT Sector. Japanese side has also agreed to conclude Social Security Agreement within a specified period (3 years). Contractual Service Suppliers (CSS), Independent

Professionals (IPs) such as Accounting, R&D Services, Tourist Guide, Market Research; and Management Consulting firms now can provide services in Japan.

Under the India-Japan CEPA, India will be benefited by Japanese investments, technology and world-class management practices that come with it. Japan can take advantage of India's huge and growing market and resources, especially its human resources. The Agreement which is comprehensive in nature will further strengthen India- Japan economic ties to the benefit of both countries immensely. CEPA provides a win-win situation for both the countries.

The current bilateral trade between India and Japan is a little over US\$ 12.6 billion and it is expected that it will touch US\$ 25 billion by 2014.

[Source: PIB (MoC&I) Press Release dated 1 August 2011]

Duty Cuts on 802 Items – p.3

Dollar Exports Up by 46.46% in June 2011

Exports (including re-exports)

India's exports during June, 2011 were valued at US \$ 29213.14 million (Rs. 131031.43 crore) which was 46.45 per cent higher in Dollar terms (41.06 per cent higher in Rupee terms) than the level of US \$ 19948.18 million (Rs. 92892.68 crore) during June, 2010. Cumulative value of exports for the period April-June 2011 -12 was US \$ 79003.74 million (Rs 353338.87 crore) as against US \$ 54221.16 million ('247574.57 crore) registering a growth of 45.71 per cent in Dollar terms and 42.72 per cent in Rupee terms over the same period last year.

Imports

India's imports during June, 2011 were valued at US \$ 36872.49 million (Rs.165386.41 crore) representing a growth of 42.46 per cent in Dollar terms (37.22 per cent in Rupee terms) over the level of imports valued at US \$ 25883.03 million (Rs. 120529.51 crore) in June, 2010. Cumulative value of imports for the period April-June, 2011-12 was US \$ 110613.80 million (Rs. 494763.07 crore) as against US\$ 81202.60 million (Rs. 370182.12 crore) registering a growth of 36.22 per cent in Dollar terms and 33.65 per cent in Rupee terms over the same period last year.

Crude Oil and Non-Oil Imports

Oil imports during June, 2011 were valued at US \$ 10180.1 million which was 30.09 per cent higher than oil imports valued at US \$ 7825.4 million in the corresponding period last year. Oil imports during April-June, 2011-12 were valued at US\$ 30527.2 million which was 18.10 per cent higher than the oil imports of US \$ 25849.5 million in the corresponding period last year.

Non-oil imports during June, 2011 were estimated at US \$ 26692.4 million which was 47.82 per cent higher than non-oil imports of US \$ 18057.6 million in June, 2010. Non-oil imports during April - June, 2011-12 were valued at US\$ 80086.6 million which was 44.68 per cent higher than the level of such imports valued at US\$ 55353.1 million in April - June, 2010-11.

Trade Balance

The trade deficit for April - June, 2011-12 was estimated at US \$ 31610.06 million which was lower than the deficit of US \$ 26981.44 million during April -June, 2010-11.

India's Foreign Trade: June, 2011

Exports & Imports : (US \$ Million)

	(Provisional)	
	June	April-June
Exports (including re-exports)		
2010-11	19948.18	54221.16
2011-12	29213.14	79003.74
%Growth2011-12/ 2010-2011	46.45	45.71
Imports		
2010-11	25883.03	81202.60
2011-12	36872.49	110613.80
%Growth2011-12/ 2010-2011	42.46	36.22
Trade Balance		
2010-11	-5934.85	-26981.44
2011-12	-7659.35	-31610.06

[Source: PIB (MoC&I) Press Release dated 1 August 2011]

Export of Cotton placed on OGL: Rahul Khullar

New Marble Policy Announced

The Commerce Secretary Rahul Khullar has said that export of cotton has been placed on OGL. 'A policy decision has been taken to this effect' said the Commerce Secretary.

The Secretary also announced a new Marble Policy. The new policy envisages increasing the limit on quantity to be imported from 300 thousand tonnes to 500 thousand tonnes. "Eligibility criteria have also been tweaked so more people become eligible for licence." said Mr. Khullar.

[Source: PIB (MoCA) Press Release dated 31 July 2011]

said. The outlook on the rating is now negative.

10-Year Note

The 10-year note yields touched 2.60 percent, the lowest since Nov. 9. The seven-day relative strength index of the 10-year note yield dropped below 30, indicating a reversal of direction may be imminent.

Stocks extended losses. The Standard & Poor's 500 Index fell for a seventh straight day, losing 2.6 percent to 1,254.05 at 4:31 p.m. in New York. The Dow Jones Industrial Average fell 265.87 points, or 2.2 percent, to 11,866.62.

The House voted 269-161 for the deficit-reduction measure, which raises the \$14.3 trillion debt ceiling enough to fund the government until 2013 and threatens automatic spending cuts if a bipartisan congressional committee doesn't identify reductions that Congress will accept.

In addition to an existing nearly \$10 trillion of outstanding Treasury debt, the U.S. has a near unfathomable \$66 trillion of future liabilities at net present cost.

A \$917 billion down payment in discretionary spending reductions contained in the measure is back-loaded so more than two-thirds of the cuts come after 2016. The spending reduction next year is \$21 billion, less than two-tenths of a percent of U.S. gross domestic product.

The 1985 Gramm-Rudman-Hollings Act set enforceable budget targets that Democrats credit with pressuring Republican President Ronald Reagan to agree to tax increases. Still, during the five years of the law, the spending reductions required were reduced in one case by Congress and in another overridden by a subsequent budget agreement.

Military Spending

Among the sanctions that would trigger political pushback if Congress didn't meet its goals is an automatic cut of up to \$500 billion in military spending, which would come on top of \$325 billion in defense-spending reductions already in the deal.

Senate OK to \$14.3tn Debt Ceiling Puts Off US Payment Default



President Barack Obama signed a debt-limit compromise that prevents a U.S. default on the day the Treasury had warned the nation's borrowing authority would expire.

The Senate voted 74-26 for the measure, which raises the nation's debt ceiling until 2013 and threatens automatic spending cuts to enforce \$2.4 trillion in spending reductions over

the next 10 years. It won backing from 45 Democrats, 28 Republicans and one independent. The House passed the plan on 1 August.

Obama said approval of the measure is a "first step" on a path that must include increased revenue and spending cuts.

Passage ends a months-long battle over spending that consumed Congress as lawmakers and the Obama administration negotiated to the last days to avert a potential default. Still, the compromise legislation defers decisions on the nation's finances to a bipartisan panel of lawmakers and may reduce government deficits only modestly while slowing economic growth.

The agreement on the debt limit is a "first step" toward maintaining the U.S. government debt metrics within AAA parameters, Moody's

Dollar-Rupee Rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
27-Jul-11	44.0975	44.0975	43.8475	43.9150	43.9485	1173868	2542122	1116848	43.9485
26-Jul-11	44.3000	44.3425	44.1650	44.1875	44.1875	1244593	3911088	1731112	44.2873

[Source: NSE and RBI Website]

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WEEKLY INDEX OF CHANGES

Indo-Japan CEPA Concessional Duty of 802 Items Notified

Ntfn 69 In exercise of the powers
29.07.2011 conferred by sub-section (1)
(DoR) of section 25 of the Customs
Act, 1962 (52 of 1962), the

Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods of the description as specified in column (3) of the Table appended hereto and falling under the Chapter, Heading, Sub-heading or tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in the corresponding entry in column (2) of the said Table, when **imported into India from Japan**, from so much of the duty of customs leviable thereon as is in excess of the amount calculated at the rate specified in the corresponding entry in column (4) of the afore-said Table:

Provided that the exemption shall be available only if importer proves to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, that the goods in respect of which the benefit of this exemption is **claimed are of the origin of Japan**, in terms of rules as may be notified in this regard by Central Government by publication in the official gazette.

2. This notification shall **come into force with effect from 1st August, 2011.**

Table

SNo.	Chapter or heading or subheading or tariff item	Description	Rate
(1)	(2)	(3)	(4)
1	0101 to 0104	All goods	27.3
2	0106	All goods	27.3
3	0201 to 0206	All goods	27.3
4	020724 to 020733	All goods	27.3
5	020735 to 020890	All goods	27.3
6	0210	All goods	27.3
7	0301	All goods	27.3
8	030212	Pacific Salmon	27.3
9	030219 to 030222	All goods	27.3
10	030229	All goods	27.3
11	030234 to 030239	All goods	27.3
12	030263	All goods	27.3
13	030266	All goods	27.3
14	030270 to 030319	All goods	27.3
15	030322	Atlantic salmon	27.3
16	030329 to 030331	All goods	27.3
17	030333	All goods	27.3
18	030343 to 030352	All goods	27.3
19	030372 to 030373	All goods	27.3
20	030375 to 030378	All goods	27.3
21	030380	All goods	27.3
22	030520	All goods	27.3
23	030541 to 030562	All goods	27.3
24	030569 to 030612	All goods	27.3
25	030619	All goods	27.3
26	030629 to 030799	All goods	27.3
27	0403	All goods	27.3

28	040490	All goods	27.3
29	040610 to 040640	All goods	27.3
30	0410	All goods	27.3
31	Chapter 5	All goods	27.3
32	0601	All goods	4.5
33	060210	All goods	4.2
34	060220	All goods	4.5
35	060230 to 060240	All goods	4.2
36	06029010	All goods	4.5
37	06029020 to 06029090	All goods	4.2
38	060312	All goods	54.5
39	070390	All goods	27.3
40	070420 to 070529	All goods	27.3
41	070920	All goods	27.3
42	070940 to 070959	All goods	27.3
43	070970 to 070990	All goods	27.3
44	071030	All goods	27.3
45	0711	All goods	27.3
46	071231 to 071239	All goods	27.3
47	071320 to 071490	All goods	27.3
48	080121 to 080131	All goods	27.3
49	080221 to 080250	All goods	27.3
50	0803 to 0804	All goods	27.3
51	080550	All goods	36.4
52	080590	All goods	27.3
53	080711	All goods	27.3
54	080720	All goods	27.3
55	080910 to 080930	All goods	27.3
56	08101000 to 08129010	All goods	27.3
57	081320	All goods	22.7
58	08134010 to 08134020	All goods	27.3
59	0814	All goods	27.3
60	09019010 to 09019020	All goods	90.9
61	09021010	All goods	90.9
62	09021030	All goods	90.9
63	09022010 to 09022040	All goods	90.9
64	09023010 to 09024060	All goods	90.9
65	0903	All goods	27.3
66	09042010 to 09042050	All goods	63.6
67	0906	All goods	27.3
68	090910	All goods	27.3
69	090940 to 090950	All goods	27.3
70	091020	All goods	27.3
71	091099	All goods	27.3
72	10019031 to 10019039	All goods	90.9
73	1002 to 1004	All goods	0.0
74	10063090	All goods	63.6
75	100810	All goods	0.0
76	100830 to 100890	All goods	0.0
77	110210	All goods	27.3
78	110510 to 110620	All goods	27.3
79	11063030	All goods	27.3
80	110710	All goods	36.4
81	110811	All goods	27.3
82	11081400 to 11081910	All goods	45.5
83	110820	All goods	27.3
84	1201 to 1202	All goods	27.3
85	120400 to 120750	All goods	27.3
86	120799 to 120930	All goods	27.3
87	120991 to 120999	All goods	9.1
88	1210 to 1214	All goods	27.3
89	Chapter 13 to Chapter 14	All goods	27.3
90	1501	All goods	27.3
91	1502	All goods	13.6
92	1503 to 1504	All goods	27.3
93	1506	All goods	27.3
94	150910	All goods	40.9
95	15141920	All goods	68.2

96	15149120	All goods	68.2
97	15149920	All goods	68.2
98	151610	All goods	27.3
99	15180011	All goods	72.7
100	15180019	All goods	27.3
101	15180021	All goods	72.7
102	15180029	All goods	27.3
103	15180031	All goods	72.7
104	15180039	All goods	27.3
105	15180040	All goods	72.7
106	1521 to 1522	All goods	27.3
107	160239	All goods	27.3
108	160249 to 160413	All goods	27.3
109	160416 to 160420	All goods	27.3
110	160510	All goods	27.3
111	160540 to 160590	All goods	27.3
112	17011120	All goods	90.9
113	170211 to 170260	All goods	27.3
114	1703	All goods	27.3
115	170410	All goods	40.9
116	170490	All goods	27.3
117	1801 to 1802	All goods	27.3
118	180400 to 180632	All goods	27.3
119	190110	All goods	45.5
120	190120 to 190240	All goods	27.3
121	190410	All goods	27.3
122	190430	All goods	27.3
123	190510 to 190520	All goods	27.3
124	190531 to 190532	All goods	40.9
125	190540 to 190590	All goods	27.3
126	2001	All goods	27.3
127	200290	All goods	27.3
128	200390	All goods	27.3
129	200490	All goods	27.3
130	200560 to 200570	All goods	27.3
131	200710 to 200820	All goods	27.3
132	200840	All goods	27.3
133	20086000 to 20089911	All goods	27.3
134	20089994	All goods	27.3
135	200912	All goods	31.8
136	200921 to 200949	All goods	27.3
137	200961 to 200990	All goods	27.3
138	210111	All goods	27.3
139	21012010 to 21012030	All goods	27.3
140	21013010 to 21013020	All goods	27.3
141	210210 to 210410	All goods	27.3
142	210500 to 210610	All goods	27.3
143	21069020	All goods	27.3
144	21069070	All goods	27.3
145	21069091	All goods	27.3
146	2201 to 2202	All goods	27.3
147	2209	All goods	27.3
148	230110	All goods	27.3
149	230210 to 230630	All goods	27.3
150	230649 to 230800	All goods	27.3
151	230910	All goods	18.2
152	24011050 to 24011080	All goods	27.3
153	24012050 to 24012080	All goods	27.3
154	24031010 to 24031020	All goods	27.3
155	24039100 to 24039960	All goods	27.3
156	2501 to 2514	All goods	4.5
157	2515 to 2516	All goods	9.1
158	2517 to 2522	All goods	4.5
159	252310 to 252321	All goods	9.1
160	252329	All goods	0.0
161	252330	All goods	9.1
162	2524	All goods	9.1
163	2525 to 2530	All goods	4.5
164	2601 to 2617	All goods	1.8
165	2618 to 2619	All goods	4.5
166	262011 to 262019	All goods	9.1
167	262021 to 262029	All goods	4.5
168	262030	All goods	9.1
169	262040 to 262190	All goods	4.5

170	270111	All goods	9.1	243	293372 to 294200	All goods	6.8	316	392114 to 392119	All goods	9.1
171	270112	All goods	50.0	244	300120 to 300650	All goods	9.1	317	392510	All goods	9.1
172	270119 to 270740	All goods	9.1	245	300660	All goods	0.0	318	392690	All goods	9.1
173	270750	All goods	0.0	246	300670 to 300692	All goods	9.1	319	400130 to 400220	All goods	9.1
174	270790 to 270820	All goods	9.1	247	3101	All goods	6.8	320	400239 to 400260	All goods	9.1
175	2709	All goods	4.5	248	310210 to 310221	All goods	4.5	321	400270	All goods	0.0
176	27101111 to 27101113	All goods	9.1	249	310229 to 310240	All goods	6.8	322	400280 to 400299	All goods	9.1
177	27101120 to 27101920	All goods	9.1	250	310250	All goods	0.0	323	400400 to 400811	All goods	9.1
178	27101930	All goods	6.8	251	310260 to 310420	All goods	6.8	324	400821	All goods	9.1
179	27101940 to 27101960	All goods	9.1	252	310430	All goods	4.5	325	400911 to 400912	All goods	9.1
180	27101970 to 27101980	All goods	8.8	253	310490 to 310510	All goods	6.8	326	400922	All goods	9.1
181	271111	All goods	9.1	254	310520 to 310590	All goods	4.5	327	400932	All goods	9.1
182	271112 to 271113	All goods	4.5	255	320110 to 320420	All goods	6.8	328	401011 to 401031	All goods	9.1
183	271119	All goods	9.1	256	3205	All goods	6.8	329	401033 to 401034	All goods	9.1
184	271121	All goods	4.5	257	32061110	All goods	9.1	330	401036 to 401039	All goods	9.1
185	27121010 to 27122010	All goods	9.1	258	32061190 to 32073000	All goods	6.8	331	401130	All goods	2.7
186	27129020 to 27129030	All goods	9.1	259	320740	All goods	9.1	332	401161 to 401199	All goods	9.1
187	271312	All goods	9.1	260	3208 to 3209	All goods	6.8	333	401213 to 401219	All goods	9.1
188	271320	All goods	0.0	261	321100 to 321410	All goods	6.8	334	40129010 to 40169350	All goods	9.1
189	2714 to 2715	All goods	9.1	262	321511 to 321590	All goods	6.8	335	40169390 to 40170090	All goods	9.1
190	2716	All goods	0.0	263	330112 to 330113	All goods	18.2	336	4101 to 4103	All goods	0.0
191	2801 to 2802	All goods	4.5	264	330129 to 330190	All goods	18.2	337	4104 to 4115	All goods	9.1
192	2804 to 2805	All goods	4.5	265	330410 to 330730	All goods	9.1	338	Chapter 42	All goods	9.1
193	2806 to 2813	All goods	6.8	266	330749 to 330790	All goods	9.1	339	4301	All goods	0.0
194	2814	All goods	4.5	267	340111	All goods	6.8	340	4302 to 4304	All goods	9.1
195	2815 to 2816	All goods	6.8	268	340120 to 340211	All goods	6.8	341	440110	All goods	9.1
196	2818 to 2853	All goods	6.8	269	340213 to 340700	All goods	6.8	342	440121 to 440399	All goods	4.5
197	290110 to 290260	All goods	6.8	270	350211 to 350219	All goods	18.2	343	440410 to 440910	All goods	9.1
198	290290 to 290323	All goods	6.8	271	350290 to 350300	All goods	18.2	344	440929 to 442190	All goods	9.1
199	290341 to 290351	All goods	6.8	272	350610	All goods	9.1	345	Chapter 45 and 46	All goods	9.1
200	290361 to 290490	All goods	6.8	273	350699 to 350790	All goods	9.1	346	4701	All goods	4.2
201	290513	All goods	6.8	274	3601 to 3604	All goods	9.1	347	470200 to 470311	All goods	4.5
202	290517	All goods	6.8	275	3606	All goods	9.1	348	470319	All goods	4.2
203	290522	All goods	6.8	276	Chapter 37	All goods	9.1	349	470321 to 470630	All goods	4.5
204	290542	All goods	6.8	277	3801 to 3807	All goods	6.8	350	470691	All goods	4.2
205	290543 to 290544	All goods	9.1	278	380850	All goods	6.8	351	470692 to 470693	All goods	4.5
206	290549 to 290621	All goods	6.8	279	380892 to 380899	All goods	6.8	352	4707	All goods	9.1
207	29062920 to 29062990	All goods	6.8	280	380910	All goods	18.2	353	480100 to 480920	All goods	9.1
208	290712 to 290715	All goods	6.8	281	380991 to 380992	All goods	6.8	354	481014 to 481690	All goods	9.1
209	290721 to 290723	All goods	6.8	282	381010 to 381210	All goods	6.8	355	481720	All goods	9.1
210	290811 to 290819	All goods	6.8	283	381230 to 381400	All goods	6.8	356	4818 to 4820	All goods	9.1
211	290911	All goods	6.8	284	381511 to 381512	All goods	9.1	357	482210 to 482340	All goods	9.1
212	290920	All goods	6.8	285	381519 to 381600	All goods	6.8	358	482370 to 482390	All goods	9.1
213	290941 to 290944	All goods	6.8	286	381800	All goods	0.0	359	4901	All goods	9.1
214	290950 to 291030	All goods	6.8	287	3819 to 3822	All goods	6.8	360	4902	All goods	0.0
215	291100 to 291212	All goods	6.8	288	382312 to 382370	All goods	13.6	361	4903	All goods	9.1
216	29121920 to 29122100	All goods	6.8	289	382410 to 382450	All goods	6.8	362	4904 to 4905	All goods	0.0
217	291230 to 291300	All goods	6.8	290	382460	All goods	18.2	363	4906 to 4911	All goods	9.1
218	291412 to 291413	All goods	6.8	291	382471 to 382590	All goods	6.8	364	5002	All goods	27.3
219	291421	All goods	6.8	292	390110 to 390320	All goods	6.8	365	50030010	All goods	13.6
220	291423	All goods	6.8	293	390390 to 390421	All goods	6.8	366	50030020 to 50030090	All goods	0.0
221	291431	All goods	6.8	294	390430 to 390521	All goods	6.8	367	5004 to 5007	All goods	0.0
222	291440 to 291461	All goods	6.8	295	390530 to 390599	All goods	6.8	368	Chapter 51 to 53	All goods	0.0
223	291470 to 291513	All goods	6.8	296	39061010	All goods	0.0	369	5401 to 5402	All goods	9.1
224	291524	All goods	6.8	297	39061090 to 39072090	All goods	6.8	370	5403	All goods	0.0
225	291531	All goods	6.8	298	39073010	All goods	0.0	371	5404	All goods	9.1
226	291533 to 291560	All goods	6.8	299	39073090	All goods	6.8	372	5405	All goods	0.0
227	291615	All goods	6.8	300	390740	All goods	0.0	373	54060010	All goods	9.1
228	291620	All goods	6.8	301	390750	All goods	6.8	374	54060020 to 54082120	All goods	0.0
229	291632 to 291635	All goods	6.8	302	390770 to 390799	All goods	6.8	375	5501	All goods	9.1
230	291711	All goods	6.8	303	39081010	All goods	0.0	376	5502	All goods	0.0
231	291713 to 291714	All goods	6.8	304	39081090 to 39089090	All goods	9.1	377	5503	All goods	9.1
232	291720	All goods	6.8	305	39091010 to 39094010	All goods	6.8	378	5504 to 5507	All goods	0.0
233	291733 to 291735	All goods	6.8	306	39094030 to 39094060	All goods	6.8	379	550810	All goods	9.1
234	29173910	All goods	6.8	307	390950 to 391400	All goods	6.8	380	550820 to 551694	All goods	0.0
235	29173960 to 29181200	All goods	6.8	308	391620	All goods	9.1	381	Chapter 56 to 63	All goods	0.0
236	291814 to 291815	All goods	6.8	309	391710 to 391729	All goods	9.1	382	640312	All goods	9.1
237	291818 to 291822	All goods	6.8	310	391732 to 391739	All goods	9.1	383	640320	All goods	9.1
238	29183010 to 29183030	All goods	6.8	311	39199010	All goods	9.1	384	640351 to 640399	All goods	9.1
239	291891 to 291899	All goods	6.8	312	39199090	All goods	9.1	385	640420 to 640510	All goods	9.1
240	292011 to 292019	All goods	6.8	313	392062	All goods	9.1	386	6406	All goods	9.1
241	292111 to 293040	All goods	6.8	314	392079	All goods	9.1	387	Chapter 65 to 67	All goods	9.1
242	293211 to 293369	All goods	6.8	315	392092 to 392094	All goods	9.1	388	680100 to 681280	All goods	9.1

389	681292 to 681299	All goods	9.1	462	76031090	All goods	4.2	535	84149011	All goods	6.8
390	681381	All goods	9.1	463	760320	All goods	4.5	536	84149012	All goods	9.1
391	6814 to 6815	All goods	9.1	464	760410 to 760421	All goods	4.2	537	84149019 to 84149020	All goods	6.8
392	690100 to 690220	All goods	9.1	465	76042910 to 76052910	All goods	4.5	538	84149030	All goods	9.1
393	690320 to 690590	All goods	9.1	466	76052990 to 76061200	All goods	4.2	539	84149040 to 84149090	All goods	6.8
394	6907 to 6914	All goods	9.1	467	76069110 to 76069120	All goods	4.5	540	841590	All goods	9.1
395	70010010	All goods	4.5	468	76069190 to 76071190	All goods	4.2	541	841610 to 841720	All goods	6.8
396	70010020 to 70052990	All goods	9.1	469	760719 to 760720	All goods	4.5	542	84178090 to 84179000	All goods	6.8
397	700600 to 700711	All goods	9.1	470	7608	All goods	6.3	543	841821	All goods	9.1
398	700721 to 700991	All goods	9.1	471	7609	All goods	6.8	544	84186910	All goods	6.8
399	701010 to 701110	All goods	9.1	472	7610 to 7616	All goods	9.1	545	84186920 to 84186930	All goods	9.1
400	701190 to 701342	All goods	9.1	473	7801 to 7804	All goods	4.5	546	84186940 to 84189900	All goods	6.8
401	701391 to 702000	All goods	9.1	474	7806	All goods	9.1	547	84191110	All goods	9.1
402	Chapter 71	All goods	9.1	475	7901 to 7905	All goods	4.5	548	84191190	All goods	6.8
403	720110	All goods	4.2	476	7907	All goods	9.1	549	84191910	All goods	9.1
404	720120	All goods	4.5	477	8001 to 8003	All goods	4.5	550	84191920 to 84193200	All goods	6.8
405	720150	All goods	4.2	478	8007	All goods	9.1	551	841940	All goods	6.8
406	720211 to 720219	All goods	4.5	479	810110 to 810197	All goods	4.5	552	841960	All goods	6.8
407	720221 to 720229	All goods	4.2	480	810199	All goods	9.1	553	841981	All goods	9.1
408	720230	All goods	4.5	481	810210 to 810297	All goods	4.5	554	84198910 to 84198940	All goods	6.8
409	720241 to 120249	All goods	4.2	482	810299	All goods	9.1	555	84198950	All goods	6.3
410	720250 to 720260	All goods	4.5	483	810320 to 810330	All goods	4.5	556	84198960 to 84198990	All goods	6.8
411	720270	All goods	4.2	484	810390	All goods	9.1	557	84199010	All goods	9.1
412	72028000 to 72029921	All goods	4.5	485	810411	All goods	4.2	558	84199090 to 84211999	All goods	6.8
413	72029922	All goods	4.2	486	810419 to 810430	All goods	4.5	559	842122	All goods	6.8
414	72029931 to 72039000	All goods	4.5	487	81049010 to 81049030	All goods	4.2	560	842129	All goods	6.8
415	720410	All goods	4.2	488	81049090	All goods	9.1	561	842139 to 842199	All goods	6.8
416	72042110	All goods	4.5	489	810520 to 810530	All goods	4.5	562	842211	All goods	9.1
417	72042190	All goods	4.2	490	810590	All goods	9.1	563	84221900 to 84229010	All goods	6.8
418	720429 to 720430	All goods	4.5	491	81060010 to 81060030	All goods	4.5	564	84229020	All goods	9.1
419	720441 to 720449	All goods	4.2	492	81060090	All goods	9.1	565	84229090	All goods	4.5
420	720450 to 720521	All goods	4.5	493	81072000 to 81079010	All goods	4.5	566	842310	All goods	9.1
421	720529	All goods	4.2	494	81079090	All goods	9.1	567	842320 to 842389	All goods	6.8
422	72061010 to 72069019	All goods	4.5	495	810820	All goods	4.2	568	84239010	All goods	9.1
423	72069091	All goods	4.2	496	810830	All goods	4.5	569	84239020 to 84249000	All goods	6.8
424	72069092 to 72071910	All goods	4.5	497	81089010	All goods	4.2	570	842519 to 842541	All goods	6.8
425	72071920 to 72072010	All goods	4.2	498	81089090	All goods	9.1	571	842549 to 842710	All goods	6.8
426	72072020 to 72072090	All goods	4.5	499	810920 to 810930	All goods	4.5	572	842790 to 842833	All goods	6.8
427	720810 to 722990	All goods	4.2	500	810990	All goods	9.1	573	842840 to 842940	All goods	6.8
428	730110 to 731814	All goods	9.1	501	811010 to 811020	All goods	4.5	574	84295200 to 84331110	All goods	6.8
429	73181600 to 73182910	All goods	9.1	502	811090	All goods	9.1	575	84331190	All goods	9.1
430	731920 to 731990	All goods	9.1	503	81110010 to 81110030	All goods	4.5	576	84331910	All goods	6.8
431	73201012 to 73209020	All goods	9.1	504	81110090	All goods	9.1	577	84331990	All goods	9.1
432	7321 to 7326	All goods	9.1	505	811212 to 811213	All goods	4.5	578	843320 to 843790	All goods	6.8
433	740100 to 740311	All goods	4.5	506	811219	All goods	9.1	579	84381010 to 84388020	All goods	4.5
434	740312	All goods	4.2	507	811221 to 811222	All goods	4.5	580	84388030 to 84431990	All goods	6.8
435	740313	All goods	4.5	508	811229	All goods	9.1	581	844331 to 844332	All goods	0.0
436	740319 to 740321	All goods	4.2	509	811251 to 811252	All goods	4.5	582	84433920	All goods	0.0
437	740322	All goods	4.5	510	811259	All goods	9.1	583	84433940	All goods	0.0
438	740329	All goods	4.2	511	811292	All goods	4.5	584	84439100	All goods	6.8
439	74040012 to 74071010	All goods	4.5	512	811299 to 811300	All goods	9.1	585	84439910 to 84439959	All goods	0.0
440	74071020	All goods	4.2	513	Chapter 82 and 83	All goods	9.1	586	84439960 to 84490090	All goods	6.8
441	74071030 to 74071090	All goods	4.5	514	840110 to 840710	All goods	6.8	587	845012 to 845019	All goods	9.1
442	740721	All goods	4.2	515	840721	All goods	4.5	588	845020	All goods	6.8
443	740729 to 740819	All goods	4.5	516	840729 to 840731	All goods	6.8	589	84509010	All goods	9.1
444	740821	All goods	4.2	517	840790	All goods	6.8	590	84509090 to 84511090	All goods	6.8
445	740822 to 740829	All goods	4.5	518	84082020	All goods	10.62	591	845121	All goods	9.1
446	740911 to 740921	All goods	4.2	519	840910	All goods	6.8	592	845129	All goods	6.8
447	740929	All goods	4.5	520	84099192 to 84099193	All goods	6.8	593	84513010	All goods	9.1
448	740931	All goods	4.2	521	8410 to 8412	All goods	6.8	594	84513090 to 84519000	All goods	6.8
449	740939	All goods	4.5	522	84131110	All goods	9.1	595	84522110 to 84522900	All goods	6.8
450	740940 to 741011	All goods	4.2	523	84131191 to 84131199	All goods	6.8	596	84523010	All goods	9.1
451	741012 to 741022	All goods	4.5	524	84131910	All goods	9.1	597	84523090 to 84524090	All goods	6.8
452	741110	All goods	4.2	525	84131990	All goods	6.8	598	84529010	All goods	9.1
453	741121 to 741999	All goods	9.1	526	841320	All goods	9.1	599	84529090 to 84563000	All goods	6.8
454	Chapter 75	All goods	4.5	527	841340 to 841360	All goods	6.8	600	84569010	All goods	0.0
455	760110	All goods	4.5	528	84138110 to 84139120	All goods	6.8	601	84569020 to 84614029	All goods	6.8
456	76012010	All goods	4.2	529	84139190 to 84141000	All goods	6.8	602	84619000 to 84639010	All goods	6.8
457	76012020	All goods	4.5	530	84142010 to 84142020	All goods	9.1	603	8464 to 8468	All goods	6.8
458	76012030 to 76012040	All goods	4.2	531	84142090	All goods	6.8	604	84690010	All goods	0.0
459	76012090	All goods	4.5	532	84145910	All goods	6.8	605	84690020	All goods	9.1
460	760200	All goods	4.2	533	84145920	All goods	9.1	606	84690030 to 84690040	All goods	6.8
461	76020090 to 76031010	All goods	4.5	534	84145930 to 84146000	All goods	6.8	607	84690090	All goods	9.1

608	8470 to 8471	All goods	0.0	681	852560	All goods	0.0	732	854590 to 854790	All goods	6.8
609	847210 to 847230	All goods	6.8	682	85258010	All goods	9.1	733	854810	All goods	9.1
610	84729030	All goods	0.0	683	85258020	All goods	0.0	734	854890	All goods	0.0
611	847310 to 847330	All goods	0.0	684	85258030 to 85258090	All goods	9.1	735	Chapter 86	All goods	9.1
612	847340	All goods	6.8	685	8526	All goods	6.8	736	8701	All goods	9.1
613	847350	All goods	0.0	686	852712 to 852792	All goods	9.1	737	870310	All goods	90.9
614	847410	All goods	6.8	687	85279911	All goods	0.0	738	870432 to 870490	All goods	9.1
615	847431 to 847690	All goods	6.8	688	85279912 to 852799	All goods	9.1	739	87060019	All goods	9.1
616	847710	All goods	6.3	689	852841	All goods	0.0	740	870710	All goods	9.1
617	847730 to 847751	All goods	6.8	690	852849	All goods	9.1	741	870810	All goods	9.1
618	84778010	All goods	6.3	691	852851	All goods	0.0	742	870840	All goods	11.25
619	84778090	All goods	6.8	692	852859	All goods	9.1	743	870870	All goods	9.1
620	84779000	All goods	6.3	693	852861	All goods	0.0	744	870892	All goods	9.1
621	847810 to 847920	All goods	6.8	694	852869 to 852871	All goods	9.1	745	870991 to 870990	All goods	9.1
622	84793000	All goods	4.5	695	85291011 to 85291012	All goods	6.8	746	8710	All goods	0.0
623	847940 to 847960	All goods	6.8	696	85291019	All goods	9.1	747	871190	All goods	90.9
624	84798200 to 84821051	All goods	6.8	697	85291021 to 85291022	All goods	6.8	748	871310 to 871411	All goods	9.1
625	84822011 to 84831092	All goods	6.8	698	85291029	All goods	9.1	749	871420 to 871690	All goods	9.1
626	84835010	All goods	6.8	699	85291091 to 85291092	All goods	6.8	750	880100 to 880212	All goods	9.1
627	84836010 to 84836020	All goods	6.8	700	85291099	All goods	9.1	751	880220 to 880240	All goods	2.7
628	84841010	All goods	6.8	701	85299010 to	Populated	6.8	752	880260	All goods	9.1
629	84842000	All goods	6.8			PCBs for:		753	880310 to 880330	All goods	2.7
630	84861000	All goods	6.8			transmission		754	880390 to 880529	All goods	9.1
631	84862000	All goods	0.0			apparatus other than		755	8901 to 8907	All goods	9.1
632	848630 to 848790	All goods	6.8			apparatus for radio-		756	890800	All goods	4.5
633	850120	All goods	6.8			broadcasting or		757	9001 to 9008	All goods	9.1
634	850133 to 850134	All goods	6.8			television apparatus		758	901010 to 901050	All goods	6.8
635	850151	All goods	6.8			incorporating		759	901060	All goods	9.1
636	850161 to 850164	All goods	6.8			reception apparatus		760	901090 to 901290	All goods	6.8
637	850211	All goods	9.1			digital still image		761	90131010	All goods	9.1
638	85022010	All goods	9.1			video cameras		762	90131020 to 90132000	All goods	6.8
639	85022090 to 85030090	All goods	6.8			portable receivers for		763	90138010	All goods	0.0
640	850421 to 850423	All goods	6.8	702	85299020	calling alerting or	6.8	764	90138090	All goods	6.8
641	850431 to 850432	All goods	9.1	703	85299090	paging		765	90139010	All goods	0.0
642	850433 to 850434	All goods	6.8			All goods	0.0	766	90139010 to 90154000	All goods	6.8
643	850440	All goods	0.0			Parts (other		767	90158020 to 90159000	All goods	6.8
644	850450 to 850490	All goods	6.8			than Populated		768	9016 to 9017	All goods	9.1
645	85051110	All goods	0.0			PCBs) of:		769	9018 to 9022	All goods	6.8
646	85051190 to 85059000	All goods	6.8			transmission		770	9023	All goods	9.1
647	8506 to 8508	All goods	9.1			apparatus other than		771	9024	All goods	6.8
648	850980 to 851090	All goods	9.1			apparatus for radio-		772	90251110	All goods	9.1
649	851120 to 851130	All goods	6.8			broadcasting or		773	90251190	All goods	6.8
650	851210	All goods	9.1			television apparatus		774	90251910	All goods	9.1
651	85123010	All goods	9.1			incorporating		775	90251920 to 90259000	All goods	6.8
652	85123090	All goods	6.8			reception apparatus		776	9026	All goods	0.0
653	851290	All goods	6.8	704	8530	digital still image video	6.8	777	902710	All goods	9.1
654	8514	All goods	6.8	705	853110	cameras portable		778	902720 to 902780	All goods	0.0
655	851511	All goods	6.3	706	853120	receivers for calling		779	902790 to 902820	All goods	6.8
656	851519	All goods	6.8	707	853180 to 853190	alerting or paging		780	902890	All goods	6.8
657	851531 to 851539	All goods	6.8	708	8532 to 8534			781	90291010	All goods	9.1
658	851590	All goods	6.8	709	853521 to 853540			782	90291090 to 90292010	All goods	6.8
659	851621	All goods	9.1	710	85361010			783	902990 to 903039	All goods	6.8
660	851631 to 851633	All goods	9.1	711	85361020 to 85363000			784	903040 to 903082	All goods	0.0
661	851650	All goods	9.1	712	853641			785	903084 to 903120	All goods	6.8
662	851679 to 851690	All goods	9.1	713	853649 to 853650			786	90134100	All goods	0.0
663	8517	All goods	0.0	714	853661 to 853669			787	903149 to 903300	All goods	6.8
664	851810 to 851822	All goods	9.1	715	853670			788	9101 to 9107	All goods	9.1
665	851829	All goods	0.0	716	853710 to 853890			789	910811 to 910890	All goods	4.5
666	851830 to 851840	All goods	9.1	717	853921 to 853949			790	910911 to 910990	All goods	9.1
667	851890 to 851930	All goods	9.1	718	854012 to 854020			791	911011 to 911090	All goods	4.5
668	851950	All goods	0.0	719	854040			792	911110 to 911420	All goods	9.1
669	85198100 to 85198930	All goods	9.1	720	854050 to 854060			793	91143010	All goods	4.5
670	85198940	All goods	4.2	721	854072 to 854099			794	91143020 to 91149020	All goods	9.1
671	85198990 to 85221000	All goods	9.1	722	854110 to 854233			795	Chapter 92 and 93	All goods	9.1
672	852290	All goods	0.0	723	854239			796	940110 to 940360	All goods	9.1
673	852321 to 852351	All goods	9.1	724	85429000 to 85431010			797	940381 to 940600	All goods	9.1
674	85235210 to 85235910	All goods	0.0	725	85431020 to 85433000			798	Chapter 95 and 96	All goods	9.1
675	85235990 to 85238010	All goods	9.1	726	85437011			799	9701 to 9703	All goods	9.1
676	85238020	All goods	0.0	727	85437012 to 85437099			800	9704	All goods	0.0
677	85238030 to 85238090	All goods	9.1	728	854390			801	9705 to 9706	All goods	9.1
678	85255010 to 85255040	All goods	6.8	729	854420 to 854460			802	980100	All goods	6.8
679	85255050	All goods	9.1	730	854470						
680	85255090	All goods	6.8	731	854511 to 854519						

[F.No. 354/199/2009-TRU]

Indo-Japan Comprehensive Economic Partnership Agreement (CEPA) – Rules of Origin

55-Cus(NT) In exercise of the powers
01.08.2011 conferred by sub-section (1)
(DoR) of section 5 of the Customs
Tariff Act, 1975 (51 of 1975),

the Central Government hereby makes the following rules, namely:-

1. Short title and commencement

(1) These rules may be called the Customs Tariff (Determination of Origin of Goods under the Comprehensive Economic Partnership Agreement between the Republic of India and Japan) Rules, 2011.

(2) They shall come into force on the 1st day of August, 2011.

2. Definitions

In these rules, unless the context otherwise requires,-

(a) **“agreement on customs valuation”** means provisions of Part I of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade, 1994 in Annex 1A to the World Trade Organisation Agreement;

(b) **“exporter”** means a natural or juridical person located in an exporting Party who exports a good from the exporting Party;

(c) **“factory ships of the Party”** or **“vessels of the Party”** respectively means factory ships or vessels,-

- (i) which are registered in the Party;
- (ii) which sail under the flag of the Party;
- (iii) which are owned to an extent of at least fifty percent by nationals of the Parties, or by a juridical person with its head office in either Party, of which the representatives, chairman of the board of directors, and the majority of the members of such board are nationals of the Parties, and of which at least fifty percent of the equity interest is owned by nationals or juridical persons of the Parties;
- (iv) of which at least fifty percent of the total of the master and officers are nationals of the Parties; and
- (v) of which at least twenty-five percent of the crew are nationals of the Parties;

(d) **“fungible originating goods of a Party”** or **“fungible originating materials of a Party”** respectively means originating goods or materials of a Party that are interchangeable for commercial purposes, whose properties are essentially identical;

(e) **“Generally Accepted Accounting Principles”** means the recognised consensus or substantial authoritative support within a Party at a particular time as to which economic resources and obligations should be recorded as assets and liabilities, which changes in assets and liabilities should be recorded, how the assets and liabilities and changes in them should be measured, what information should be disclosed and how it should be disclosed, and which financial statements should be prepared;

(f) **“good”** means any merchandise, product, article or material;

(g) **“Harmonized System”** or **“HS”** means the Harmonized Commodity Description and Coding System defined in paragraph (a) of Article 1 of the International Convention on the Harmonized Commodity Description and Coding System, and adopted and implemented by the Parties in their respective laws;

(h) **“importer”** means a natural or juridical person who imports a good into the importing Party;

(i) **“imported non-originating material”** means any materials whose country of origin is other than the Parties;

(j) **“indirect materials”** means goods used in the production, testing or inspection of another good but not physically incorporated into the good, or goods used in the maintenance of buildings or the operation of equipment associated with the production of another good, including,-

- (i) fuel and energy;
- (ii) tools, dies and moulds;
- (iii) spare parts and goods used in the maintenance of equipment and buildings;
- (iv) lubricants, greases, compounding materials and other goods used in production or used to operate equipment and buildings;
- (v) gloves, glasses, footwear, clothing, safety equipment and supplies;
- (vi) equipment, devices and supplies used for testing or inspection;
- (vii) catalysts and solvents; and
- (viii) any other goods that are not incorporated into another good but whose use in the production of the good can reasonably be demonstrated to be a part of that production;

(k) **“materials”** means any matter or substance consumed in the production of a good, physically incorporated into a good, or used in the production of another good;

(l) **“non-originating material”** means imported non-originating material and undetermined origin material;

(m) **“originating material”** means any material that qualifies as originating under these rules;

(n) **“Parties”** means the Republic of India and Japan;

(o) **“Party”** means either the Republic of India or Japan;

(p) **“production”** means a method of obtaining goods including manufacturing, assembling, processing, raising, growing, breeding, mining, extracting, harvesting, fishing, trapping, gathering, collecting, hunting and capturing; and

(q) **“undetermined origin material”** means any material whose origin cannot be determined.

3. Originating goods

For the purposes of these rules, goods imported by a Party which are consigned directly as referred to in rule 10, shall be deemed to be

originating and eligible for preferential tariff treatment if,-

- (a) the goods are wholly obtained or produced entirely in the Party, as provided for in rule 4; or
- (b) the goods are not wholly obtained or produced in the Party, subject to the condition that the goods satisfy the requirements of rule 5 or rule 6.

4. Wholly obtained or produced goods

For the purposes of clause (a) of rule 3, the following goods shall be considered as being wholly obtained or produced in a Party, namely:-

(a) live animals born and raised in the Party;

(b) animals obtained by hunting, trapping, fishing, gathering or capturing in the Party;

(c) goods obtained from live animals in the Party;

(d) plants and plant products harvested, picked or gathered in the Party;

(e) minerals and other naturally occurring substances, not included in clauses (a), (b), (c) or (d), extracted or taken in the Party;

(f) goods of sea-fishing and other goods taken by vessels of the Party from the sea outside the territorial seas of the Parties;

(g) goods produced on board factory ships of the Party, outside the territorial seas of the Parties, from the goods referred to in clause (f);

(h) goods taken from the sea-bed or sub-soil beneath the sea-bed outside the territorial sea of the Party:

provided that the Party has rights to exploit such sea-bed or subsoil in accordance with the provisions of the United Nations Convention on the Law of the Sea, done at Montego Bay, December 10, 1982;

(i) articles collected in the Party which can no longer perform their original purpose in the Party nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of parts or raw materials;

(j) scrap and waste derived from manufacturing or processing operations or from consumption in the Party and fit only for disposal or for the recovery of raw materials;

(k) parts or raw materials recovered in the Party from articles which can no longer perform their original purpose nor are capable of being restored or repaired; and

(l) goods obtained or produced in the Party exclusively from the goods referred to in clauses (a) to (k).

Explanation.- For the purposes of clause (d), the term “plant” shall mean all plant life, including fruit, flowers, vegetables, trees, seaweed, fungi and live plants.

5. Goods produced using non-originating materials

(1) For the purposes of clause (b) of rule 3, goods shall qualify as an originating goods of a Party if,-

- (a) the goods have a qualifying value content, calculated using the formula set out in rule 6, of not less than thirty-five percent; and

(b) all non-originating materials used in the production of the goods have undergone in the Party a change in tariff classification at the six-digit level (i.e. a change in tariff sub-heading) of the Harmonized System.

(2) Notwithstanding anything contained in sub-rule (1), goods subject to product specific rules shall qualify as an originating goods of a Party if it satisfies the applicable product specific rules set out in **Annexure-1**.

(3) For the purposes of clause (b) of sub-rule (1)

$$(a) \quad Q.V.C = \frac{F.O.B - V.N.M}{F.O.B} \times 100$$

$$(b) \quad Q.V.C = \frac{(V.O.M + \text{Direct Labour Cost} + \text{Direct Overhead Cost} + \text{Profit})}{F.O.B} \times 100$$

Explanation 1.- For the purpose of calculating the qualifying value content of a good, the Generally Accepted Accounting Principles in the exporting Party shall be applied.

Explanation 2.- For the purposes of this rule,-

(a) F.O.B. shall be the value,-

(i) of a good payable by the buyer of the good to the seller of the good, regardless of the mode of shipment, not including any internal excise taxes reduced, exempted, or repaid when the good is exported; or

(ii) adjusted to the first ascertainable price paid for a good from the buyer to the producer of the good, if there is free-on-board value of the good, but it is unknown and cannot be ascertained; or

(iii) determined in accordance with Articles 1 to 8 of the Agreement on Customs Valuation, if there is no free-on-board value of a good:

Provided that in applying the agreement on customs valuation to determine the value of a good or non-originating material, the agreement on customs valuation shall apply mutatis mutandis to domestic transactions or to the cases where there is no domestic transaction of the good or non-originating material.

(b) Q.V.C. is the qualifying value content of a good, expressed as a percentage;

(c) V.N.M. is the value of non-originating materials used in the production of a good

(d) V.O.M. is the value of originating material used in the production of the good.

Explanation 3.- For the purposes of this rule, the value of a material used in a production of a good in a Party,-

(a) shall be customs value (CIF value) of the imported good in accordance with the agreement on customs valuation including freight and insurance where appropriate, packing and all other costs incurred in transporting the material to the port of importation in the Party where the producer of the good is located:

Provided that in applying the agreement on customs valuation to determine the value of a good or non-originating material, the agreement on customs valuation shall apply mutatis mutandis to domestic transactions or to the cases where there is no domestic transaction of the good or non-originating material; or

and the relevant product specific rules set out in Annexure-1, the rule requiring that the materials used have undergone a change in tariff classification or a specific manufacturing or processing operation, shall apply only to non-originating materials.

6. Calculation of qualifying value content

For the purposes of calculating the qualifying value content of goods, one or the other of the following formulas shall be applied,-

(b) shall be the first ascertainable price paid for the material in the Party, but may exclude all the costs incurred in the Party in transporting the material from the warehouse of the supplier of the material to the place where the producer is located such as freight, insurance and packing as well as any other known and ascertainable cost incurred in the Party.

7. Accumulation

For the purposes of determining whether a good qualifies as an originating good of a Party, an originating good of the other Party which is used as a material in the production of the good in the former Party may be considered as an originating material of the former Party, provided that such good has undergone its last production process in the former Party which goes beyond the operations provided for in rule 9.

8. De minimis

(1) Non-originating materials used in the production of a good which do not satisfy an applicable rule for the good shall be disregarded, subject to the condition that totality of such materials does not exceed the percentages in value or weight of the good as specified below:

(a) in the case of a good classified under Chapters 15 through 24 (except 1604.20, 1605.20, 1605.90, 2101.11, 2101.20, 2106.10, 2106.90, 2207.10 and 2207.20), 2501.00, 2906.11, 2918.14, 2918.15, 2940.00, 3505.10, 3505.20, 3809.10 and 3824.60 of the Harmonized System, seven percent in value of the good;

(b) in the case of a good classified under Chapters 28 through 49 (except 2905.44, 2906.11, 2918.14, 2918.15, 2940.00, 3502.11, 3502.19, 3505.10, 3505.20, 3809.10, 3824.60, 4601.29, 4601.94 and 4602.19) and 64 through 97 of the Harmonized System, ten percent in value of the good; and

(c) in the case of a good classified under Chapters 50 through 63 (except 5001.00, 5003.00, heading 51.02, 51.03, 52.01 through 52.03, 53.01 and 53.02) of the Harmonized System, seven percent in weight of the good.

Explanation.- For the purposes of this rule, the term "value of the good" means the free-on-board value of the good referred to in rule 6 or

the value set out in clause (a) of Explanation 2 to rule 6.

(2) This rule shall not be applied in calculating the qualifying value content set out in rule 6.

9. Non-qualifying operations

A good shall not be considered to be an originating good of the exporting Party merely by reason of having undergone the following,-

(a) operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine, removal of damaged parts) and other similar operations;

(b) changes of packaging and breaking up and assembly of packages;

(c) disassembly;

(d) placing in bottles, cases, boxes and other simple packaging operations;

(e) collection of parts and components classified as a good pursuant to clause (a) of rule 2 of the General Rules for the Interpretation of the Harmonized System;

(f) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting;

(g) simple cutting, slicing and repacking or placing in bottles, flasks, bags or boxes, fixing on cards or boards, and all other simple packing operations;

(h) affixing or printing marks, labels and other like distinguishing signs on products or their packaging;

(i) simple mixing of products whether or not of different kinds;

(j) simple assembly of parts of goods to constitute a complete product;

(k) slaughter of animals;

(l) mere dilution with water or another substance that does not materially alter the characteristics of the goods; or

(m) any combination of operations referred to in clauses (a) to (l).

Explanation.- For the purposes of this rule, an operation is described as "simple" if neither special skills nor machines, apparatus or equipment especially produced or installed for carrying it out are needed.

10. Consignment criteria

(1) An originating good of the other Party shall be deemed to meet the consignment criteria when it is,-

(a) transported directly from the other Party; or

(b) transported through one or more non-Parties for the purpose of transit or temporary storage in warehouses in such non-Parties, subject to the condition that it does not undergo operations other than unloading, reloading and any other operation to preserve it in good condition.

(2) If an originating good of the other Party does not meet the consignment criteria referred to in sub-rule (1), the good shall not be considered as an originating good of the other Party.

11. Unassembled or disassembled goods

Where a good satisfies the requirements of the relevant provisions of rule 3 to rule 9 and is imported into a Party from the other Party in an unassembled or disassembled form but is classified as an assembled good pursuant to clause (a) of rule 2 of the General Rules for the Interpretation of the Harmonized System, such a good shall be considered as an originating good of the other Party.

12. Fungible goods and materials

(1) For the purposes of determining whether a good qualifies as an originating good of a Party, where fungible originating materials of the Party and fungible non-originating materials that are mixed in an inventory are used in the production of the good, the origin of the materials may be determined pursuant to an inventory management method under the Generally Accepted Accounting Principles in the Party.

(2) Where fungible originating goods of a Party and fungible non-originating goods are mixed in an inventory and, prior to exportation do not undergo any production process or any operation in the Party where they were mixed other than unloading, reloading or any other operation to preserve them in good condition, the origin of the good may be determined pursuant to an inventory management method under the Generally Accepted Accounting Principles in the Party.

13. Indirect materials

Indirect materials shall be, without regard to where they are produced, considered to be originating materials of a Party where the good is produced.

14. Accessories, spare parts, tools and instructional or other information materials

(1) In determining whether all the non-originating materials used in the production of a good undergo the applicable change in tariff classification or a specific manufacturing or processing operation, accessories, spare parts, tools and instructional or other information materials delivered with the good that form part of the good's standard accessories, spare parts, tools and instructional or other information materials,

shall be disregarded:

Provided that,-

(a) the accessories, spare parts, tools and instructional or other information materials are not invoiced separately from the good, without regard to whether they are separately described in the invoice or not; and

(b) the quantities and value of the accessories, spare parts, tools and instructional or other information materials are customary for the good.

(2) If a good is subject to a qualifying value content requirement, the value of the accessories, spare parts, tools and instructional or other information materials shall be taken into account as the value of originating or non-originating materials, as the case may be, in calculating the qualifying value content of the good.

15. Packing and packaging materials and containers

(1) Packing materials and containers for shipment used to protect a good during transportation shall not be taken into account in determining whether the good qualifies as an originating good of a Party.

(2) The packaging materials and containers that are used for retail sale of a good shall be disregarded in determining whether the good qualifies as an originating good of a Party, if such packaging materials and containers are classified with the good pursuant to rule 5 of the general rules for the Interpretation of the Harmonized System; and

(3) where the good is subject to a qualifying value content requirement, the value of packaging materials and containers referred to in sub-rule(2) shall be taken into account as the value of originating materials of a Party where the good is produced or non-originating materials, as the case may be, in calculating the qualifying value content of the good.

16. Operational certification procedures

The procedure regarding the Certificate of Origin and operational certification shall be as set out in **Annexure-2**.

[F. No. 467/99/2006-CUS.V/ICD]

[Copy of the Annexures available at www.worldtradesScanner.com]

Zero Excise on Indian Ships under Licence Granted by DG Shipping

38-CE In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in

the Ministry of Finance (Department of Revenue), No. **6/2006-Central Excise, dated the 1st March, 2006**, published in the Gazette of India, Extraordinary vide number G.S.R. 96(E) dated 1st March, 2006, namely:-

In the said notification, in the Table, **after S. No. 93** and the entries relating thereto, the following shall be **inserted**, namely:-

(1)	(2)	(3)	(4)	(5)
"94.	8901	All goods in respect of which a general licence under section 406 of the Merchant Shipping Act, 1958(44of 1958) has been granted by the Director General Shipping.	NIL	-"

[F. No. 354/116/2011 – TRU]

Cambodia Included in Indo-ASEAN FTA

Ntfn 68 In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. **46/2011-Customs, dated the 1st June, 2011**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 423 (E), dated the 1st June, 2011, namely:-

In the said notification, in the **Appendix I, after serial number 8** and the entries relating thereto, the following serial number and entry shall be **inserted**, namely:-

S.No.	Name of the country
"9	Cambodia"

2. This notification shall come into effect from 1st August, 2011.

[F. No. 354/64/2003-TRU (Pt.I)]

Cambodia Included in Indo-ASEAN FTA Rules of Origin List

52-Cus(NT) In exercise of the powers conferred by sub-section (1) of section 5 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government hereby makes the following rules further to amend the Customs Tariff [Determination of Origin of Goods under the Preferential Trade Agreement between the Governments of Member States of the Association of Southeast Asian Nations (ASEAN) and the Republic of India] Rules, 2009, namely:-

1. (1) These rules may be called the Customs Tariff [Determination of Origin of Goods under the Preferential Trade Agreement between the Governments of Member States of the Association of Southeast Asian Nations (ASEAN) and the Republic of India] Third Amendment Rules, 2011.

(2) These rules shall come into effect on the 1st day of August, 2011.

2. In the Customs Tariff [Determination of Origin of Goods under the Preferential Trade Agreement between the Governments of Member States of the Association of Southeast Asian Nations (ASEAN) and the Republic of India] Rules, 2009, in **Annexure IV, after S.No. 9**, the following S. No. and entry shall be **inserted**, namely:-

S.No.	Name of the Country
10.	The Kingdom of Cambodia

[F. No. 467/68/2004-Cus.V/ICD]

Rice Quota Allocation Stayed Till 10 August by Delhi HC



The Delhi High Court stayed on 26 July the allotment of export quotas to individual firms against the recent Directorate-General of Foreign Trade (DGFT) notification detailing the norms for shipping out 10 lakh tonnes (lt) of non-basmati rice.

"It is directed that no allotment of quota shall be made till the next date of hearing," a division bench of the Court said in its order on Tuesday, while issuing a show cause to the DGFT for reply by August 10.

The DGFT, however, on Wednesday, went ahead with allocation of quotas to individual exporters in terms of its notification, dated July 19. The total 10 lakh tonne exportable quantity has been divided among 82 firms. The allotments, against applications invited through e-mail on July 21 and 22, were made on a first-come-first-serve basis and subject to a maximum individual quota of 12,500 tonnes.

Similar Sounding Names

The list of 82 successful allottees include Adani Wilmar, State Trading Corporation of India and Marubeni India Pvt. Ltd, besides a host of firms with similar sounding names: LMJ Overseas Ltd, LMJ Commercials Pvt Ltd, LMJ Logistics Ltd, LMJ Construction Pvt Ltd and LMJ Services Ltd; LGW Ltd and LGW Industries; and ETC Commodities (India) Pvt Ltd and ETC Agro Processing (India) Pvt Ltd. All of them have bagged export quotas of 12,500 tonnes each.

The DGFT notification seeking inviting applications for export quotas had led to an estimated 1,000 intents being received within five minutes of the window opening at 1000 hours on July 21. On the whole, some 7,500 applications were received by the time DGFT closed its window the following day at 1700 hours.

The process of e-mail applications and selection of allottees on a first-cum-first-serve basis came under criticism from many exporters, especially the unsuccessful ones. The All-India Rice Exporters' Association claimed that it was prone to faulty quota allocation since the generation, transmission and receipt of applications was dependent upon server speeds and internet connection efficiencies, "which are beyond the control of the general applicant".

High Court Stays Non-Basmati Rice Quota Allocation

DGFT to Wait for Final Court Decision

Subject: Stay on operation of Trade Notice No. 13 dated 27.07.2011 for export of non-Basmati rice.

14-TN Division Bench of the Hon'ble 29.07.2011 High Court of Delhi (Justice (DGFT) S.K. Kaul and Justice Rajiv Shakdher) in their interim order in Writ Petition No. 5237/2011 Kannu Aditya (India) Ltd. Vs. Union of India, made on 26th July, 2011 have ordered:

"It is directed that no allotment shall be made till the next date of hearing".

2. This order was delivered in the Office of DGFT at 3.00 p.m. on 27th July, 2011, by which time the allocation of quantities for export of rice

had already been made vide Trade Notice No. 13 of 27th July, 2011. Since the process of allotment was already completed by the time the interim order had been received, we are seeking further directions in the matter.

3. In the meantime, operation and implementation of the allocation made in terms of Trade Notice No. 13 of 27.07.2011 is stayed in view of the order passed by Honble High Court in the above writ petition and will be subject to outcome of the case.

4. This issues with the approval of DGFT.

Anti-dumping Duty on PVC Paste Resin from China, Korea, Russia and Others – Minimum Landed Price

Ntfn 66 Whereas in the matter of 26.07.2011 imports of Poly Vinyl Chloride Paste Resin (hereinafter referred to as the subject

goods), falling under sub- heading 3904 22 10 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred as the said Customs Tariff Act), originating in, or exported from, People's Republic of China, Japan, Republic of Korea, Malaysia, Russia, Taiwan and Thailand (hereinafter referred as the subject countries) and imported into India, the designated authority in its preliminary findings vide notification No.14/36/2009-DGAD, dated the 11th June, 2010, published in the Gazette of

India, Extraordinary, Part I, Section 1, dated the 11th June, 2010, had come to the conclusion that-

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

(b) the domestic industry had suffered material injury in respect of the subject goods;

(c) the material injury to the domestic industry had been caused by the dumped imports of the subject goods from the subject countries;

and had recommended imposition of provisional anti-dumping duty on the imports of sub-

Non Basmati Rice Quota Allocation

Subject: Allocation of quantities of non-Basmati rice for export in terms of Notification No. 60 dated 19.07.2011.

13-TN The allocation of 10,00,000 27.07.2011 MTs of non-Basmati rice (DGFT) for exports as notified in Notification No. 60 dated 19.07.2011 alongwith the 1st waiting list is attached as Annexure to this Trade Notice.

2. The document submission, scrutiny and issue of registration certificates by the Regional Authorities of DGFT / DGFT(Head Quarters) (depending upon the choice of the allottees) would commence at 1000 Hrs on Thursday 28.07.2011 and will close at 1700 Hrs. on Thursday 18.08.2011, as mentioned in the notification No. 60 dated 19.07.2011 subject to conditions mentioned therein.

Annexure 1 List of 82 successful allottees with IEC Code and quantity allocated (03 pages).

Annexure-2 1st Waiting list

[Annexures are available at our website www.worldtradesscanner.com]

ject goods, originating in, or exported from, the subject countries;

And whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods vide notification No. 77/2010-Customs, dated 26th July, 2010, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.633(E), dated the 26th July, 2010;

And whereas, the designated authority, in its final findings vide notification No. 14/36/2009-DGAD, dated 2nd May, 2011, published in the Gazette of India, Extraordinary, Part I, section 1, dated the 2nd May,2011, had come to the conclusion that,-

(a) the product under consideration had been exported to India from the subject countries (except Japan), below their associated normal values, except in the cases wherein the dumping margin has been found to be negative.

(b) the domestic industry had suffered material injury in respect of the product under consideration.

(c) the material injury to the domestic industry had been caused by the dumped imports of the subject goods from the subject countries(except Japan).

Now, therefore, in exercise of the powers conferred by sub-section (1) read with sub-section (5) of section 9A of the said Customs Tariff Act, read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid findings of the designated author-

ity, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), and exported from the countries as specified in the corresponding entry in column (5), and produced by the producers as specified in the corresponding entry in column (6), and exported by the exporters as specified in the

corresponding entry in column (7), and imported into India, an anti-dumping duty at a rate which is equivalent to the difference between, the reference price as specified in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9), of the said Table, and the landed value of such imported goods in like currency per like unit of measurement.

Legal Metrology Act, 2009 in Customs Tariff Act will come into Force on 1 August 2011

53-Cus(NT) In exercise of the powers
28.07.2011 conferred by section 57 of
(DoR) the Finance Act, 2011 (8 of
2011), the Central Govern-
ment hereby appoints the 1st day of August,
2011, as the date on which, the provisions of
the said section shall come in to force.

[F. No. 354/151/2011 – TRU]

Table

SNo.	Sub-heading	Description of goods	Country of origin	Country of exports	Producer	Exporter	Reference price	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	39042190, 3904 22 10	Poly Vinyl Chloride Paste Resin	China PR	China PR	Any	Any	1707	MT	US Dollar
2	39042190, 3904 22 10	-do-	China PR	Any country other than subject countries	Any	Any	1707	MT	US Dollar
3	39042190, 3904 22 10	-do-	Any country other than subject countries	China PR	Any	Any	1707	MT	US Dollar
4	39042190, 3904 22 10	-do-	Malaysia	Malaysia	M/s Kaneka Paste Polymers Sdn., Japan	M/s Mitsui & Co (Asia Pacific) Pte. Ltd., Malaysia	1471	MT	US Dollar
5	39042190, 3904 22 10	-do-	Malaysia	Any country other than subject countries	Any other than SI.No.4		1471	MT	US Dollar
6	39042190, 3904 22 10	-do-	Any country other than subject countries	Malaysia	Any	Any	1471	MT	US Dollar
7	39042190, 3904 22 10	-do-	Korea RP	Korea RP	M/s Hanwha Chemical Corporation	M/s Hanwha Chemical Corporation	NIL	MT	US Dollar
8	39042190, 3904 22 10	-do-	Korea RP	Korea RP	M/s LG Chem Ltd.	M/s LG Chem Ltd.	NIL		
9	39042190, 3904 22 10	-do-	Korea RP	Any country other than subject countries	Any other than SI.No.7 and 8		1706	MT	US Dollar
10	39042190, 3904 22 10	-do-	Any country other than subject countries	Korea RP	Any	Any	1706	MT	US Dollar
11	39042190, 3904 22 10	-do-	Taiwan	Taiwan	M/s Formosa Plastics Corporation	M/s Formosa Plastics Corporation	NIL	MT	US Dollar
12	39042190, 3904 22 10	-do-	Taiwan	Any country other than subject countries	Any other than SI.No.11		1701	MT	US Dollar
13	39042190, 3904 22 10	-do-	Any country other than subject countries	Taiwan	Any	Any	1701	MT	US Dollar
14	39042190, 3904 22 10	-do-	Russia	Russia	Any	Any	1701	MT	US Dollar
15	39042190, 3904 22 10	-do-	Russia	Any country other than subject countries	Any	Any	1691	MT	US Dollar
16	39042190, 3904 22 10	-do-	Any country other than subject countries	Russia	Any	Any	1691	MT	US Dollar
17	39042190, 3904 22 10	-do-	Thailand	Thailand	Any	Any	1551	MT	US Dollar
18	39042190, 3904 22 10	-do-	Thailand	Any country other than subject countries	Any	Any	1551	MT	US Dollar
19	39042190, 3904 22 10	-do-	Any country other than subject countries	Thailand	Any	Any	1551	MT	US Dollar

Explanation. - For the purposes of this notification, "Poly Vinyl Chloride Paste Resin" shall not include "Blending resin", "Co-polymers of PVC paste resin", "Battery separator resin" and "PVC paste resin of K value below 60".

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 imposition of provisional duty, that is, the 26th July, 2010 and shall be payable in Indian currency.

Explanation. - For the purpose of this notification, -

(a) "Landed value" of imports shall be the assessable value as determined under the Customs Act, 1962 and includes all duties of customs except duties levied under Sections 3, 3A, 8B, 8C, 9 and 9A of the said Customs Tariff Act.

(b) "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.354/107/2010 –TRU (Pt-1)]

Another 5 Years of Anti-dumping Duty on Rubber Chemical PX 13 from EU, USA, China and Taiwan

Ntnfn 67
28.07.2011
(DoR)

Whereas, the designated authority vide notification No. 15/14/2009-DGAD, dated the 12th May, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 12th May, 2010, had initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of certain Rubber Chemicals, namely, MOR, PX13 and TDQ, falling under Chapters 29 and 38 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, European Union, People's Republic of China, Chinese Taipei and the United States of America, imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 94/2005-Customs, dated the 20th October, 2005, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R.643(E), dated the 20th

October, 2005, and had recommended extension of the anti-dumping duty.

Now, therefore, in exercise of the powers conferred by sub-section (1) read with sub-section (5) of section 9A of the said Customs Tariff Act, 1975 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, on the basis of the aforesaid findings of the designated authority, hereby imposes anti-dumping duty on the goods, the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country specified in the corresponding entry in column (4), and exported from the country specified in the corresponding entry in column (5) and produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), in the currency as specified in the corre-

Corrigendum to Ntnfn 62 dated 19 July 2011

[Anti-dumping Duty on Saccharin from China]

[Corrigendum dated 25th July 2011]

In the notification of the Government of India, in the Ministry of Finance (Department of Revenue), **No. 62/2011-Customs, dated the 19th July, 2011** published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 548 (E), dated the 19th July, 2011,-

for the words and figures "41/2007-Customs, dated the 19th March, 2007, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.206 (E), dated the 19th March, 2007", wherever it occurs, read "136/2009-Customs, dated the 9th December, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.873 (E), dated the 9th December, 2009".

[F. No. 354/54/2006-TRU (Pt.II)]

sponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table.

Table

SNo.	Sub-heading	Description of goods	Country of origin	Country of exports	Producer	Exporter	Duty amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	381210, 381212, 381220, 381230, 293420, 292519, 292520	Rubber Chemical PX 13	EU	EU	M/s Solutia Europe BVBA/SPRL	M/s Solutia Europe BVBA/SPRL	810	MT	US Dollar
2	-do-	Rubber Chemical PX 13	EU	EU	Any other than the combination of producer and exporter at 1 above	Any	928	MT	US Dollar
3	-do-	Rubber Chemical PX 13	Any country other than those attracting anti-dumping duty	EU	Any	Any	928	MT	US Dollar
4	-do-	Rubber Chemical PX 13	EU	Any country other than those attracting anti-dumping duty	Any	Any	928	MT	US Dollar
5	-do-	Rubber Chemical MOR	China PR	China PR	Any	Any	770	MT	US Dollar
6	-do-	Rubber Chemical MOR	Any country other than those attracting anti-dumping duty	China PR	Any	Any	770	MT	US Dollar
7	-do-	Rubber Chemical MOR	China PR	Any country other than those attracting anti-dumping duty	Any	Any	770	MT	US Dollar
8	-do-	Rubber Chemical TDQ	EU	EU	Any	Any	262	MT	US Dollar
9	-do-	Rubber Chemical TDQ	Any country other than those attracting anti-dumping duty	EU	Any	Any	262	MT	US Dollar
10	-do-	Rubber Chemical TDQ	EU	Any country other than those attracting anti-dumping duty	Any	Any	262	MT	US Dollar

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

Explanation. - For the 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.354/131/2005 –TRU (Pt-1)]

Crude Palm Stearin Classified under Tariff Line 3823 11 11

Subject: - Classification of Palm Stearin

31-CBEC Attention is invited to Board
26.07.2011 Circular No. 81/2002-Customs
(DoR) dated 03.12 2002, which
clarifies that "Crude Palm

Stearin" should be assessed keeping in view the chemical examination of the product whether they are glycerides (ester) of fatty acid or a mixture of fatty acids. Accordingly, the good merits classification or assessment either under CTH 1511(in case of glycerides of fatty acids) or CTH 3823 (in case of a mixture of fatty acids), as the case may be.

2. Hon'ble Supreme Court of India in Civil Appeal No. 6979-6982 of 2009 in case of C.C.E.C. & S.T., Visakhapatnam Vs. JOCIL India, vide Order dated 15.12.2010 has held that 'Palm Stearin' is specifically mentioned under CTH 3823 11 and is further differentiated as "Crude", "RBD" in sub-heading 3823 11 11

and 3823 11 12 respectively. The Explanatory Notes are categorical in affirming the accepted practice that Rule 3(b) of 'General Rules for the Interpretation' shall be used only if classification under Rule 3(a) fails. The Hon'ble Court has opined that the issue of the essential character of the subject matter in question may be resorted to only if identification under Rule 3(a) is impossible.

3. Accordingly, it is clarified that the goods declared as "Crude Palm Stearin" shall be assessed under CTH 3823 11 11 of Customs Tariff Act, 1975. All pending cases should be finalized accordingly.

4. The Board Circular No. 81/2002-Customs dated 03.12.2002 stands withdrawn.

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

F.No.521/64/2010-STO (TU)

No Cess on Lac/Shellac

Subject: Levability of Cess on export of Lac/shellac

32-CBEC Representations have been
26.07.2011 received from Trade and
(DoR) Industry stating that they
are being required to pay

Cess on Lac/Shellac at the time of export of such goods.

2. The matter has been examined. Exports of Lac/shellac were subject to Cess under 'The Produce Cess Act, 1966'. However, vide Pro-

duce Cess Laws (Abolition) Act, 2006, the said Produce Cess Act, 1966 has been repealed w.e.f 25th September, 2006. Thus, a Cess under this Act is no longer required to be paid on exports of Lac/shellac.

3. Suitable instructions may accordingly be given to the field formations under your charge.

F. No. 341/26/2011-TRU

Excise Exemption on Food Prepared or Served in Restaurants

37-CE In exercise of the powers
25.07.2011 conferred by sub-section (1)
(DoR) of section 5A of the Central
Excise Act, 1944 (1 of 1944),

the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue),

No. 3/2006-Central Excise dated the 1st March, 2006, published in the Gazette of India, Extraordinary, vide number G.S.R. 93 (E), dated the 1st March, 2006, namely: -

In the said notification, in the Table, -

(i) **after S.No.12** and the entries relating thereto, the following S. No and the entries shall be **inserted**, namely:-

(1)	(2)	(3)	(4)	(5)
"13	16 or 19 (except 1905)	Food preparations including food preparations containing meat, which are prepared or served in a hotel, restaurant or retail outlet whether or not such food is consumed in such hotel, restaurant or retail outlet.	Nil	-"

[F.No.332/09/2011-TRU]

Zero Excise on Food Prepared or Served by Hotels or Restaurants

36-CE In exercise of the powers
25.07.2011 conferred by sub-section (2A)
(DoR) of section 5A of the Central
Excise Act, 1944 (1 of 1944),

the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments

in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. **23/2011-Central Excise dated the 24th March, 2011**, published in the Gazette of India, Extraordinary, vide number G.S.R. 235(E), dated the 24th March, 2011, namely: -

In the said notification, the following **Explan-**

Zero Service Tax on Common Facility Effluent Treatment of Dyeing Units

42-ST In exercise of the powers
25.07.2011 conferred by sub-section
(DoR) (1) of section 93 of the
Finance Act, 1994 (32 of

1994), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts club or association service referred to in sub-clause (zzze) of clause (105) of section 65 of the said Act, provided by an association of dyeing units in relation to the project, from the whole of service tax leviable thereon under section 66 of the Finance Act.

Explanation. - For the purposes of this notification, project means common facility set-up for treatment and recycling of effluents and solid waste discharged by dyeing units, with financial assistance from the central or state government.

F. No. 356/05/2011-TRU

tion shall be inserted,-

Explanation. - Nothing contained in this notification shall apply to food preparations including food preparations containing meat, falling under chapters 16 or 19 (except chapter heading 1905) which are prepared or served in a hotel, restaurant or retail outlet whether or not such food is consumed in such hotel, restaurant or retail outlet.

[F.No.332/09/2011-TRU]

Export Warehousing Facility Extends to Tijara Tehsil of Alwar (Raj)

Subject: Export warehousing –Extension of facility at Tijara Tehsil of Alwar District in the state of Rajasthan.

949-CBEC I am directed to refer to
19.07.2011 Board's Circular No. 581/18/
(DoR) 2001-CX dated 29th June, 2001
which, inter-alia, specifies

conditions, procedures, class of exporters and places under sub-rule (2) of rule 20 of Central Excise Rules, 2002 for warehousing of excisable goods for the purpose of export. In paragraph 2(2) of the said Circular, the Board has specified places where warehouses may be established to store excisable goods for export. The Board has received representations from the trade to include Tijara Tehsil of Alwar District in the state of Rajasthan in the list of places mentioned in the said Circular.

2. The matter has been examined. Board is of the view that extension of the facility of export warehousing to Tijara Tehsil of Alwar District in the state of Rajasthan would facilitate the trade and industry. Therefore, it has been decided to amend paragraph 2(2) of the Circular No. 581/18/2001-CX dated 29th June, 2001 to include Tijara Tehsil of Alwar District in the state of Rajasthan. Accordingly, the said paragraph shall now read as follows:

“(2) Places: The warehouses may be established and registered in Ahmedabad, Bangalore, Kolkata, Chennai, Delhi, Hyderabad, Jaipur, Kanpur, Ludhiana, Mumbai, the districts of Pune and Raigad in the state of Maharashtra, the district of East Midnapore in the state of West Bengal, the district of Kancheepuram in the state of Tamilnadu, the district of Indore in the state of Madhya Pradesh, the taluka Ankleshwar in the district of Bharuch in the state of Gujarat, Navi Mumbai in the district of Thane in the state

of Maharashtra, Sholinghur in the district of Vellore in the state of Tamilnadu, Bidadi in the Bangalore Rural District, Karnataka, the district of Thiruvallur in the state of Tamilnadu, the district of Gautam Budh Nagar in the state of Uttar Pradesh, the district of Nagpur in the state of Maharashtra and the Tehsil of Tijara of Alwar district in the state of Rajasthan.”

3. The field formations may suitably be informed.

F.No.209/02/2011-CX.6(Pt.)

New Registration of LTU under CEA, 1944

17-CE(NT) In exercise of the powers
18.07.2011 conferred by sub-rule (ea)
(DoR) of rule 2 of the Central Excise
Rules, 2002, and sub-rule

(cccc) of rule 2 of the Service Tax Rules, 1994, the Central Government hereby makes the following further amendment to the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 20/2006-Central Excise (N.T), dated the 30th September, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 609(E), dated the 30th September, 2006, namely :-

2. In the said notification, in paragraph 3, in item (iv), for the words “the application for such new registration shall be made before the Chief Commissioner of Central Excise, Large Taxpayer Unit”, the words “the application for such new registration shall be made before the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, Large Taxpayer Unit, in case of registration under the Central Excise Act, 1944 and the Superintendent, Large Taxpayer Unit, in case of registration under the Finance Act, 1994, as the case may be.” shall be substituted.

[F.No.201/09/2010-CX.6]

New ER1 Form for Monthly Return for Production and Removal of Goods for Availment of CENVAT Credit

16-CE(NT) In exercise of the powers
18.07.2011 conferred by rule 12 of the
(DoR) Central Excise Rules, 2002
and sub-rule (7) of rule 9 of

the CENVAT Credit Rules, 2004 and in supersession of the notification of the Government of India, Ministry of Finance (Department of Revenue), number 23/2006-Central Excise (N.T) dated the 12th October, 2006, published vide G.S.R. 630 (E), dated the 12th October, 2006,

the Central Board of Excise and Customs hereby specifies the following Forms for the purposes of the said rules, namely:-

(A) for monthly return for production and removal of goods and other relevant particulars and CENVAT credit, the following form shall be used, namely:-

[Forms are available at our website www.worldtradesScanner.com]

Clarification on Date of Completion of Service under Point of Taxation Rules, 2011

Subject: - Clarification on “Completion of service”.

144-ST Representations requesting
18.07.2011 clarification on “completion of
(DoR) service” as provided under the
Point of Taxation Rules, 2011

and Service Tax Rules, 1994 have been received from certain sections of service providers that in many situations it is not possible to issue invoices within 14 days of the completion of the service since the exact date of completion of service is difficult to identify. Instances have been given where after the task of providing the service may be physically accomplished, but certain other formalities are required to be completed from the client's end before an invoice can be issued.

2. These representations have been examined. The Service Tax Rules, 1994 require that invoice should be issued within a period of 14 days from the completion of the taxable service. The invoice needs to indicate inter alia the value of service so completed. Thus it is important to identify the service so completed. This would

include not only the physical part of providing the service but also the completion of all other auxiliary activities that enable the service provider to be in a position to issue the invoice. Such auxiliary activities could include activities like measurement, quality testing etc which may be essential pre-requisites for identification of completion of service. The test for the determination whether a service has been completed would be the completion of all the related activities that place the service provider in a situation to be able to issue an invoice. However such activities do not include flimsy or irrelevant grounds for delay in issuance of invoice.

The above interpretation also applies to determination of the date of completion of provision of service in case of “continuous supply of service”.

3. Trade Notice/Public Notice may be issued to the field formations accordingly.

F.No.354/93/2011-TRU

Legal Metrology Act 2009 in Medicinal and Toilet Preparations (Excise Duties) Act will Come into Force on 1 Aug 2011

01-M&TP In exercise of the powers
28.07.2011 conferred by section 76 of
(DoR) the Finance Act, 2011 (8 of
2011), the Central Govern-
ment hereby appoints the 1st day of August,
2011, as the date on which, the provisions of
the said section shall come in to force.

[F. No. 354/151/ 2011 – TRU]

Legal Metrology Act 2009 in Central Excise Act will Come into Force on 1 August 2011

18-CE(NT) In exercise of the powers
28.07.2011 conferred by section 62 of
(DoR) the Finance Act, 2011 (8
of 2011), the Central

Government hereby appoints the 1st day of August, 2011, as the date on which, the provisions of the said section shall come in to force.

[F. No. 354/151/ 2011 – TRU]

Excise Duty Payable by Job Worker on Manufactured Goods

19-CE(NT) In exercise of the powers
28.07.2011 conferred by section 37 of
(DoR) the Central Excise Act, 1944
(1 of 1944), the Central

Government hereby makes the following rules further to amend the Central Excise Rules, 2002, namely:-

1. (1) These rules may be called the Central Excise Third (Amendment) Rules, 2011.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Central Excise Rules, 2002, in rule 4, for sub-rule (1A), the following sub-rule shall be substituted, namely:-

“(1A) Notwithstanding anything contained in sub-rule (1), every person who gets the goods, falling under Chapter 61 or 62 or 63 of the First Schedule to the Tariff Act, produced or manufactured on his account on job work, shall pay the duty leviable on such goods, at such time and in such manner as is provided under these rules, as if such goods have been manufactured by such person:

Provided that where any person had, instead of paying duty, authorized job worker to pay the duty leviable on goods manufactured in his behalf under the provisions of sub-rule (1A) as it stood prior to the publication of this notification, he shall be allowed to obtain registration and comply with the provisions of these rules within a period of thirty days from the date of publication of this notification in the Official Gazette.”.

[F.No.B-1/2/2011-TRU]

Exchange Rates for Customs Valuation

The current notification No. 51-Customs(NT) dated 27th July 2011 supersedes notification 41-Customs(NT) dated 28th June 2011.

51-Cus(NT) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of

Revenue) **No. 41/2011-Customs(NT) dated 28th June 2011** vide number S.O. 1475(E), dated the 28th June, 2011, except as respects things done or omitted to be done before such supersession, 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 1st August, 2011** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo	Currency	Imported Goods		Exported Goods	
		Current	Previous	Current	Previous

Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees

SNo	Currency	Current	Previous	Current	Previous
1	Australian Dollar	48.95	47.65	47.75	46.50
2	Canadian Dollar	47.55	46.20	46.35	44.90
3	Danish Kroner	8.75	8.70	8.45	8.40
4	EURO	64.95	64.50	63.35	62.90
5	Hong Kong Dollar	5.75	5.85	5.65	5.75
6	Norwegian Kroner	8.40	8.30	8.10	8.05
7	Pound Sterling	73.35	72.70	71.55	71.05
8	Swedish Kroner	7.15	7.00	6.95	6.80
9	Swiss Franc	56.10	54.65	54.55	53.05
10	Singapore Dollar	37.25	36.75	36.30	35.90
11	US Dollar	44.70	45.50	43.90	44.70

Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

SNo	Currency	Current	Previous	Current	Previous
1	Japanese Yen	57.55	56.65	55.95	55.05

[F.No.468/10/2011-Cus.V]

Tariff Value of Brass Scrap and Poppy Seeds Down

54-Cus(NT) In exercise of the powers conferred by sub-section 29.07.2011 (2) of section 14 of the Customs Act, 1962 (52 of (DoR) 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely: -

In the said notification, for the Table, the following Table shall be substituted namely:-

Table

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	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	4261
9	1207 91 00	Poppy seeds	2276

[F. No. 467/2/2011-Cus.V]

Commodity Spot Prices in India – 29 July-01 August 2011

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day.

Commodity	Unit	Market	(Rs.)		
			29-Jul	30-Jul	01-Aug
CER (Carbon Trading)	1 MT	Mumbai	598	580	580
Chana	100 KGS	Delhi	2986	3012	3017
Masur	100 KGS	Indore	2803	2826	2848
Potato	100 KGS	Agra	491.4	491	488.5
Potato TKR	100 KGS	Tarkeshwar	428.6	427.4	421.2
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	789.1	783.7	780.5
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA
Jeera	100 KGS	Unjha	NA	NA	NA
Pepper	100 KGS	Kochi	NA	NA	NA
Red Chili	100 KGS	Guntur	NA	NA	NA
Turmeric	100 KGS	Nzmbad	7150	7150	7163
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1275.5	1274	1281
Wheat	100 KGS	Delhi	1202.3	1202.1	1198.8
Mentha Oil	1 KGS	Chandausi	1212.3	1214.6	1204.3
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	5087	5079	5056.5
Guar Seed	100 KGS	Bikaner	4389	4359	4440
Soya Bean	100 KGS	Indore	2362.5	2360	2395
Mustrdsd JPR	20 KGS	Jaipur	600.9	603.75	604.6
Sesame Seed	100 KGS	Rajkot	5381	5388	5388
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1311.4	1303.3	1295.4
Coconut Oil	100 KGS	Kochi	9672	9724	9724
Refsoy Oil	10 KGS	Indore	666	664.15	666.35
CPO	10 KGS	Kandla	487.9	488.5	493.8
Mustard Oil	10 KGS	Jaipur	652.3	655.7	658.9
Gnutoilexp	10 KGS	Rajkot	957.5	959.2	950
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	4300	4226	4226
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	5179	515	5155
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2703	2697	2672
Sugarm	100 KGS	Delhi	2933	2933	2904
Natural Gas	1 mmBtu	Hazirabad	187.3	183	183
Rubber	100 KGS	Kochi	20696	20723	20709
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	2563	2551.5	2580.5
Gold	10 GRMS	Ahmd	23142	23211	23100
Gold Guinea	8 GRMS	Ahmd	18588	18644	18554
Silver	1 KGS	Ahmd	57825	58218	57315
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	NA	NA	NA
Copper	1 KGS	Mumbai	434.8	436.05	436.05
Nickel	1 KGS	Mumbai	1082.3	1081.6	1104.3
Aluminium	1 KGS	Mumbai	115.55	113.95	114.75
Lead	1 KGS	Mumbai	116.45	115.4	115.75
Zinc	1 KGS	Mumbai	111.25	108.95	109.15
Tin	1 KGS	Mumbai	1259.75	1242.75	1258

(Source: MCX Spot Prices)

PTAs between Countries Rise to 300, Regulations up, Trade Stagnant

The rapid proliferation of preferential trade agreements (PTAs) over the last two decades poses fresh challenges to the global trading system, according to the new 2011 World Trade Report released by the WTO on Wednesday, 20 July.

These trade pacts are now often considered mechanisms for regulatory measures, spurred on by the growth of global production networks. At the report's release, WTO Director-General Pascal Lamy noted that these networks "require

an enabling regulatory environment that provides stronger investor protection, better infrastructural services, freedom of movement of corporate personnel, protection to intellectual property rights, and facilitation of trade."

These so-called "deep PTAs" increasingly include regulations on services, investment, intellectual property protection, and competition policy.

Lamy cautioned that the new face of PTAs could threaten the multilateral trading system,

warning that they "may lock-in their members to a particular regulatory regime reducing the potential for trade to prosper with countries outside the arrangement."

The development of a "spaghetti bowl of regulatory regimes" could lead to "diseconomies of scale," in which international trade becomes increasingly segmented, Lamy noted in an interview.

Worldwide, there are currently over 300 PTAs, with a dozen more under negotiation. On average, each WTO member holds 13 PTAs. At the launch of the report last Wednesday, WTO Chief Economist Patrick Low noted that PTAs have increased four-fold since 1990.

PTAs represent a departure from the WTO's "Most-Favoured Nation" principle of non-discrimination in trade. However, the agreements are allowed conditionally under Article XXIV of the GATT. Additionally, the "Enabling Clause" relaxes some of GATT provisions on PTAs for developing countries in the name of special and differential treatment, and Article V of the General Agreement on Trade in Services (GATS) outlines provisions for trade pacts in services.

The report argues that a "new" way of thinking about the agreements has contributed to their recent proliferation. Trade pacts are no longer considered complements or substitutes for multilateral trade liberalisation. "The explosion of PTAs is not being matched by an expansion in trade flows that receive preferential treatment," the WTO reports. "Only 16 percent of global merchandise trade receives preferential treatment if trade within the European Union is excluded." The report notes that this can be attributed to non-preferential tariffs already being low, averaging at four percent in 2009.

Famine in Somalia – UN Calls for Free Movement

The UN has officially declared a famine in parts of Somalia, as the food crisis in the Horn of Africa continues to worsen. Aid agencies are warning that allowing food to move freely in the region is key to preventing the humanitarian situation from deteriorating further.

Meanwhile, the head of the International Food Policy Research Institute (IFPRI) cautioned that countries need to keep international and cross-border trade open, as part of a package of short and long term measures.

"Do not introduce export bans within the region," warned the body's Director-General, Shenggen Fan. "While such bans may help secure the domestic food supply, they can also lead to starvation in neighbouring countries, which will exacerbate the crisis," he said in a statement.

The Food Security and Nutrition Analysis unit, based in Kenya, has said that only 15 to 20 percent of Somalia's domestic requirements are likely to be met by local cereal production this year. Normally, the figure would be closer to 40 percent, with regional cross border trade and sea commercial imports supplying the rest.

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