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Many Questions on Viability of JNPT FTWZ after Customs Actions to Scuttle Existing FTWZ

- Arun Goyal -

JNPT is embarking on a big programme of setting up a \$666 mn FTWZ facility at public cost. PM Modi himself is inaugurating it to underline the emphasis on infrastructure in his plan for the economy. He has chosen the next day after his Independence Day Speech at Red Fort for the event for special effect. Ministers from Maharashtra in his cabinet and the Congress Chief Minister Prithviraj Chavan are in attendance.

JNPT with all its negative points of poor administration and labour relations has emerged as the alternative to the even more badly managed Mumbai port. It has emerged as the biggest container port in India, handling 56 per cent of containerized cargo. It is basically a port for transshipment of containers from the Delhi ICD and others spread over North and Central India with nothing to show for port based industry. Even though JNPT is located some 800 kms away from the Main Singapore-Europe-US route through the Suez Canal, it gives stiff competition to Colombo which is bang on the route with zero diversion. The rail-road link to the hinterland ICD is in JNPT plus point.

A fourth container terminal with a quay length of 2000 metres and capacity of 4.8 million TEUs will come up at an estimated project cost of \$1.3bn crore by PSA Investment of Singapore. The project is scheduled to be completed in six years in two phases.

JNPT has little to offer on its own, it depends upon foreign operators who handle the cargo at its terminals. It gets its revenue as a landlord extracting rent share from BOT contract with private parties. Its future is, however, bleak with port draft of only 12 m which is grossly inadequate to

handle ships over 18,000 tonnes. With ship sizes going up to 100,000 tonnes, Mundra with 18 m draft will take over from JNPT on the container cargo front.

Regulatory hurdles in FTWZs

The JNPT surpluses are from Government monopoly rentals. Its own working is dismal. Locking up \$666mn in FTWZ is risky, may be even fool hardy. Rival SEZs in Kandla/Mundhra/Pipavav/Dahej have taken away all the good business. Besides this, FTWZ has not taken off with customs putting up many legal and technical hurdles in the way. Arshiya FTWZ is bleeding with many units on the verge of closing. JNPT has no expertise in handling FTWZ. Where is the private party to do this job?


There many unresolved issues in FTWZ. For example, exports to FTWZ from DTA is not accepted by customs even though the SEZ Act administered by Ministry of Commerce defines export to include movements from DTA. Similarly imports from SEZ to DTA are not recognized by customs and charged the SAD tax even though there is an exemption notification on this subject released by Department of Revenue. The entire revenue department is out to kill FTWZ which is a derogation from its own Customs Act, 1962. With this environment, how will the JNPT FTWZ with its emphasis on transshipment succeed where others have failed?

Other questions for JNPT FTWZ:

- India has NTBs in place, there are no exemption in customs clearance on NTBs for FTWZ. What is the advantage of FTWZ over DTA?

Narendra Modi to Lay Foundation of JNPT \$666mn Free Trade Warehousing Zone a Day after 15 Aug Independence Day

\$321 mn Eight Lane Road to JNPT Planned to Beef up Connectivity



Prime Minister Narendra Modi will lay the foundation stone for the Rs 4,000-crore port-based multi-product special economic zone at Jawaharlal Nehru Port Trust at Sheva, Navi Mumbai, on 16 August. Leading Mumbai based Ministers Piyush Goyal, Nitin Gadkari and Anand Geetha besides Maha CM Chavan to attend.

"The proposed industrial infrastructure in 277 hectares with a total public and private investment of Rs 4,000 crore said to generate 1.5 lakh direct and indirect jobs.

The ambitious SEZ, to be developed through JNPT-SPV (Special Purpose Vehicle) under the engineering, procurement and construction (EPC) mode, will be completed in three years.

SEZ will develop a free trade warehousing zone, engineering goods sector, electronics and hardware sectors, non-conventional energy sector, multi services (IT and healthcare) sectors and apparel and textiles sectors.

Modi will also lay the foundation stone for a Port Connectivity Highway Project at the JNPT and also allot land to JNPT project affected persons (PAPs) under the 12.5 per cent scheme.

The port connectivity highway project with a cost is Rs 1,926.57 crore will be completed by December, 2017.

The Ministry of Shipping has decided to execute this project on EPC mode through SPV. The project has been undertaken under the National Highway Development & Port Connectivity Programme of the Union government.

- India is out to scuttle Trade Facilitation (TF) of WTO. There is no chance of special window on TF in FTWZ - which are for "Free Trade".
- No exemption from Exchange Control in FTWZ.
- JNPT customs is not the best example of efficiency. Long queues for users at the lift in the Customs House. CHAs are treated as coolies. The attitude of customs in the new FTWZ is not a good sign.
- Customs is out to defeat FTWZ, it is not a haven but a prison, according to the users.
- No separate law for FTWZ, it is an extension of SEZ
- SEZ Board in Commerce Ministry is only a Blackboard, prior customs approval is required for agenda items!
- Many units are Debonding from SEZs for DTA. Reliance SEZ is an example
- Where is the income tax holiday for SEZs? Government has gone back on it.
- Transaction costs are very high, Concor is inefficient, containers are taken by road to Mumbai, the result is that it cost of sending a container from Delhi to Mumbai is more than the cost of shipping it from Mumbai to Hamburg!
- JNPT was to be privatised, What happened. IAS and IRS officers are running the port!

Ad Co Chief in Lock up for Service Tax Evasion in Mangalore

Officers of the Commissionerate of Central Excise and Service Tax, Mangalore arrested a Chairman & Managing Director of a major company providing advertisement services and event management, for collecting the Service Tax of over Rs.1.94 crores from April, 2012 to June, 2014 and not remitting the same to the Government account. Out of this amount, Rs.1.16 crores was retained by them for more than 6 months.

During the audit of the service provider, the officers found that the service provider failed to remit the Service Tax collected to the Government account. The detailed investigation initiated in the matter prima facie revealed that the service provider has been evading payment of appropriate Service Tax for over two years. Scrutiny of the documents furnished by the service provider re-

vealed that they were not complying with even the basic statutory requirements like timely filing of returns intimating the taxable services provided, discharging appropriate Service Tax liability, remitting the Service Tax collected to the Government account etc. thereby contravening the provisions of the Finance Act, 1994 and the Rules framed thereunder.

As per Section 89(1)(d) read with Section 89(1)(ii) of the Finance Act, 1994 whoever collects amount in excess of Rs.50 lakhs as Service Tax but fails to credit the same to the Government account within a period of 6 months from the day on which such payment becomes due, is liable for imprisonment for a term which may extend to 7 years. Such offences shall be cognizable as per Section 90 of the Act.

Goa Air India Driver Teams up with Passengers to Bring in Gold

Goa Customs has thwarted a major attempt of gold smuggling at the International Airport on 07.07.2014 and 19.491 kgs of gold valued at Rs. 5,41,84,980/- has been seized. Three international passengers Mohammad Saleem Musbah, Imtiyaz Hussain and Mohammed Asif coming from Dubai by QR-522 have been arrested. The fourth person arrested in the case is Prakash M. Manotgi, a tractor driver with Air India. Another accused and accomplice, Shaikh Mohammed Javid, employee of M/s Minar Travels India (Pvt) Ltd. is absconding and efforts are on to nab him. The modus operandi attempted in the case was

that the three passengers handed over the gold to Prakash Manotgi in the corridor after alighting from the Aircraft. This particular transaction in the corridor was noticed by a CISF staffer manning the CCTV room who rushed to inform the Customs and nab the accused. The person receiving the gold was apprehended and the three passengers were then apprehended in the International Arrival Hall. A house belonging to one of accused was searched and Indian currency amounting to Rs. 21,25,000/- and assorted foreign currency of USD 10,524/- and Euro 975/- was recovered.

Export Incentives Allowed for All Rupee Exports to Iran

Subject: Export benefits / incentives against exports to Iran.

89-Nftn(RE) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes the following amendment in the Para 2.40A of Foreign Trade Policy, 2009-2014:

2. The word 'specific' appearing in the first line

of Para 2.40A of Foreign Trade Policy, 2009-2014 is hereby deleted:

3. After deleting, Para 2.40A of Foreign Trade Policy, 2009-2014 shall read as under:

Para 2.40A: Export proceeds against exports to Iran realized in Indian rupees are permitted to avail exports benefits/ incentives under the Foreign Trade Policy, 2009-14, at par with export proceeds realized in freely convertible currency.

Uprooted Villagers to Get 400 sq ft per Head

Jawaharlal Nehru Port Trust (formerly Nhava Sheva Port Trust) was commissioned on 26th May, 1989. For the construction of the Port, land to the extent of 1172 hectares was acquired through Government of Maharashtra from 12 villages in the 1980s. This was done as part of the land acquisition for the Navi Mumbai Project. The Villagers would get back developed land to the extent of 12.5% of the land acquired from each of them.

The Government claims that even though the Supreme Court has not supported the 12.5% back scheme, it will return one m² of developed land out of every sq m of acquired land to the villagers. Only 35.5 ha of land is returned under the scheme with 111 ha yet to be distributed.

The fishermen complain that JNPT has blocked all the estuaries, their catchment area has dried up.

4. Effect of this notification

The word 'specific' has been deleted from Para 2.40A of Foreign Trade Policy, 2009-2014.

Reserve Bank gives Green Signal to MB Shah Black Money Commission

All Financial Agencies Asked to Cooperate with the Investigation Team

Sub: Constitution of Special Investigating Team-sharing of information

AP(DIR Srs) In pursuance of the Hon'ble Cir.18 Supreme Court Judgment dated 30.07.2014 July 4, 2011, Government of (RBI) India has constituted a Special Investigation Team (SIT) under

the Chairmanship of Hon'ble Justice M.B. Shah. In this regard, the Hon'ble Supreme Court has directed that:

"All organs agencies, departments and agents of the State, whether at the level of the Union of India, or the State Government, including but not limited to all statutorily formed individual bodies, and other constitutional bodies extend all the cooperation necessary for the functioning of the Special Investigation Team.

The Union of India and where needed the State Government will facilitate the conduct of the investigations, in their fullest measures, by the Special Investigation Team and functioning, by extending all necessary financial, material, legal, diplomatic and intelligence resources, whether such investigations or portions of such investigations occur inside the country or abroad."

2. In view of the above, all Authorised Persons are advised to ensure that information/documents required by the SIT are made available, as and when required.

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

Dear Reader:

The Weekly Index of Changes with World Trade Scanner Issue No. 21 is a combined issue, i.e., Issue No. 20 and 21 dated 06 to 19 August 2014.

Editor

India Woos Nepal

Modi Wins Hearts in Nepal, Shakes Hands with Maoist Opposition Leader Prachanda

Highlights of Joint Press Statement on the Visit of the PM Modi to Nepal

- Big Indian Push in Hydel Power, Roads in Nepal thru Financing
- Indian Infra Companies GMR, Jaypee, Adani to get Business, Buy Back of Power to Hungry Northern Grid
- Nepal Asks India to Forgive Defence Debt
- India to Release Soft Credit Line of \$1bn
- The two Prime Ministers also underlined the need to further explore ways to enhance sub-regional cooperation particularly in the areas of trade, transit, connectivity and hydropower. They underlined that the high level visits are vital for greater momentum to the close and cordial ties between the two countries.
- The Prime Minister of Nepal stated that Nepal has focused its attention on drafting a new constitution through the Constituent Assembly, which will lead the country to greater stability and prosperity. He shared Nepal's vision of graduating from the status of least developed country by 2022.
- The two Prime Ministers noted with satisfaction the reactivation of Nepal India Joint Commission at the level of the Foreign Ministers and welcomed the outcomes of the third meeting held in Kathmandu from July 25-26, 2014.
- The two Prime Ministers agreed to review, adjust and update the Treaty of Peace and Friendship of 1950 and other bilateral agreements.
- Underlined the need to resolve pending Nepal-India boundary issues once and for all. They welcomed the formation of the Boundary Working Group to undertake the construction, restoration and repair of boundary pillars including clearance of 'No man's land' and other technical tasks.
- The Indian side stressed on early signing of the agreed and initialled strip maps of about 98% of the boundary. The Nepalese side expressed its desire to resolve all outstanding boundary issues.
- The two Prime Ministers welcomed the decision to establish an Eminent Persons Group on Nepal-India Relations (EPG-NIR) to look into the totality of Nepal-India relations from independent, non-governmental perspectives
- Directed the competent authorities on both sides to make sure that the open border, which has facilitated movements of people on both sides of the border and has been a unique feature of Nepal-India bilateral relations
- It was assured that Nepal and India will not allow their territory to be used against each other.



Modi with Tie Clad "Prachanda"

- The Government of India announced a soft credit line of US\$ 1 billion for the execution of infrastructure development and energy projects as identified and prioritized by the Government of Nepal.
- The two Prime Ministers witnessed the signing of the Exchange of Letters regarding Terms of Reference of the Pancheshwar Development Authority. They agreed that the two Governments would set up the Authority within 6 months and finalise the DPR of Pancheshwar Development Project and begin implementation of the Project within one year.
- Directed the concerned authorities to conclude negotiations within 45 days on the Project Development Agreement (PDA) between the Investment Board of Nepal and GMR Group of India for the development of Upper Karnali hydropower project.
- Conclude negotiations on the agreement on trade in power sector within 45 days. Early conclusion of other three PDAs namely Arun III, Upper Marsyangdi and Tamakoshi III. They emphasized that development of projects of this size will be a major catalyst for the development of Nepal's enormous hydropower potential.
- The Indian side assured to assist the construction of a multilane motorable bridge over Mahakali River at Mahendranagar, which will allow traffic along the East West Highway to cross over the Mahakali River and establish a vital trade and transit linkage of far western region of Nepal with Indian cities of Uttar Pradesh, Delhi and Uttarakhand. The Indian side also conveyed to consider construction of motorable bridges at the border points at Jhulaghat and Darchula.
- Nepal requested for assistance to complete the eastern sector of Mid Hill Highway, namely (Chiwabhanjyang-Ganeshchowk, 61 km, Jorsal-Tamor-Sankranti, 35 km, Sankranti-Myanglung, 68 km, Bhojpur-Diktel, 88 km, Haleshi-Hilepani 40 km, Ghurmi-Khurkot, 60 km). The Government of India agreed to consider the request positively.
- Ongoing defense cooperation. In this context, the Nepalese side requested the Prime Minister of India for waiver of the dues outstanding as on date owned by the Government of Nepal to the Government of India on account of defense purchases.
- Expedite the construction of Postal roads and feeder roads (Terai roads) and complete the phase I expeditiously. They also directed to commence phase II within a year. The Indian side agreed to consider the Government of Nepal's request to implement the phase II

Deals Signed with Nepal on Sushma Swaraj Visit of 25-27 July 2014

- Deemed Agricultural University.
- Bilateral Investment Protection and Promotion Agreement (BIPPA). In order to promote Nepal's exports to India, the Indian side agreed to further relaxing the rules of origin requirements; simplifying and streamlining transit and customs related procedures; eliminating TBT and making the SPS related measures less stringent; and lifting quantitative restrictions on the export of Nepalese products to India.
- Letters of Exchange (LOEs) at the earliest with a view to facilitating trade and traffic in transit.
- Terai Roads under Phase I projects.
- Tanakpur-Mahendranagar Link Road.
- Cross-border railway connectivity.
- Integrated Check Posts (ICPs).
- Power Trade Agreement.
- Terms of Reference of the Pancheshwar Development Authority.
- DPR of the Pancheshwar Multipurpose Project
- 400 kV Dhalkebar-Muzaffarpur Double Circuit Cross-Border Transmission Interconnection.
- 132 kV Kataiya-Kusaha and 132 kV Raxaul-Parwanipur Transmission Line Projects so that the transmission lines would help import additional power from India.
- River training works over Lalbakaiya, Bagmati and Kamala.
- Installation of 2,700 shallow tube-wells in the terai region.
- EXIM Bank Lines of Credit (LoC). At the request of the Nepalese side, the Joint Commission acknowledged the need to relax the requirement of Indian content for the road projects included in the US\$ 250 million LoC and agreed that the Indian content requirement would be reduced to 50%.
- Development and conservation of Pashupati, Lumbini, Janakpur and Barahachhetra areas.

projects by the Nepalese side.

- The revised Rail Service Agreement, Motor Vehicle Agreement, Letter of Exchanges on Trade and Transit and ratification of BIPPA.
- Cross border railway at all five agreed border points and the four Integrated Check Posts (ICPs) which cross border trade and transit as well as Nepal's export to and import from third countries.
- Indian side agreed to take up the project for the construction of Raxaul-Amlekhgunj petroleum pipeline in the first phase and extend it to Kathmandu in the next phase to facilitate the transport of petroleum products.
- The Nepalese side highlighted the trade deficit it is facing vis a vis its trade with India and suggested measures to address this deficit through increased Indian FDI, relaxation of non-tariff measures including SPS standards for agro products, support in product development, relaxation of Rules of Origin

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WEEKLY INDEX OF CHANGES

Another Five Years of Anti-dumping Duty on Sodium Nitrite from EU

Ntfn 37-ADD 08.08.2014 (DoR) Whereas, the designated authority, *vide* notification No. 15/1009/2012-DGAD dated 23rd March, 2013, published in the Gazette of India, Extraordinary, Part I, Section 1, had initiated a review in the matter of continuation of anti-dumping duty on imports of sodium nitrite (hereinafter referred to as subject goods) falling under heading 2834 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in or exported from the European Union (hereinafter referred to as the subject country), imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 49/2008-Customs, dated the 11th April, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 284 (E), dated the 11th April, 2008;

And whereas, the Central Government had extended the anti-dumping duty on the subject goods, originating in or exported from the subject country upto and inclusive of the 10th April, 2014 *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 4/2013-Customs (ADD), dated the 10th April, 2013, published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary *vide* number G.S.R.214 (E), dated the 10th April, 2013;

And whereas, in the matter of review of anti-dumping duty on import of the subject goods, originating in or exported from the subject country, the designated authority in its final findings, published *vide* notification No. 15/1009/2012-DGAD, dated 12th May, 2014, in Part I, Section 1 of the Gazette of India, Extraordinary, has come

to the conclusion that-

(i) the product under consideration continues to be imported at the dumped prices from the subject country;

(ii) the domestic industry continues to suffer material injury on account of dumped imports;

(iii) the material injury to the domestic industry on account of dumping of subject goods is likely to continue if the anti dumping duties from subject country are revoked,

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

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, read with rules 18 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under the sub-heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), exported by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding

Table

SNo. (1)	Sub-heading (2)	Description (3)	Country of origin (4)	Country of export (5)	Producer (6)	Exporter (7)	Amount (8)	Unit (9)	Currency (10)
1.	2834 10	Sodium Nitrite	European Union	European Union	Any	Any	3.00	MT	US Dollar
2.	2834 10	Sodium Nitrite	European Union	Any country other than subject country	Any	Any	3.00	MT	US Dollar
3.	2834 10	Sodium Nitrite	Any country other than subject country	European Union	Any	Any	3.00	MT	US Dollar

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

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

[F.No.354/24/2002-TRU (Pt.-I)]

Bar Coding on Mono Cartons of Pharma Exports Extended by Nine Months to 1 April 2015

Sub: Deferment in the date of effect of implementation of bar-coding on Mono-carton as Secondary Level Packaging on export consignment of pharmaceuticals and drugs for tracing and tracking purpose.

68-PN(RE) 06.08.2014 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, as

amended from time to time, Director General of Foreign Trade hereby makes the following amendment in Public Notice No. 62(RE-2013)/2009-2014 dated 26.06.2014.

2. The date of implementation of bar-coding on Mono-carton packaging as mentioned at Sl. No. 3(i) b of Public Notice No. 62(RE-2013)/2009-2014 dated 26.06.2014 will come into effect from 1st April, 2015.

3. Effect of this Public Notice

As per Public Notice No. 62 dated 26.06.2014, Mono cartons are to be treated as part of Secondary Level Packaging and accordingly the requirement of affixing bar-codes on Mono-carton as Secondary Level Packaging became effective from 26.06.2014. Now the effective date of affixing bar-codes on Mono-carton as Secondary Level Packaging has been deferred to 1st April, 2015. There shall be no other change in Public Notice No. 62 dated 26.06.2014.

entry in column (8) in the currency as specified in the corresponding entry in column (10) and as per unit of measurement as specified in the corresponding entry in column (9), of the said Table, namely:-

DGFT to Review Oxalic Acid, Soda Ash, Glass Vials and Glass Mosaics Input Output Norms

Subject: Review of SIONs A-1443, A-1170, A-3627 and K-134.

11-TN 07.08.2014 (DGFT) Reference is invited to the above mentioned SIONs suspended *vide* PN No. 30 dated 4th October, 2013 and reinstated with amendments in SIONs A-3627 and K-134 *vide* PN No. 66 dated 11th July 2014, based on representations received from trade and industry. It has been proposed to further review these SIONs in terms of para 4.10.1 of HBP v 1.

2. Manufacturers of export products covered under SIONs A-1170, A-3627, K-134 and SION

A-1443 (instead of SION A-1143 mentioned in PN 30 dated 4.10.13, and the concerned Export Promotion Councils/Associations are requested to submit production and consumption data for further review of these SIONs as soon as possible **but not later than Wednesday, the 27th of August, 2014.** Failure to provide the data, so required by the specified date would result in stoppage of the benefit of Advance Authorization/ DFIA for export products covered by these SIONs and the SIONs would be modified based on available data.

Tariff Value Rises on Brass Scrap US\$59/MT

Tariff Value Falls on RBD Palm Oil \$29/MT; RBD Palmolein \$33/MT; Soyabean Oil \$36/MT; Silver \$19/kg; Gold \$4/10 gms

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

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

“Table-1

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value US \$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	836
2	1511 90 10	RBD Palm Oil	874
3	1511 90 90	Others – Palm Oil	855
4	1511 10 00	Crude Palmolein	884
5	1511 90 20	RBD Palmolein	881
6	1511 90 90	Others – Palmolein	883
7	1507 10 00	Crude Soyabean Oil	927
8	7404 00 22	Brass Scrap (all grades)	4075
9	1207 91 00	Poppy seeds	3255

Table-2

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	421 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	671 per Kilogram

Table-3

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Tons)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	1912

[F. No. 467/01/2014-Cus-5 Pt. I]

Solar Energy Shifts to Taiwan to Avoid US Anti-dumping on China

The U.S. Commerce Department proposed expanded penalties on some Chinese solar-energy imports in a victory for the U.S. unit of SolarWorld AG (SWVK), which accused China of shifting production to Taiwan after it lost an earlier case.

The agency issued a preliminary finding on 25 July that said overseas producers, including China's Trina Solar Ltd. and Taiwan's Gintech Energy Corp. (3514), sold the goods in the U.S. at unfairly low prices, a practice known as dumping. It called for duties ranging as high as 165 percent for some Chinese manufacturers and 44 percent for those in Taiwan, according to a department fact sheet.

The SolarWorld case has split the U.S. solar-energy industry, with manufacturers seeking protections against being undercut by cheap imports, and installers pressing for low-cost equipment, regardless of origin. It's also the latest spat between the U.S. and China, the world's largest economies, which are vying to become the global base for clean-energy manufacturing.

A final decision by Commerce Department will be made in mid-December. The independent U.S. International Trade Commission will determine by the end of January whether U.S. makers of the solar-power goods were harmed by the imports. If so, the duties will be permanent.

BIG's Weekly Index of Changes No 21/13-19 August 2014

Exchange Rates for Customs Valuation

Rupee Falls to 61.85 from 60.70 for Imports w.e.f 8 Aug 2014

57-Cus(NT) In exercise of the powers conferred by section 14 of the 07.08.2014 Customs Act, 1962 (52 of 1962), and in super session (DoR) of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.53/

2014-CUSTOMS (N.T.), dated the 17th July, 2014 vide number S.O. 1857(E), dated the 17th July, 2014, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or vice versa shall, **with effect from 8th August, 2014** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo.	Currency	Imprted Goods		Exported Goods	
		Current	Previous	Current	Previous
(1)	(2)	(3)		(3)	
		(a)		(b)	

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

1.	Australian Dollar	57.70	57.05	56.30	55.70
2.	Bahrain Dinar	167.45	164.30	158.25	155.25
3.	Canadian Dollar	56.90	56.75	55.60	55.40
4.	Danish Kroner	11.20	11.10	10.85	10.75
5.	EURO	83.05	82.40	81.10	80.45
6.	Hong Kong Dollar	8.00	7.85	7.85	7.70
7.	Kuwait Dinar	223.00	219.80	210.65	207.20
8.	Newzeland Dollar	52.75	52.95	51.25	51.65
9.	Norwegian Kroner	9.95	9.85	9.65	9.55
10.	Pound Sterling	104.55	104.40	102.25	102.10
11.	Singapore Dollar	49.70	49.05	48.60	47.95
12.	South African Rand	5.90	5.80	5.55	5.50
13.	Saudi Arabian Riyal	16.85	16.50	15.90	15.60
14.	Swedish Kroner	9.05	8.95	8.80	8.70
15.	Swiss Franc	68.55	68.00	66.70	66.15
16.	UAE Dirham	17.20	16.85	16.25	15.95
17.	US Dollar	61.85	60.70	60.85	59.70

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

1.	Japanese Yen	60.80	60.05	59.30	58.55
2.	Kenya Shilling	71.90	70.70	67.80	66.60

[F.No.468/01/2014-Cus.V]

Only Quarterly Reporting of Export Obligation Default

[CBEC Instruction dated 11th August 2014]

Subject: - Board's Instruction F.No. 609/156/2013-DBK dated 25.02.2014.

Attention of field formation is drawn to the Instruction cited above wherein the template of a monthly report, for detailed monitoring of cases, where export obligation period and time prescribed for furnishing evidence of fulfilling of export obligation are over, was prescribed for the Zones and the Chief Commissioners & Commissioners were directed to use this report for detailed monitoring and ensuring timely follow up actions. The Zones were to ensure that their report reached the office of DG (Inspection) within the prescribed time.

2. In partial modification of these instructions, Board has decided that while the Chief Commissioners shall continue to use the prescribed template on monthly basis, they shall send their monthly report to the DG (Inspection) only for the months ending March/July/November. Only these reports shall be compiled by the office of DG (I) and made available to the Board.

F.No.609/156/2013-DBK

Metals, Precious Metals and Rice Up; Energy, Veg Oils, Wheat, Cotton and Rubber Down in July

Up ↑

Cocoa; Coffee, robusta; Tea
 Fishmeal; Groundnuts and Groundnut oil
 Rice; Meat
 Malaysia Logs; Plywood; Sawnwood
 DAP, TSP and Urea
 Aluminium, Copper, Iron Ore, Lead, Nickel and Zinc
 Gold, Silver and Platinum

Down ↓

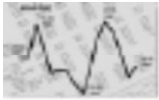
Crude; Coal and Natural gas; Coconut oil and Copra
 Palm oil and Palmkernel oil; Soybean meal, Soybean oil and Soybeans
 Maize; Sorghum; Wheat; Bananas EU; Sheep meat
 Cameroon Logs; Cotton and Rubber; Tin

Steady ↔

Barley; Bananas US; Oranges; Shrimp; Sugar; Woodpulp; Rock phosphate and Potassium chloride



	Monthly averages			Quarterly averages					Annual averages			
	2014			2013	2014			2011	2012	2013		
	May	Jun	Jul	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Dec	
Energy												
Coal, Australia \$/mt	73.7	71.5	68.8	↓	86.1	77.3	82.0	77.1	72.7	121.4	96.4	84.6
Coal, Colombia \$/mt	66.6	63.3	66.1	↑	71.3	65.8	71.1	68.4	64.8	111.5	84.0	71.9
Coal, South Africa \$/mt	75.8	74.1	71.4	↓	80.4	72.9	83.0	78.4	75.0	116.3	92.9	80.2
Crude oil, average \$/bbl	105.7	108.4	105.2	↓	99.3	107.4	104.5	103.7	106.3	104.0	105.0	104.1
Crude oil, Brent \$/bbl	109.7	111.9	107.0	↓	103.0	110.1	109.4	107.9	109.8	110.9	112.0	108.9
Crude oil, Dubai \$/bbl	105.6	108.0	105.8	↓	100.8	106.2	106.7	104.4	106.1	106.0	108.9	105.4
Crude oil, WTI \$/bbl	101.9	105.2	102.9	↓	94.2	105.8	97.4	98.7	103.1	95.1	94.2	97.9
Natural gas, Index 2010=100	115.0	112.4	102.7	↓	118.6	108.3	111.9	127.8	115.3	108.5	99.2	112.1
Natural gas, Europe \$/mmbtu	10.2	9.8	9.3	↓	12.4	11.5	11.4	11.3	10.2	10.5	11.5	11.8
Natural gas, US \$/mmbtu	4.6	4.6	4.0	↓	4.0	3.6	3.9	5.2	4.6	4.0	2.8	3.7
Natural gas, LNG Japan \$/mmbtu	16.3	15.5	14.6	↓	16.3	15.6	15.7	16.7	16.2	14.7	16.6	16.0
Beverages												
Cocoa \$/kg	3.03	3.17	3.20	↑	2.31	2.47	2.77	2.95	3.08	2.98	2.39	2.44
Coffee, arabica \$/kg	4.72	4.36	4.34	↓	3.20	2.98	2.77	3.82	4.67	5.98	4.11	3.08
Coffee, robusta \$/kg	2.27	2.18	2.24	↑	2.14	2.04	1.85	2.12	2.26	2.41	2.27	2.08
Tea, average \$/kg	2.87	2.85	2.98	↑	2.89	2.79	2.82	2.65	2.80	2.92	2.90	2.86
Tea, Colombo auctions \$/kg	3.67	3.58	3.49	↓	3.29	3.37	3.77	3.72	3.60	3.26	3.06	3.45
Tea, Kolkata auctions \$/kg	2.98	3.06	3.38	↑	3.04	2.76	2.56	1.94	2.81	2.78	2.75	2.73
Tea, Mombasa auctions \$/kg	1.96	1.91	2.07	↑	2.35	2.23	2.14	2.29	1.98	2.72	2.88	2.40
Food												
Oils and Meals												
Coconut oil \$/mt	1,404	1,402	1,260	↓	839	912	1,175	1,343	1,387	1,730	1,111	941
Copra \$/mt	930	934	861	↓	560	603	791	896	923	1,157	741	627
Fishmeal \$/mt	1,656	1,765	1,813	↑	1,821	1,699	1,600	1,583	1,693	1,537	1,558	1,747
Groundnuts \$/mt	1,200	1,228	1,260	↑	1,400	1,380	1,370	1,329	1,224	2,086	2,175	1,378
Groundnut oil \$/mt	1,200	1,310	1,325	↑	1,860	1,694	1,537	1,311	1,228	1,988	2,436	1,773
Palm oil \$/mt	893	857	841	↓	850	827	897	911	887	1,125	999	857
Palmkernel oil \$/mt	1,254	1,234	1,116	↓	836	871	1,057	1,278	1,262	1,648	1,110	897
Soybean meal \$/mt	579	553	502	↓	528	552	570	582	566	398	524	545
Soybean oil \$/mt	965	936	888	↓	1,070	1,006	991	977	967	1,299	1,226	1,057
Soybeans \$/mt	521	516	480	↓	505	527	555	552	518	541	591	538
Grains												
Barley \$/mt	145.0	132.6	132.4	↔	230.4	191.0	150.7	129.5	137.9	207.2	240.3	202.2
Maize \$/mt	217.3	202.4	182.7	↓	291.3	241.9	199.4	209.9	214.0	291.7	298.4	259.4
Rice, Thailand 5% \$/mt	388.0	397.0	422.0	↑	541.6	477.3	442.7	443.7	393.3	543.0	563.0	505.9



	Monthly averages				Quarterly averages					Annual averages		
	2014				2013	2014			2011	2012	2013	
	May	Jun	Jul		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Dec
Rice, Thailand 25% \$/mt	346.0	356.0	375.0	↑	509.4	435.7	408.9	375.0	351.3	506.0	543.8	473.0
Rice, Thailand A1 \$/mt	391.6	402.6	435.4	↑	511.1	440.5	411.8	426.7	397.8	458.6	525.1	474.0
Rice, Vietnam 5% \$/mt	390.5	404.5	420.9	↑	387.8	383.1	397.2	391.2	388.6	513.6	434.4	392.4
Sorghum \$/mt	221.0	204.7	193.0	↓	259.9	219.2	202.1	224.2	219.4	268.7	271.9	243.3
Wheat, US HRW \$/mt	334.7	306.5	280.4	↓	313.8	305.8	308.0	297.1	322.1	316.3	313.2	312.2
Wheat, US SRW \$/mt	277.2	236.6	218.3	↓	275.2	257.7	276.4	264.0	263.7	285.9	295.4	276.7
Other Food												
Bananas, EU \$/kg	1.12	1.07	1.02	↓	1.07	0.98	0.94	1.05	1.14	1.12	1.10	1.02
Bananas, US \$/kg	0.91	0.93	0.93	↔	0.91	0.93	0.93	0.95	0.92	0.97	0.98	0.92
Meat, beef \$/kg	4.28	4.41	5.02	↑	4.11	3.89	4.03	4.23	4.30	4.04	4.14	4.07
Meat, chicken \$/kg	2.40	2.44	2.48	↑	2.29	2.34	2.31	2.31	2.40	1.93	2.08	2.29
Meat, sheep \$/kg	6.82	6.85	6.74	↓	5.45	5.56	6.06	6.32	6.70	6.63	6.09	5.65
Oranges \$/kg	0.86	0.76	0.76	↔	1.07	1.14	0.83	0.80	0.82	0.89	0.87	0.97
Shrimp, Mexico \$/kg	18.08	18.08	18.08	↔	12.24	15.15	16.70	17.09	17.75	11.93	10.06	13.84
Sugar, EU domestic \$/kg	0.45	0.44	0.44	↔	0.43	0.43	0.44	0.45	0.45	0.45	0.42	0.43
Sugar, US domestic \$/kg	0.54	0.56	0.55	↔	0.43	0.45	0.46	0.47	0.55	0.84	0.64	0.45
Sugar, World \$/kg	0.40	0.40	0.40	↔	0.39	0.38	0.39	0.37	0.40	0.57	0.47	0.39
Timber												
Logs, Cameroon \$/cum	480.9	475.7	474.0	↓	457.4	464.1	476.5	479.6	480.0	484.8	451.4	463.5
Logs, Malaysia \$/cum	292.5	291.7	292.7	↑	301.8	301.1	296.3	289.8	291.5	390.5	360.5	305.4
Plywood ¢/sheets	536.5	535.1	536.9	↑	553.5	552.3	543.6	531.5	534.7	607.5	610.3	560.2
Sawnwood, Cameroon \$/cum	807.1	810.0	818.2	↑	736.2	743.8	776.0	792.9	806.5	825.8	759.3	749.2
Sawnwood, Malaysia \$/cum	918.1	921.3	930.6	↑	837.4	846.0	882.7	901.9	917.3	939.4	876.3	852.8
Woodpulp \$/mt	912.5	875.0	875.0	↔	818.7	830.9	858.7	870.2	887.5	899.6	762.8	823.1
Other Raw Materials												
Cotton, A Index \$/kg	2.04	2.00	1.85	↓	2.04	2.02	1.92	2.07	2.04	3.33	1.97	1.99
Rubber, RSS3 \$/kg	2.07	2.09	2.02	↓	2.91	2.59	2.53	2.25	2.12	4.82	3.38	2.79
Rubber, TSR20 \$/kg	1.70	1.71	1.69	↓	2.45	2.35	2.31	1.98	1.73	4.52	3.16	2.52
Fertilizers												
DAP \$/mt	444.6	461.5	499.4	↑	489.8	432.1	366.1	476.1	458.9	618.9	539.8	444.9
Phosphate rock \$/mt	112.0	110.0	110.0	↔	166.3	143.2	110.0	104.4	110.0	184.9	185.9	148.1
Potassium chloride \$/mt	287.0	287.0	287.0	↔	392.3	391.9	341.6	314.0	287.0	435.3	459.0	379.2
TSP \$/mt	365.0	371.3	411.5	↑	426.0	366.0	301.3	365.9	369.2	538.3	462.0	382.1
Urea, E. Europe \$/mt	299.1	297.9	301.7	↑	342.4	307.5	313.9	337.5	296.0	421.0	405.4	340.1
Metals and Minerals												
Aluminum \$/mt	1,751	1,839	1,948	↑	1,836	1,783	1,767	1,709	1,800	2,401	2,023	1,847
Copper \$/mt	6,891	6,821	7,113	↑	7,161	7,086	7,163	7,030	6,795	8,828	7,962	7,332
Iron ore \$/dmt	101	93	96	↑	125	133	135	120	103	168	128	135
Lead \$/mt	2,097	2,107	2,193	↑	2,053	2,102	2,114	2,101	2,097	2,401	2,065	2,140
Nickel \$/mt	19,401	18,629	19,118	↑	14,967	13,956	13,909	14,661	18,468	22,910	17,548	15,032
Tin \$/mt	23,271	22,762	22,424	↓	20,902	21,314	22,897	22,636	23,146	26,054	21,126	22,283
Zinc \$/mt	2,059	2,128	2,311	↑	1,842	1,861	1,909	2,026	2,071	2,194	1,950	1,910
Precious Metals												
Gold \$/toz	1,289	1,279	1,311	↑	1,415	1,329	1,271	1,293	1,289	1,569	1,670	1,411
Platinum \$/toz	1,456	1,453	1,492	↑	1,466	1,451	1,396	1,427	1,446	1,719	1,551	1,487
Silver \$/toz	19.3	19.9	20.9	↑	23.2	21.4	20.8	20.5	19.7	35.2	31.1	23.8

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

Principal Chief Commissioner or Principal Commissioner Notified as Equivalent to Chief Commissioner and Commissioner for Customs and Excise

56-Cus(NT) In exercise of the powers
06.08.2014 conferred by sections 25, 151A,
(DoR) 156 and 157 of the Customs
Act, 1962 (52 of 1962) and of all
other powers enabling it in this behalf, the Central
Government hereby directs that the references to
the authorities specified in column (2) of the Table
below, in the rules made or deemed to have been
made under the said sections or in any other
notifications, instructions, regulations, decisions,
orders, issued or made under the said sections or
rules or under any other section of the said Act,
shall, unless the context otherwise requires, be
construed as references to the authorities speci-

fied in column (3) of the said Table, namely:-

Table		
SNo.	Existing reference	Substituted reference
(1)	(2)	(3)
1.	Chief Commissioner	Principal Chief Commissioner or Chief Commissioner, as the case may be
2.	Commissioner	Principal Commissioner or Commissioner, as the case may be

[F. No. 334/15/2014-TRU]

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requirement for duty free access of Nepalese products, and mutual recognition of standards, conformity assessment and accreditation.

- The Nepalese side stressed that the countervailing duty (CVD) being levied by the Indian authorities on Nepalese exports includ-

ing readymade garments, copper, brass utensils, Kattha and other products have had negative impacts on key Nepalese exports to India and requested the Indian side to remove it.

- The Nepalese side also requested to remove Quantitative Restrictions (QRs) on the four

23-CE(NT) In exercise of the powers
06.08.2014 conferred by sections 5A, 37,
(DoR) 37A and 37B of the Central
Excise Act, 1944, (1 of 1944)

and of all other powers enabling it in this behalf, the Central Government hereby directs that the references to the authorities specified in column (2) of the Table below, in the rules made or deemed to have been made under the said sections or in any other notifications, instructions, decisions, or orders, issued or made under the said sections or rules or under any other section of the said Act, shall, unless the context otherwise requires, be construed as references to the authorities specified in column (3) of the said Table, namely:-

Table		
SNo.	Existing reference	Substituted reference
(1)	(2)	(3)
1.	Chief Commissioner	Principal Chief Commissioner or Chief Commissioner, as the case may be
2.	Commissioner	Principal Commissioner or Commissioner, as the case may be

[F. No. 334/15/2014-TRU]

Nepalese export products namely Vegetable fats, copper products, Acrylic Yarn and Zinc Oxide. The Indian side assured to consider the requests by the Nepalese side. The Indian side also reiterated that problem of trade deficit could be best bridged by development of hydropower in Nepal and export of surplus power to India.

- Importance of transit rights of Nepal, the two Prime Ministers agreed to take further measures in the spirit of the Treaty of Transit, to simplify transit procedures and facilitate expeditious movement of traffic in transit. Finalisation and implementation transshipment modalities at the earliest.
- The Nepalese side requested India to allow three additional air entry points at Janakpur, Bhairahawa and Nepalgunj, and cross border direct routes to facilitate direct flights between regional airports Pokhara-Bhairahawa-Lucknow as this would save time and cost for air travelers and also improve air connectivity between India and Nepal.
- The two Prime Ministers directed the concerned authorities to meet within 6 months and resolve this issue and similar issues pertaining to the Air Services Agreement.
- Development of cross border transmission lines as agreed in the Joint Commission.
- Rehabilitation of Koshi Pump Canal and Koshi Western Canal System and rehabilitation of West Gandak Canal System with a Lift System to irrigate additional Nepalese land. The Nepalese side will communicate the details of the projects.

Windex No. 21 – 13-19 August 2014

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*See details in www.worldtradescanner.com