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# WORLD TRADE SCANNER

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## Euro Weakens Toward Lowest Since June 2001 against Yen, China Steps in to Buy in Italy



The euro fell toward its weakest in a decade versus the yen on speculation Greece is nearing default and as Italy sold 3.9 billion euros (\$5.3 billion) of bonds amid signs the region's debt crisis is worsening.

The 17-nation euro reversed on Monday's gain against the dollar amid uncertainty China will buy Italian assets, as borrowing costs

in the euro region's third-largest economy surged. The Norwegian krone weakened for a third day against the euro after interest-rate expectations declined. New Zealand's dollar dropped against the yen after a report showed manufacturing volumes unexpectedly fell last quarter.

The euro weakened 0.6 percent to 104.96 yen, after sliding to 103.90 on 12 September, the lowest since June 2001. The shared currency weakened 0.5 percent to \$1.3615. The yen rose 0.2 percent to 77.07 per dollar.

The Rome-based Treasury sold 3.9 billion euros of a new benchmark five-year bond at an average yield of 5.6 percent, compared with 4.93 percent on July 14, the last time securities of a similar maturity were sold. Demand was 1.28 times the amount on offer, compared with a bid-to-cover ratio of 1.93 at the previous sale. The Treasury had aimed to sell a maximum of 4 billion euros.

### Italy Debt 'Hole'

The euro was boosted on 12 September after an Italian government official said talks had been held with Chinese counterparts about potential investments in the economy. The purchase of Italian bonds was not the focus of the meetings, which took place in the past few weeks, the official said on condition of anonymity, without specifying which assets may be involved.

German Chancellor Angela Merkel said in an interview with Berlin-based broadcaster Inforadio she won't let Greece fall into "uncontrolled insolvency" because the risk of contagion for the other euro-zone countries "is very big." The so-called troika of the International Monetary Fund, European Central Bank and European Commission representatives will return to Greece this week, Merkel said.

### ECB Rates

A Credit Suisse index based on swaps showed traders are betting the European Central Bank will cut its benchmark interest rate by 29 basis points, or 0.29 percentage point, over the next 12 months. That compares with a 25-point increase forecast on Aug. 1.

WTO Forum 2011 – 19-21 September  
2011 at Geneva

### Meeting at WTO on South Asia and World Food Prices

Dear Reader:

You will be glad to know that the editor of the **World Trade Scanner** magazine is moderating a session on what South Asia can do to control world food prices. A meeting on the subject "**Controlling Food Prices in Turbulent Times – An Agenda for South Asia**" is being organised at WTO Forum in Geneva on 20 September in collaboration with World Trade Centre Mumbai.

As a build up to the meeting, we have prepared Notes on the subject.

The following materials can be accessed from our site [www.worldtradesScanner.com](http://www.worldtradesScanner.com)

1. Inflation Adjusted World Prices Rise 50% in 10 Years
2. WTO DG Pascal Lamy on World Trade in Food
3. Low Price Non Basmati Indian Rice Holds the Key to Food Security in Africa, South Asia
4. Rice Trade in the Globe (XLS)
5. India has Sufficient Rice Supply for the Domestic Consumer, 9.13 mn tonnes Surplus Projected in 2026 – Per Capita Demand to Fall by 8 kg per year India has Sufficient Rice Supply for the Domestic Consumer, 9.13 mn tonnes Surplus Projected in 2026
6. Rice Exports Ban – 54 Policy Changes in the Four Year Period by Indian Government
7. Staple Food Prices in Vulnerable Countries – Maize and Wheat Double in Q2-2011 Over 2010
8. National Hoarding in Price Rise of 2007
9. World Bank Commodity Prices on Rice Monthly (XLS)
10. World Bank Commodity Prices on Rice Quarterly (XLS)
11. World Bank Commodity Prices on Rice Annual (XLS)

The material is designed for discussion and debate. A formal comprehensive backgrounder will be prepared before the meeting. This will be followed by a final paper after the deliberations and discussions in the 20 September meet. We will share these with our readers.

Please do send me an email at [arungoyal.delhi@gmail.com](mailto:arungoyal.delhi@gmail.com) or call me at 98100 79983 with your views and suggestions.

Arun Goyal

Editor

"The nerves around the whole euro system are just so frayed now that it's difficult to see conditions improving all that much," said Greg Gibbs, a currency strategist at Royal Bank of Scotland Group Plc in Sydney. "The euro can easily fall significantly further before the year's out because there's still scope for policy easing by the ECB."

The yen strengthened against all but two of its major peers as risk aversion prompted investors to buy the currency as a refuge. It has appreciated 3.1 percent in the past week, the best performer among 10 developed-nation peers tracked by Bloomberg Correlation-Weighted Currency Indexes.

The yen tends to appreciate during economic and financial turmoil because Japan's current-account surplus makes it less reliant on foreign capital.

### Nordic Currency Declines

The Norwegian currency weakened against all 16 major peers tracked by Bloomberg and the krona slid for a fourth day against the dollar on

bets the nations' central banks may cut interest rates. The recent strengthening of the krone has increased the probability of lower borrowing costs, Dagens Naeringsliv reported last week, citing DnB NOR ASA's Chief Executive Officer Rune Bjerke.

A Credit Suisse index based on swaps showed traders are betting the Norges Bank will cut its benchmark rate by 71 basis points over the next 12 months. That compares with a 44-point increase projected on Aug. 1.

Norway's krone slid to a two-week low against the euro, dropping 0.6 percent to 7.732. It weakened 1.1 percent to 5.6841 per dollar. Sweden's krona fell 0.6 percent to 6.7288 against the greenback and was little changed at 9.1514 per euro.

The New Zealand dollar dropped after the government said manufacturing volumes fell 0.7 percent in the second quarter.

The so-called kiwi fell 0.6 percent to 63.18 yen, and declined 0.4 percent to 82.02 U.S. cents.

Merkel said in an interview with Berlin-based Inforadio that avoiding an "uncontrolled insolvency" was her "top priority" and that the region's most indebted country is taking the right steps to getting its next bailout payment.

### French Banks

Swaps on SocGen were nine basis points higher at 454, Credit Agricole increased 11 to 333 and BNP Paribas rose 15 basis points to 320, according to CMA.

The cost of insuring European corporate debt rose to the highest levels in 2 1/2 years, according to JPMorgan. The Markit iTraxx Europe Index of 125 companies with investment-grade ratings climbed 5.5 basis points to 204, while the high-yield Markit iTraxx Crossover Index added 13.5 basis points to 811. An increase signals declining perceptions of credit quality.

A basis point on a credit-default swap protecting 10 million euros (\$13.6 million) of debt from default for five years is equivalent to 1,000 euros a year.

Swaps pay the buyer face value in exchange for the underlying securities or the cash equivalent should a borrower fail to adhere to its debt agreements.

## Greece Default Risk Jumps to 98% as Euro Crisis Deepens – Current Bond Value Drops 40% of Face Value



Greece has a 98 percent chance of defaulting on its debt in the next five years as Prime Minister George Papandreou fails to reassure investors his country can

survive the euro-region crisis.

It costs a record \$5.8 million upfront and \$100,000 annually to insure \$10 million of Greece's debt for five years using credit-default swaps, up from \$5.5 million in advance on Sept. 9, according to CMA. Greek bonds plunged, sending the 10-year yield to 25 percent for the first time.

German Chancellor Angela Merkel said she won't let Greece go into "uncontrolled insolvency" as politicians try to limit contagion to other euro members. Papandreou's pledge to adhere to deficit targets that are conditions of the European Union and International Monetary Fund's bailout were undermined by data showing his country's budget gap widened 22 percent in the first eight months of the year.

The default probability for Greece is based on a standard pricing model that assumes investors would recover 40 percent of the bonds' face value if the nation fails to meet its obligations. CMA, which is owned by CME Group Inc. and compiles prices quoted by dealers in the privately negotiated credit-swaps market, lowered its recovery assumption to 38 percent late yesterday, which would give Greece a 95

percent chance of default.

Greece's 10-year bond yield rose 48 basis points, or 0.48 percentage point, to 24.03 percent, after earlier climbing to a euro-era record of 25 percent. The two-year note yield increased 460 basis points to 74.15 percent, after rising to an all-time high 74.88 percent.

The risk of contagion beyond Greece weakened the euro and boosted benchmark German bunds. The common currency fell toward its weakest level since 2001 against its Japanese counterpart, declining 0.9 percent to 104.68 yen. Bunds rose, with the 10-year yield falling to a record 1.679 percent.

### Sovereign Record

An index measuring the cost of default protection on 15 European governments to a record. European bank debt risk also jumped to the highest ever amid speculation French lenders will be downgraded because of their holdings of Greek bonds.

### Euro-Region Nations

Credit-default swaps on Portugal, Italy, France and Belgium rose to records, according to CMA. Portugal jumped eight basis points to 1,223, Italy rose 16 basis points to 522, France was up four basis points at 193 and Belgium climbed two basis points to 299.

Germany's government is debating how to support its nation's banks should Greece fail to meet the budget-cutting terms of its rescue package, three coalition officials said Sept. 9.

## Contentious US Budget Debate Spurs Cotton Lobby to Act

The US fiscal deficit is pushing legislators to consider cuts in areas previously held sacred, including agriculture subsidies. In recognition of changes in the amount of money available to agriculture, the National Cotton Council - the US lobbying group for the cotton industry - recently conceded that direct payments and counter cyclical payments may be cut and is now seeking a programme of revenue based crop insurance.

The summer debt limit debate that riled Washington ended with a compromise that a "Super Committee" of six US congressional Democrats and six Republicans would agree to budget cuts or face automatic cuts across the board, with some exceptions. In agricultural spending, food stamps and conservation are expected to be exempted from automatic cuts. The congressional committee is set to have its first meeting tomorrow, 8 September.

The National Cotton Council statement comes at time of major debate within the farm policy community. Speaking to Bridges, Bruce Babcock, a professor at Iowa State University, observed that "direct payments are impossible to defend when we're cutting off aid for health care, education." Babcock expects a 30 percent reduction in direct payments, or a \$1.5 billion cut.

Direct payments to cotton average US\$53 an acre, versus US\$22 an acre for corn, a popular crop in Iowa; the Cotton Council's position is therefore a notable change. According to Babcock and others, support for rice, the largest recipient of direct payments per acre, may also need to consider a move towards crop insurance.

### 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 |
|------------|------------|------------|-----------|-------------|------------------------|---------------|------------------|-------------------|--------------------|
| 13-Sep-11  | 47.2450    | 47.7650    | 47.0675   | 47.7025     | 47.7025                | 1417263       | 3313949          | 1571907           | 47.0963            |
| 12-Sep-11  | 46.9525    | 47.3400    | 46.9525   | 47.3000     | 47.3000                | 1400802       | 2382591          | 1123330           | 46.9735            |
| 09-Sep-11  | 46.3700    | 46.7100    | 46.3700   | 46.6900     | 46.6900                | 1235193       | 2231853          | 1039240           | 46.3843            |
| 08-Sep-11  | 46.2100    | 46.4225    | 46.2100   | 46.3375     | 46.3375                | 1155219       | 1520181          | 704204            | 46.1775            |
| 07-Sep-11  | 46.1150    | 46.2825    | 46.0675   | 46.2600     | 46.2600                | 1126539       | 1703212          | 786116            | 46.0218            |
| 06-Sep-11  | 46.1525    | 46.2450    | 46.0325   | 46.1750     | 46.1750                | 1149336       | 2150725          | 992494            | 46.1270            |

[Source: NSE and RBI Website]

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- 2 Years Rs. 1400 US\$140
- 3 Years Rs. 2100 US\$200

## US GSP on Renewal Path

Major movement could be on the horizon for Washington's trade agenda as Congress returns from its August recess, with one trade-related bill - the renewal of the lapsed Generalized System of Preferences - tentatively scheduled for a vote in the US House of Representatives later today. The renewal is expected to be the first step in a complicated legislative process to pass three major US FTAs, along with a worker aid programme, by early October.

The ratification of the US' FTAs with South Korea, Colombia, and Panama, which had appeared poised for swift passage earlier this summer, has faced repeated setbacks over the last few months, with Republicans sparring with both Democrats and the White House over the renewal of extensions to the controversial Trade Adjustment Assistance (TAA) programme.

The TAA programme provides help to workers displaced by foreign competition and is particularly unpopular among Republicans. President Barack Obama has insisted that the extensions to TAA, which expired earlier this year, must be passed if these FTAs are to move forward.

The trade deals, which the US International Trade Commission estimates would bring between US\$12 to 13 billion in export revenue, were originally signed in 2007.

Lincicome noted that, should Brown indeed offer the amendment, there is a "real concern" that such an amendment could hit the required 60 votes to be attached to the TAA bill (or combined GSP-TAA package, if that particular process goes forward). Should Brown push this legislation forward, "the likelihood of [the combined GSP-TAA bill with currency legislation attached] passing both the House and the Senate are very low."

While acknowledging that the growing US-China trade gap is a major motivator behind moves to pass currency-related legislation, he added that "the real key here is that the actual economics of all this is a secondary issue. The issue is politically powerful. It resonates widely with voters and is poll-tested."

A similar attempt last year to pass a bill deeming China to be a "currency manipulator" passed easily in the House with bipartisan support, but failed to make much headway in the Senate.

fruit, confectionery, or clove flavours, arguing that these encouraged young people to smoke. While flavours such as toffee and strawberry were banned, menthol flavoured cigarettes remained on the market.

Indonesia - accounting for nearly 100 percent of the US clove cigarette market - argued that this partial ban discriminated against its products *vis a vis* like-products as "virtually all menthol cigarettes sold in the US are produced domestically." All other flavoured cigarettes are also produced abroad.

Menthol cigarettes account for roughly 40 percent of tobacco consumption of American minors and more than a quarter of all cigarette consumption in the US overall. Some domestic firms, including Lorillard, generate up to 90 percent of their revenue from menthol cigarettes.

During the course of the litigation, the US argued that menthol cigarettes had not been included in the 2009 Family Smoking Prevention and Tobacco Control Act, due to insufficient information on the effects of a prohibition. In particular, the US expressed fear that a black market might develop in response to such a ban that would include the smuggling of menthol cigarettes; this sort of black market could eventually be more harmful than keeping menthol flavoured tobacco products in sale, it argued.

Indeed, discussions in the US continue on whether to ban menthol cigarettes, with various agencies investigating the issue. In March, the US Food and Drug Administration (FDA) released a report arguing in favour of a ban. Public consultations continue with the tobacco industry, which insists that flavoured cigarettes are no more dangerous than conventional tobacco.

The WTO panel, however, noted that this fear of a black market that the US alluded to was not a legitimate reason to exclude menthol flavoured cigarettes from the ban, which meant that the US was indeed discriminating against foreign like-products that are in direct competition - namely clove cigarettes from Indonesia.

The US has not yet responded to the ruling. It could also decide to appeal the ruling (within 60 days after panel report release) which would result in an Appellate Body decision, presumably in the first quarter of 2012.

## DSB Rulings Issued on Spirits, Flavoured Tobacco

### Panel rejects Philippine spirit taxes - Manila likely to appeal

A panel report circulated in mid-August has sided with the EU and US in a dispute over Filipino excise taxes on foreign distilled spirits (DS396,403). The archipelago applies different tax rates for spirits distilled from domestic resources such as sugar, palm, and coconut, along with spirits based on other feedstock, including wheat and potato. In reality, this measure results in considerably higher taxes for foreign products; as a result, the panel found that these taxes violated the WTO's non-discrimination principle.

Global brands, including Jack Daniels and Jim Beam, have long argued that these excise taxes prevent them from making full use of the market potential in the island-state. The Filipino spirit market is controlled by three large local distilleries in a "rather oligopolistic" manner, the EU had complained during the WTO hearings.

"From 2004 to 2007, EU exports of spirits to the Philippines had more than halved (from around €7 million to €8 million) due to the Excise Tax Regime," the EU reported in a press release on the ruling.

The Philippines had maintained that the tax system was nonetheless fair, as different products required different treatment. According to Manila, the products could not be considered 'like'; WTO law mandates non-discriminatory treatment only for like products.

Sugar and palm are frequently used to produce non-traditional spirits such as brandy, whiskey, tequila, and gin. As these drinks are advertised accordingly, the EU and US had argued that foreign spirits with the same name, even if produced from different feed-stock, were

in direct competition with their local counterparts - making them 'like' in the eyes of WTO law.

The panel agreed with this reasoning and dismissed the Filipino excise taxes as discriminatory. The Philippines have 60 days to appeal the ruling. No formal appeal has been submitted at this stage.

### US ban of flavoured cigarettes not strict enough to be justified on public health grounds

Discriminatory treatment was also confirmed by a panel review of a US ban of clove flavoured cigarettes after Indonesia had initiated proceedings on the matter (DS406). While the panel acknowledged that the tobacco ban could generally be justified on public health grounds, it dismissed the current legislation as illegal for targeting primarily foreign products. Indonesia welcomed the decision and called for prompt compliance from the US.

In 2009 America banned cigarettes with



### Swiss National Bank Sets Minimum Exchange Rate at CHF 1.20 per Euro

The current massive overvaluation of the Swiss franc poses an acute threat to the Swiss economy and carries the risk of a deflationary development.

The Swiss National Bank (SNB) is therefore aiming for a substantial and sustained weakening of the Swiss franc. With immediate effect, it will no longer tolerate a EUR/CHF exchange rate below the minimum rate of CHF 1.20. The SNB will enforce this minimum rate with the utmost determination and is prepared to buy foreign currency in unlimited quantities.

Even at a rate of CHF 1.20 per euro, the Swiss franc is still high and should continue to weaken over time. If the economic outlook and deflationary risks so require, the SNB will take further measures.

## Yuan Convertible by 2015: China to EU Chamber



Chinese officials told European Union business executives that the yuan will achieve "full convertibility" by 2015, EU

Chamber of Commerce in China President Davide Cucino said.

A freely traded currency would mark one of the biggest policy shifts since policy makers embraced private enterprise three decades ago. Such a timeline would help China deflect criticism from U.S. and European lawmakers that the world's second-biggest economy is gaining an unfair advantage in global trade by artificially keeping the yuan undervalued. It would be a year faster than the schedule expected by 57 percent of 1,263 global investors in a News survey published in May.

The yuan advanced 0.12 percent to 6.3863 per dollar in Shanghai, according to China Foreign Exchange Trade System. The currency gained 6.4 percent in the past year and touched a 17-year high of 6.3705 on Aug. 30. Its 0.9 percent advance in August was the biggest in 2011.

### Acceleration Tolerated

The latest timeframe would be more aggressive than China's 12th five-year plan through 2015, released in March, which said the nation was aiming at "gradually realizing the renminbi's

convertibility under the capital account." A State Administration of Foreign Exchange press officer, who asked not to be identified, declined to comment beyond recent statements. SAFE said in a March release it would "actively and prudently push ahead" with convertibility.

The People's Bank of China said on Aug. 1 it will manage the yuan more actively against a basket of currencies, instead of just the dollar, and allow market forces to play a greater role. The central bank fixes a reference rate for the yuan and limits daily gains or losses to 0.5 percent from that level. The country also limits conversion for investment purposes, and has amassed record foreign-exchange reserves of \$3.2 trillion by selling yuan to curb its appreciation.

### Yuan Hubs

Barclays Capital wrote in a Sept. 5 note that China will likely achieve basic convertibility of the capital account over the next five years, although restrictions on the amount of money that fund managers can move across the border may remain.

Chinese Vice Premier Wang Qishan is due to meet with U.K. Chancellor of the Exchequer George Osborne in Britain on 8 September. Wang will support efforts by U.K. banks to establish a yuan offshore trading center in London, the Financial Times reported yesterday, citing unidentified British officials.

## French Inflation Advances to Highest in Almost Three Years

French inflation accelerated to the highest in almost three years in August as the end of summer sales boosted prices of manufactured goods and the cost of energy jumped.

The inflation rate, calculated using a harmonized European Union method, rose to 2.4 percent from 2.1 percent in July, national statistics office Insee said on 13 September in an e-mailed statement. That's the highest since October 2008.

The European Central Bank has raised interest rates twice this year before saying last week that the risk of a recession outweighs the threat from inflation, giving officials the option to take further action should the euro-area debt crisis worsen.

The monthly increase in inflation in the region's second-largest economy "comes essentially from the growth in manufactured products at the end of seasonal sales," Insee said. "Energy prices are also higher, both because of an electricity-price increase and a slight gain in oil products."

The price of manufactured goods climbed 1.6 percent in August from July, with shoes and clothes advancing 9.8 percent. Energy prices gained 0.4 percent in the month, while food prices fell 0.2 percent.

## Thailand May Give Up Top Rice-Exporter Role



Thailand is willing to relinquish its role as the world's biggest rice exporter as the government prepares to buy grain directly from farmers

to boost prices and rural incomes, Deputy Prime Minister Kittiratt Na-Ranong said.

Prime Minister Yingluck Shinawatra aims to insulate the country of 66 million people from a global slowdown by lifting incomes of poorer Thais who propelled her party to victory in a July election. The plan to guarantee rice prices may boost export rates by almost 20 percent and erode the nation's share of the global market, said Saruny Jeamsinkul, deputy managing director at Asia Golden Rice Ltd., Thailand's largest shipper.

"That will be trouble for exporters," Saruny said by phone from Bangkok. "It would be difficult to get deals done at that price." The export price may climb to \$750 a metric ton, Saruny said. It was at \$629 as of Sept. 7, the highest level since December 2009, according to the Thai Rice Exporters Association.

Rice futures rose 0.3 percent to \$18.42 per 100 pounds on the Chicago Board of Trade, poised for the highest close since Sept. 30, 2008.

### Shipments to Decline

Shipments from Thailand, which account for about 30 percent of world rice exports, are

expected to fall to 8 million metric tons next year from an estimated 10 million tons this year, according to the U.S. Department of Agriculture. Exports by Vietnam, the second-largest shipper, may fall 8.6 percent to 6.4 million tons next year, the USDA estimates.

Flooding in Thailand may damage at least 2.4 percent of the main rice crop, bringing output to about 24.5 million tons, according to the Office of Agricultural Economics. The main crop, planted in May and harvested in October, represents about 70 percent of Thailand's total annual production, Apichart Jongskul, the office's secretary-general, said in a phone interview.

### 47 Percent Higher

The government plans to pay 15,000 baht per ton (\$498) for unmilled white rice and 20,000 baht for Hom Mali fragrant rice, as much as 47 percent above current market rates, according to Bloomberg News calculations based on data from the Thai Rice Mills Association. Purchases are due to start on Oct. 7.

Thailand's effort to raise farm incomes may fuel price gains across a region that the USDA estimates accounts for 87 percent of global rice consumption. Thailand has been the world's largest exporter since 1981, according to the USDA.

The price of 100 percent grade-B Thai rice, the benchmark for Asia, has gained 21 percent since the July 3 election on expectation that Yingluck would resurrect a policy first introduced

by her brother, Thaksin Shinawatra.

About 35 percent of Thais made their living growing crops last year, according to data from the Office of Agricultural Economics. During the election, Yingluck's Pheu Thai party won 153 of 195 seats in the north and northeast, where incomes are about a third of those in Bangkok.

In 2008, when Thaksin's allies were last in power and the government had a similar policy, it spent about 130 billion baht to buy 10.5 million tons of rice from almost one million farmers, according to the Bank for Agriculture & Agricultural Cooperatives. The government expects to use as much as 400 billion baht on the rice-price guarantee program, which will run from Oct. 7 until Feb. 29, deputy government spokeswoman Anuttama Amornvivat said on 13 September.

Local prices rose to a record 17,000 baht per ton in April 2008 and export rates hit an all-time high of \$1,038 per ton the following month after India, China and Vietnam curbed shipments, spurring unrest from Haiti to Egypt.

The USDA raised its estimate for global rice production to a record 458.4 million tons for the 2011-2012 crop, buoyed by larger expected harvests in Brazil, China, the Philippines and the U.S., according to a Sept. 12 report. That would be a second year of record supply, outpacing consumption and lifting ending stocks to the highest level in nine years, the USDA said.

Global trade in rice is estimated to fall 4.2 percent to 31.8 million tons next year, the USDA said.

## WEEKLY INDEX OF CHANGES

### DGFT Bans Onion Exports

#### LCs Already Opened will be Honoured under Para 1.5 Transitional Arrangements

*Subject: Ban on export of Onions.*

73-Ntfn(RE) In exercise of powers conferred by 09.09.2011 Section 5 of the Foreign Trade (DGFT) (Development & Regulation) Act, 1992 (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government amends Notification No. 24(RE-2010)/2009-14 dated 18.02.2011 with immediate effect as follows:



#### Chapter 7

##### Edible Vegetables and Certain Roots and Tubers

**Note 1** Reference to onions in this chapter includes onions fresh or chilled frozen, provisionally preserved or dried.

| SNo.  | Tariff Item HS Code    | Unit | Item Description  | Export Policy | Nature of Restriction         |
|-------|------------------------|------|---|---------------|-------------------------------|
| 44.01 | 0703 10 10, 0712 20 00 | Kg   | Onions (all varieties except Bangalore Rose onions and Krishnapuram onions) excluding cut, sliced or broken in powder form. | Prohibited    | Not permitted to be exported. |
| 44.02 | 0703 10 10, 0712 20 00 | Kg   | Bangalore Rose onions and Krishnapuram onions excluding cut, sliced or broken in powder form                                | Prohibited    | Not permitted to be exported. |
| 44.03 | 0712 20 00             | Kg   | Onions (of all varieties) in cut, sliced- or broken in powder form.   | Prohibited    | Not permitted to be exported. |

2. Transitional arrangements under para 1.5 of Foreign Trade Policy shall be allowed.

#### 3. Effect of this notification

The export of all varieties of onions is prohibited with immediate effect till further orders. But, transitional arrangements under para 1.5 of Foreign Trade Policy shall be allowed.

### MEP of Bangalore Onions Raised to US\$ 475/MT

*Subject: Minimum Export Price of Onions.*

70-Ntfn(RE) In exercise of powers conferred by Section 5 of the 07.09.2011 Foreign Trade (Development & Regulation) Act, 1992 (DGFT) (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government makes the following amendment in (i) Notification No 66(RE – 2010)/2009-2014 dated 12.08.2011 and (ii) Notification No 68(RE – 2010)/2009-2014 dated 24.08.2011 both read with Notification No 24(RE – 2010)/2009-2014 dated 18.02.2011. The amendment is made with immediate effect.

2. The "Minimum Export Price(MEP) of US\$ 300 per Metric Ton F.O.B. or as notified by DGFT from time-to-time" as appearing in para 2 of Notification No 68(RE – 2010)/2009-2014 dated 24.08.2011 for the item description at Serial Number 44.01 of Notification No 24(RE–2010)/2009-2014 dated 18.02.2011 and "Minimum Export Price(MEP) of US\$ 400 per Metric Ton F.O.B. or as notified by DGFT from time-to-time" as appearing in para 2(i) of Notification No 66(RE – 2010)/2009-2014 dated 12.08.2011 for the item description at Serial Number 44.02 of Notification No 24(RE–2010)/2009-2014 dated 18.02.2011 are replaced by the "Minimum Export Price(MEP) of US\$ 475 per Metric Ton F.O.B. or as notified by DGFT from time-to-time".

#### 3. Effect of this notification

Minimum Export Price (MEP) of all varieties of onions including Bangalore Rose Onions and Krishnapuram Onions will be US\$ 475 per Metric Ton F.O.B. It was US\$ 300 per Metric Ton for general category onion as notified on 24.08.2011 and US\$ 400 per MT F.O.B. for Bangalore Rose Onions and Krishnapuram onions as notified on 12.08.2011.

### DGFT Removes Export Ban on Non Basmati Rice – Monitoring through Customs EDI

- FCI Stocks cannot be Issued for Export
- QR of 2 Lakh Tonnes Expected as per EGoM Decision

*Subject: Removal of ban on export of non-Basmati rice.*

71-Ntfn(RE) In exercise of powers conferred by Section 5 of the 09.09.2011 Foreign Trade (Development & Regulation) Act, 1992 (DGFT) (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government



hereby makes the following amendments in the ITC(HS) Classifications of Export and Import items, as amended from time to time :

2. In supersession of Notification No. 38 (RE-2007)/2004-2009 dated 15.10.2007 read with Notification No. 93 (RE-2007)/2004-2009 dated

01.04.2008, the following amendments are made with immediate effect against entry at Sl. No.45 A (except Tariff Code 1006 10 10) in Chapter 10 of Schedule 2 of ITC(HS):-

| SNo. | Tariff Item HS Code   | Unit | Item Description | Export Policy | Nature of Restriction  |
|------|---|------|------------------|---------------|--|
| 45A  | 1006 10 1006 10 90 1006 20 00 1006 30 1006 30 90 1006 40 00 | Kg.  | Non Basmati Rice | Free          | 1. Export to be made by private parties from privately held stocks.<br>2. Export shall be through Custom EDI ports only. |

#### 3. Effect of this notification

All varieties of non-Basmati rice have been made free for export out of privately held stocks. Export shall be only through Custom EDI ports.

### DGFT Removes Export Ban on Wheat – Exports only through Customs EDI Ports

QR of 2 Lakh Tonnes Expected as per EGoM Decision

*Subject: Removal of ban on export of wheat.*

72-Ntfn(RE) In exercise of the powers 09.09.2011 conferred by Section 5 of the Foreign Trade (DGFT) (Development & Regulation)

Act,1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes the following amendments in the ITC(HS) Classifications of Export and Import items, as amended from time to time.

2. In supersession of Notification No. 33(RE-2007)/2004-2009, dated 08<sup>th</sup> October, 2007, the following amendments are made with immediate effect against entry at Sl. No.46A of Chapter 10 of Schedule 2 of ITC(HS):-

| SNo. | Tariff Item HS Code                              | Unit | Item Description                       | Export Policy | Nature of Restriction                           |
|------|--|------|--|---------------|---|
| 46 A | 1001 10 1001 10 90 1001 90 1001 90 20 1001 90 39 | Kg   | Durum wheat : Other: Other wheat Other | Free          | Export permitted through Custom EDI ports only. |

**Sub-heading Note:** The term "durum wheat" means wheat of the Triticum durum species and the Hybrids derived from the inter – specific crossing of Triticum durum which have the same number (28) of chromosomes as that species.

#### 3. Effect of this notification:

Export of wheat has been made free. Exports shall be only through Custom EDI ports.

## Online Transmission of DEPB, EPCG and DES at ICD Karur from 12.09.2011

Sub: Online transmission of DES (Advance Authorization), EPCG and DEPB at ICD Karur (INKAR 6) w.e.f. 12.09.2011.

40-Pol.Cir As and when Customs (CBEC) 09.09.2011 have conveyed their (DGFT) readiness to implement on-line message exchange between

Customs and DGFT, Policy Circulars have been issued from time to time by DGFT indicating the names and Port Codes of such Customs Ports where EDI facility would be available. Such Policy Circulars issued in past are listed below:

(i) Policy Circular No. 28 (RE-2005)/2004-2009, dated 6th October, 2005.

(ii) Policy Circular No. 44 (RE-2005)/2004-2009, dated 10th January, 2006.

(iii) Policy Circular No. 32 (RE-2010)/2009-2014, dated 14th May, 2010.

(iv) Policy Circular No. 37/2009-2014, dated 7th July, 2010.

(v) Policy Circular No. 26 (RE-2010)/2009-14 dated 21st March, 2011.

(vi) Policy Circular No. 36 (RE-2010)/2009-

14 - dated 5th August, 2011

2. Now it has been decided to add the following one new location to 83 existing locations for on-line transmission of DES (Advance Authorization), EPCG and DEPB Authorization:

| SNo | Name of new ICES Location | LOCODE (Customs Port Codes) |
|-----|---------------------------|-----------------------------|
| 1   | ICD Karur                 | INKAR6                      |

3. Accordingly, with effect from 12th September, 2011 following shall be mandatory:

a. DEPB application in respect of shipping bills issued on or after 12.09.2011 from this port has to be filed in EDI mode.

b. All authorizations for DES (Advance authorization), EPCG, and DEPB in respect of this port issued on or after 12.09.2011 by Regional Authorities would be communicated to Customs on-line.

4. This issues with the approval of the DGFT.

## Board Aims for Facilitation Target 80% for Air Cargo Complexes, 70% for Seaports and 60% for ICDs

### The Interdiction by Customs in Self-Assessment will be Rare Cases

Subject: Self-Assessment in Customs.

39-CBEC Vide Finance Act, 2011, 'Self-02.09.2011 Assessment' has been (DoR) introduced under the Customs Act. Under 'self-assessment', responsibility of filing correct declaration lies with the importer or exporter. The declaration filed by the importer or exporter may be verified by the proper officer when so interdicted by the Risk Management systems (RMS). In rare cases, such interdiction may also be made with the approval of the Commissioner of Customs or an officer duly authorized by him, who shall not be below the rank of Additional Commissioner of Customs, and that will necessarily be done after making a record of the same in the EDI system. On account of interdictions, Bills of Entry may either be taken up for action of review of assessment or for examination of the imported goods or both. If the self-assessment is found to be incorrect, the duty may be reassessed. In cases where there is no interdiction, there will be no cause for the declaration filed by the importer to be taken up for verification, and such Bills of Entry will be straightaway facilitated for clearance without assessment and examination, on payment of duty, if any.

2. Further, provisions have been made in section 17 of the Customs Act, 1962 to empower the officers of Customs to carry out verification of correctness of assessment of duty relating to imported or export goods at premises of the importer or exporter. This will lead to introduction of 'On-Site Post Clearance Audit' in Customs in near future. The focus of self assessment is reliance on declarations made by the importer and exporter for higher facilitation of consignment at Customs stations

and verification of correctness of documents at importer's or exporter's premises to detect any infringement. Thus, self-assessment has provided a legal framework to significantly enhance facilitation level in Customs by reducing pre-clearance checks based on risk parameters in case of self assessed documents.

3. It is felt that subsequent to introduction of self assessment, the existing facilitation levels under RMS could be increased as responsibility of filing correct declarations has been shifted to importers and exporters. The idea is to move towards a trust based Customs control. Therefore, risk based techniques are desired to be fine tuned to meet this objective. The risk parameters and risk rules should be so designed so as to have an effective interdiction system. The matter was also discussed in the meeting of National Risk Management Committee (NRM) wherein it was decided that conceptually there should be a fixed target for facilitation for different facilities such as Air Cargo, ports, ICDs, etc.

4. It has been reported that the level of facilitation on an average in the last year in Air, Sea and ICD was 60%, 50% and 40% respectively. Also, large numbers of transaction selected by RMS were actually found to be compliant. Therefore, it is felt that there is a need to control the interdiction in RMS and comprehensively rationalize various interventions, targets, rules. Similarly, there is a need to check tendency of faulty and indiscriminate construction of targets, etc. by local Commissioners. It is on record that faulty and indiscriminate targets have resulted in false hits and unnecessary interventions. These ineffective interdictions have resulted in delay in clearance of goods. It is assumed that

## Voluntary Payment of Duty after Provisional Assessment

Subject: Voluntary payment of duty before final assessment.

40-CBEC A reference has been 09.09.2011 received seeking a (DoR) clarification whether an importer or exporter can be allowed to pay customs duties voluntarily in the period intervening provisional assessment and final assessment.

2. The issue has been examined by the Board, and accordingly it is clarified that whenever any importer or exporter intimates to the proper officer in writing that he desires to pay voluntarily certain amount of duty of customs, at any time before finalization of the provisional assessment, the following may be drawn to his attention, namely:-

(a) Such duty should be paid along with interest on the amount of duty so being paid, at the rate fixed by the Central Government under section 28B of the Customs Act, 1962, from the first day of the month in which the duty is provisionally assessed till the date of payment thereof;

(b) The term and conditions of the bond and the amount of security of surety furnished at the time of provisional assessment shall remain unchanged; and

(c) No refund of duty will be granted till the assessment is finalised.

3. Wherever the importer or exporter pays any amount of duty before finalisation of assessment, he shall not incur interest on the amount of duty so paid for the period from the date of such payment till the finalization of assessment. Consequent to final assessment, the interest due will be calculated from the first day of the month in which the duty is provisionally assessed till the date of payment of duty. Also, the amount of duty that is initially provisionally paid or paid in the interim period and interest paid, if any, shall be adjusted against the duty finally assessed, and the interest payable.

4. Difficulty in implementing this instruction, if any, may be brought to notice of the Board.

if this rationalization of redundant and ineffective targets of Local Risk Management (LRM) and National Risk Management (NRM) are carried out, the percentage of facilitation is bound to increase substantially.

5. To streamline the procedures and for effective implementation of self assessment using RMS, Board has decided that the facilitation target of 80% for Air Cargo Complexes, 70% for Seaports and 60% for ICDs should be achieved in the next six months.

6. Further, to make NRM broad based, it is decided to include Joint Secretary (Customs), CBEC as one of the members of the Committee. Para 5.2 of Board's Circular No.23/2007-Customs dated 28.6.2007 stands modified to the above extent. Board has also desired that

meeting of NRMCM should be held every quarter as outlined in the Board Circular without any exception.

7. Board desires that decision taken by Board should be complied with strictly. DG (Systems) and RMD should ensure that necessary rationalization and fine-tuning of the Risk Management System is carried out in a time bound manner so that desired level of facilitation as set out by the Board in respect

of Air Cargo Complexes, Seaports and ICDs can be achieved. Board also expects that DG (Systems) should send a report at the interval of two months detailing progress made in this regard to Board. The first such report may be sent on 25.10.2011.

8. Difficulty faced, if any, may be brought to notice of the Board immediately.

*F.No.450/20/2007-Cus.IV*

## 46 More Entries Inserted for Zero Duty Imports from Bangladesh

Ntfn 85 In exercise of the powers conferred by sub-section (1) of section 25 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. 107/2008-Customs, dated the 6th October, 2008 [G.S.R. 718 (E), dated the 6th October, 2008], except as respects things done or omitted to be done before such supersession, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (3) of the Table hereto annexed 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 a country listed in APPENDIX to this notification from the **whole of the duty of customs** leviable thereon under the said First Schedule.

Provided that the 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 the country listed in the APPENDIX in accordance with the Rules of Determination of Origin of Goods under the Agreement on South Asian Free Trade Area (SAFTA), 2006, published in the notification of the Government of India in the Ministry of Finance (Department Revenue) No 75/2006-Customs, (NT) dated the 30th June, 2006.

**Table**

| SNo. | Chapter, heading, sub-heading or tariff item of the First Schedule | Description of goods        |
|------|--|-----------------------------|
| (1)  | (2)  | (3)                         |
| 1    | 0207 34 00   | All Goods                   |
| 2    | 0302 69 10   | All Goods                   |
| 3    | 0303 79 10   | All Goods                   |
| 4    | 0303 79 30   | All Goods                   |
| 5    | 0303 79 60   | All Goods                   |
| 6    | 0303 79 80   | Croacker                    |
| 7    | 0304 29 10   | All Goods                   |
| 8    | 0306 13 20   | All Goods                   |
| 9    | 0711 40 00   | All Goods                   |
| 10   | 0711 51 00   | All Goods                   |
| 11   | 0711 90  | All goods other than capers |
| 12   | 0712 20 00   | All Goods                   |
| 13   | 0712 31 00   | All Goods                   |
| 14   | 0804 10  | All Goods                   |
| 15   | 0804 30 00   | All Goods                   |
| 16   | 0907   | All Goods                   |
| 17   | 0908 10  | All Goods                   |
| 18   | 0908 20 00   | All Goods                   |
| 19   | 1512 21 00   | All Goods                   |
| 20   | 1701 11  | All Goods                   |

|    |            |   |
|----|------------|---|
| 21 | 1701 12 00 | All Goods                               |
| 22 | 1701 91 00 | All Goods                               |
| 23 | 1701 99    | All Goods                               |
| 24 | 2002 90 00 | Tomato concentrate                      |
| 25 | 2008 60 00 | All Goods                               |
| 26 | 2008 91 00 | All Goods                               |
| 27 | 2008 99    | All Goods                               |
| 28 | 2009 50 00 | All Goods                               |
| 29 | 2309 90    | All Goods                               |
| 30 | 3003 90 11 | All Goods                               |
| 31 | 3004 10    | All Goods                               |
| 32 | 3004 20    | All Goods                               |
| 33 | 3204 11    | All Goods                               |
| 34 | 3204 12    | Acid dyes and preparation based thereon |
| 35 | 3204 13    | All Goods                               |
| 36 | 3204 14    | All Goods                               |
| 37 | 3204 16    | All Goods                               |
| 38 | 3204 17    | Pigments                                |
| 39 | 3204 19    | All Goods                               |
| 40 | 3206 49    | Red Oxide                               |
| 41 | 3301 19 10 | Citronella Oil (java type)              |
| 42 | 3301       | Other Essential oils                    |
| 43 | 3303 00    | All Goods                               |

|     |            |  |
|-----|------------|--|
| 44  | 3304 10 00 | All Goods  |
| 45  | 3304 20 00 | All Goods  |
| 46  | 3304 30 00 | All Goods  |
| 47  | 3304 91    | All Goods  |
| 48  | 3304 99    | All Goods  |
| 49  | 3305 10    | All Goods  |
| 50  | 3305 90    | Hair oils  |
| 51  | 3306 10    | Toothpowder, toothpaste  |
| 52  | 3307 10    | All Goods  |
| 53  | 3307 30    | All Goods  |
| 54  | 3307 41 00 | All Goods  |
| 55  | 3307 90    | All Goods  |
| 56  | 3401 11    | All Goods  |
| 57  | 3401 19    | House hold and laundry soap  |
| 58  | 3505 10    | All Goods  |
| 59  | 3812 20    | All Goods  |
| 60  | 3915 10 00 | All Goods  |
| 61  | 3915 20 00 | All Goods  |
| 62  | 3915 30    | All Goods  |
| 63  | 3915 90    | All Goods  |
| 64  | 3917       | Artificial guts (sausage castings) of hardened protein or of cellulosic materials. |
| 65  | 3917 21    | All Goods  |
| 66  | 3917 22 00 | All Goods  |
| 67  | 3917 23    | All Goods  |
| 68  | 3917 29    | All Goods  |
| 69  | 3917 31 00 | All Goods  |
| 70  | 3917 32 10 | All Goods  |
| 71  | 3917 33 00 | All Goods  |
| 72  | 3917 39    | All Goods  |
| 73  | 3917 40 00 | All Goods  |
| 74  | 3918 10    | All Goods  |
| 75  | 3918 90    | All Goods  |
| 76  | 3919 10 00 | All Goods  |
| 77  | 3919 90    | All Goods  |
| 78  | 3920 10    | All Goods  |
| 79  | 3920 20    | All Goods  |
| 80  | 3920 30    | All Goods  |
| 81  | 3920 43 00 | All Goods  |
| 82  | 3920 49 00 | All Goods  |
| 83  | 3920 51    | All Goods  |
| 84  | 3920 59    | All Goods  |
| 85  | 3920 61    | All Goods  |
| 86  | 3920 62    | All Goods  |
| 87  | 3920 63    | All Goods  |
| 88  | 3920 69    | All Goods  |
| 89  | 3920 71    | All Goods  |
| 90  | 3920 73    | All Goods  |
| 91  | 3920 79    | All Goods  |
| 92  | 3920 91    | All Goods  |
| 93  | 3920 92    | All Goods  |
| 94  | 3920 93    | All Goods  |
| 95  | 3920 94    | All Goods  |
| 96  | 3920 99    | All Goods  |
| 97  | 3921 11 00 | All Goods  |
| 98  | 3921 12 00 | All Goods  |
| 99  | 3921 13    | All Goods  |
| 100 | 3921 14 00 | All Goods  |
| 101 | 3921 19 00 | All Goods  |
| 102 | 3921 90    | All Goods  |
| 103 | 3922 10 00 | Baths, shower-baths and wash-basins  |
| 104 | 3922 20 00 | All Goods  |
| 105 | 3922 90 00 | All Goods  |
| 106 | 3923 10    | All Goods  |
| 107 | 3923 21 00 | All Goods  |

|     |            |   |
|-----|------------|---|
| 108 | 3923 29    | All Goods   |
| 109 | 3923 30    | All Goods   |
| 110 | 3923 40 00 | All Goods   |
| 111 | 3923 50    | All Goods   |
| 112 | 3923 90    | All Goods   |
| 113 | 3924 10    | All Goods   |
| 114 | 3924 90    | All Goods   |
| 115 | 3925 10 00 | All Goods   |
| 116 | 3925 20 00 | All Goods   |
| 117 | 3925 30 00 | All Goods   |
| 118 | 3925 90    | All Goods   |
| 119 | 3926 10    | All Goods   |
| 120 | 3926 20    | All Goods   |
| 121 | 3926 30    | All Goods   |
| 122 | 3926 40    | Bangles, beads of plastic and imitation jewellery   |
| 123 | 3926 90    | All Goods   |
| 124 | 4003 00 00 | All Goods   |
| 125 | 4004 00 00 | All Goods   |
| 126 | 4005 10 00 | All Goods   |
| 127 | 4005 20    | All Goods   |
| 128 | 4005 99    | All Goods   |
| 129 | 4006 10 00 | All Goods   |
| 130 | 4006 90    | All Goods   |
| 131 | 4007 00    | All Goods   |
| 132 | 4008 11    | All Goods   |
| 133 | 4008 19    | All Goods   |
| 134 | 4008 21    | All Goods   |
| 135 | 4008 29    | All Goods   |
| 136 | 4012 90    | All Goods   |
| 137 | 4016 10 00 | All Goods   |
| 138 | 4016 92 00 | All Goods   |
| 139 | 4016 93    | All Goods   |
| 140 | 4016 95    | All Goods   |
| 141 | 4016 99    | All Goods   |
| 142 | 4017 00    | All Goods   |
| 143 | 4808 10 00 | All Goods   |
| 144 | 4809 90 00 | Carbon or similar copying paper   |
| 145 | 4811 10 00 | All goods other than other than floor coverings on a base of paper or of paperboard, whether or not cut to size |
| 146 | 4811 41 00 | All Goods   |
| 147 | 4811 49 00 | All Goods   |
| 148 | 4817 10 00 | All Goods   |
| 149 | 4817 20 00 | All Goods   |
| 150 | 4817 30    | All Goods   |
| 151 | 4821 90    | All Goods   |
| 152 | 4901       | All Goods   |
| 153 | 5001 00 00 | All Goods   |
| 154 | 5002 00    | All Goods   |
| 155 | 5003 00    | All Goods   |
| 156 | 5004 00    | All Goods   |
| 157 | 5005 00    | All Goods   |
| 158 | 5006 00    | All Goods   |
| 159 | 5007 10 00 | All Goods   |
| 160 | 500720     | All Goods   |
| 161 | 5007 90 00 | All Goods   |
| 162 | 6101 90    | All goods other than of wool or fine animal hair  |
| 163 | 6102 10 00 | All Goods   |
| 164 | 6102 90    | All Goods   |
| 165 | 6103 10    | All Goods of wool or fine animal hair   |
| 166 | 6103 29    | All Goods   |

|     |            |   |     |                        |  |     |            |   |     |                     |   |
|-----|------------|---|-----|------------------------|--|-----|------------|---|-----|---------------------|---|
| 167 | 6103 31 00 | All Goods   | 214 | 620413                 | All goods  | 256 | 7213 10    | All Goods   | 288 | 8516 29 00          | All Goods   |
| 168 | 6103 39    | All Goods   | 215 | 620452                 | All goods  | 257 | 7213 20    | All Goods   | 289 | 8516 40 00          | Electric Irons - other than steam irons             |
| 169 | 6103 41 00 | All Goods   | 216 | 620462                 | Womens/Girls Trousers, Overalls and Shorts-Woven-Cotton  | 258 | 7213 91    | All Goods   | 290 | 8516 60 00          | All Goods   |
| 170 | 610342     | Men's or Boy's Trousers   |     |                        |  | 259 | 7213 99    | All Goods   | 291 | 8528 71 00, 8528 72 | Colour TVs - Set Top Box (Satellite Receivers)      |
| 171 | 610343     | Men's /Boy's Trousers, Overalls and Shorts-Knitted-Synthetic Fibres           | 217 | 620520                 | Mens/Boys Shirts-Woven-Cotton  | 260 | 7214 10    | All Goods   | 292 | 8536 20             | All Goods   |
| 172 | 6103 49    | All Goods   | 218 | 620530                 | Mens/Boys Shirts-Woven-Man-Made-Fibres   | 261 | 7214 20    | All Goods   | 293 | 8536 30 00          | Voltage stabilisers - domestic type                 |
| 173 | 6104 19    | Of wool or of fine animal hair  | 219 | 620590                 | All goods  | 262 | 7214 30 00 | All Goods   | 294 | 8537 10 00          | All Goods   |
| 174 | 6104 29    | All Goods   | 220 | 6205 90                | Of wool or of fine animal hair   | 263 | 7214 91    | All Goods   | 295 | 8537 20 00          | All Goods   |
| 175 | 6104 31 00 | All Goods   | 221 | 620630                 | Womens/Girls Blouses, Shirts and Shirt-Blouses-Woven-Cotton                                    | 264 | 7217 20    | All Goods   | 296 | 8539 29             | All Goods   |
| 176 | 6104 39    | All Goods   |     |                        |  | 265 | 7315 82 00 | All Goods   | 297 | 8539 31             | All Goods   |
| 177 | 6104 61 00 | All Goods   | 222 | 620721                 | All goods  | 266 | 7318 14 00 | All Goods   | 298 | 8544 11             | All Goods   |
| 178 | 610462     | Women's or Girls Trousers, Overalls and Shorts-Knitted-of Cotton              | 223 | 620821                 | All goods  | 267 | 7318 19 00 | All Goods   | 299 | 8544 19             | Insulated plastic and rubber Wires - domestic types |
| 179 | 610463     | All goods   | 224 | 620920                 | All goods except hats  | 268 | 7403 11 00 | All Goods   | 300 | 8544 20             | All Goods   |
| 180 | 6104 69    | All Goods   | 225 | 620930                 | All goods except hats  | 269 | 7403 12 00 | All Goods   | 301 | 8544 49             | All goods for voltage not exceeding 80V             |
| 181 | 610510     | All goods   | 226 | 621040                 | All goods  | 270 | 7403 13 00 | All Goods   | 302 | 9028 30             | All Goods   |
| 182 | 610520     | All goods   | 227 | 621050                 | Sweaters, Sweat Shirts and Waist-Coats-Knitted-Cotton  | 271 | 7407 10    | All Goods   | 303 | 9030 33             | All Goods   |
| 183 | 610610     | All Goods-knitted   | 228 | 621111                 | All goods  | 272 | 7408 11    | All Goods   | 304 | 9404 21             | All Goods   |
| 184 | 6106 90    | All Goods   | 229 | 621132                 | All goods  | 273 | 7408 19    | All Goods   | 305 | 9603 10 00          | Hill grass/ broom                                   |
| 185 | 610711     | All goods   | 230 | 621133                 | All goods  | 274 | 7608 10 00 | All Goods   |     |                     |   |
| 186 | 6107 19    | All Goods   | 231 | 6211 39 00             | Of wool or of fine animal hair   | 275 | 8414 30 00 | All Goods   |     |                     |   |
| 187 | 610721     | All goods   | 232 | 6211 41 00             | All Goods  | 276 | 8414 51    | All Goods   |     |                     |   |
| 188 | 6107 29    | All Goods   | 233 | 621210                 | All goods  | 277 | 8418 21 00 | All Goods   |     |                     |   |
| 189 | 610791     | All goods   | 234 | 6213 90                | Of silk or silk waste  | 278 | 8428 10    | All Goods   |     |                     |   |
| 190 | 6108 19    | All Goods   | 235 | 621710                 | All goods  | 279 | 8450 11 00 | All Goods   |     |                     |   |
| 191 | 610821     | All goods   | 236 | 6401 10                | All Goods  | 280 | 8501 10    | Micro and AC Motor  |     |                     |   |
| 192 | 610822     | All goods   | 237 | 6401 92                | All Goods  | 281 | 8501 20 00 | All Goods   |     |                     |   |
| 193 | 610831     | All goods   | 238 | 6401 99                | All Goods  | 282 | 8501 40 10 | All Goods   |     |                     |   |
| 194 | 610910     | All goods   | 239 | 6402 12                | All Goods  | 283 | 8501 52    | Electric Motor 1 HP to 10 HP- AC- excluding special types         |     |                     |   |
| 195 | 610990     | All goods   | 240 | 6402 19                | All Goods  | 284 | 8504 40    | All Goods   |     |                     |   |
| 196 | 6110 11    | All Goods   | 241 | 6402 99                | Other footwear, incorporating a protective metal toe-cap                                       | 285 | 8504 90    | All Goods   |     |                     |   |
| 197 | 611020     | All goods   | 242 | 6402 91                | All Goods  | 286 | 8509 40    | All Goods   |     |                     |   |
| 198 | 611030     | All goods   | 243 | 6403 12 00             | All Goods  | 287 | 8516 10 00 | Storage water heaters/geysers upto 100 litres capacity/ upto 3 KW |     |                     |   |
| 199 | 611090     | All goods   | 244 | 6403 19                | All Goods  |     |            |   |     |                     |   |
| 200 | 611120     | All goods   | 245 | 6403 91 or 6403 99     | Footwear made on a base platform of wood, not having an inner sole or protective metal toe-cap |     |            |   |     |                     |   |
| 201 | 611130     | All goods   | 246 | 6403 40 00             | All Goods  |     |            |   |     |                     |   |
| 202 | 6111 90    | Of wool or of fine animal hair  | 247 | 6404 11                | All Goods  |     |            |   |     |                     |   |
| 203 | 611241     | Of synthetic fibres   | 248 | 6404 19                | All Goods  |     |            |   |     |                     |   |
| 204 | 611300     | Garments , made-up of knitted or crocheted fabrics of heading No. 59.03,59.06 | 249 | 6405 20 00             | All Goods  |     |            |   |     |                     |   |
| 205 | 611420     | All goods   | 250 | 6405 90 00             | All Goods  |     |            |   |     |                     |   |
| 206 | 6114 90    | Of wool or of fine animal hair  | 251 | 6802 21                | All Goods  |     |            |   |     |                     |   |
| 207 | 6115 94 00 | All Goods   | 252 | 6810 11 10             | All Goods  |     |            |   |     |                     |   |
| 208 | 611699     | All goods   | 253 | 6901 00                | Bricks/blocks/ tiles   |     |            |   |     |                     |   |
| 209 | 6203 29 00 | Of wool or of fine animal hair  | 254 | 7010 10 00             | All Goods  |     |            |   |     |                     |   |
| 210 | 620332     | All goods   | 255 | 7013 28 00, 7013 37 00 | All Goods  |     |            |   |     |                     |   |
| 211 | 620333     | All goods   |     |                        |  |     |            |   |     |                     |   |
| 212 | 620342     | Mens/Boys Trousers, Overalls and Shorts -Woven-Cotton                         |     |                        |  |     |            |   |     |                     |   |
| 213 | 6204 21 00 | All Goods   |     |                        |  |     |            |   |     |                     |   |

#### Appendix

| SNo. | Country                         |
|------|---------------------------------|
| (1)  | (2)                             |
| 1.   | People's Republic of Bangladesh |
| 2.   | Kingdom of Bhutan               |
| 3.   | Republic of Maldives            |
| 4.   | Nepal                           |

[F.No. 354/42/2002-TRU (Pt.)]

### Stainless Steel Flats from EU, USA, China and Others – Width Specification Introduced after Mid Term Review

Ntfn 86 06.09.2011 (DoR) Whereas, in the matter of import of Cold-Rolled Flat products of Stainless Steel of the width of 600 mm up to 1250 mm of all series further worked then Cold Rolled (cold reduced) with a thickness of up to 4mm, originating in or exported from China PR, Japan, Korea, European Union, South Africa, Taiwan, Thailand and USA, (hereinafter referred to as the subject goods), falling under heading 7219 of the First Schedule of the Custom Tariff Act, 1975 (51 of 1975), originating in or exported from China PR, EU, Japan, Korea, South Africa Taiwan, Thailand and USA, (hereinafter referred to as the subject countries), the Central Government had imposed anti-dumping duty on the subject goods, vide notification no. 14/2010-Customs dated 20th February, 2010 published in Gazette of India, Extraordinary part II, Section 3, Sub-section (i) vide number G.S.R.95 (E), dated the 20th February,2010.

2. Whereas, on the basis of the Final Findings (Mid-Term Review) Notification No. 15/16/2009- DGAD, dated 8th June, 2011 of the designated authority, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said 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, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 14/2010-Customs, dated the 20th February,2010, published in the Gazette of India, Extraordinary vide number G.S.R. 95 (E), dated the 20th February,2010,namely:-



In the said notification, in para 1, after the Table, the following shall be inserted, namely:-

“(a) Width tolerance of (+) 30mm shall apply to Mill edged, Cold-rolled flat products of stainless steel of specified width of 1000mm or more but not exceeding 1250 mm.

(b) Width tolerance of (+)4mm shall apply to Trim edged Cold rolled flat products of stainless steel of specified width exceeding 1000mm but not exceeding 1250mm.”

[354/87 /2009-TRU (Pt.2)]

## Anti-dumping Duty for 5 Years on Para Nitroaniline from China

Ntfn 88 Whereas, in the matter of  
09.09.2011 import of Para Nitroaniline  
(DoR) (hereinafter referred to as the  
subject goods), falling under  
sub-heading 29214226 of the First Schedule to  
the Customs Tariff Act, 1975 (51 of 1975),  
originating in, or exported from, People's Re-  
public of China (hereinafter referred to as the  
subject country), the designated authority in its  
final findings, vide, notification No. 14/13/2010  
-DGAD, dated the 5<sup>th</sup> August, 2011, published in  
the Gazette of India, Extraordinary, Part I, Sec-  
tion 1, dated the 5<sup>th</sup> August, 2011, had come to  
the conclusion that-

(i) the subject goods had been exported to  
India from the subject country at prices less  
than their normal values in the domestic market  
of the subject country;

(i) the domestic industry had suffered mate-  
rial injury on account of imports of the subject  
goods from the subject country;

(ii) the material injury had been caused by  
the dumped imports of the subject goods from

the subject country;

and recommended imposition of final anti-  
dumping duty on imports of subject goods,  
originating in or exported from the subject coun-  
try.

Now, therefore, in exercise of the powers  
conferred by sub-section (1) of section 9A of the  
said Customs Tariff Act, read with sub-section  
(5) of the said section 9A and 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 final findings of the designated  
authority, hereby imposes 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 countries as  
specified in the corresponding entry in column  
(4), and produced by the producers as specified  
in the corresponding entry in column (6), when

**Table**

| SNo | Sub-<br>heading | Description of<br>goods | Country of<br>origin       | Country of<br>export       | Producer  | Exporter   | Amount | Unit of<br>measure-<br>ment | Currency |
|-----|-----------------|-------------------------|----------------------------|----------------------------|---|--|--------|-----------------------------|----------|
| (1) | (2)             | (3)                     | (4)                        | (5)                        | (6)   | (7)  | (8)    | (9)                         | (10)     |
| 1.  | 29214226        | Paranitroaniline        | China PR                   | China PR                   | M/s Hebei Yongtai<br>Create Chemical<br>Co Ltd (Yongtai)                            | M/s Hebei Yongtai<br>Create Chemical Co<br>Ltd (Yongtai) | 0.19   | Kg                          | USD      |
| 2.  | 29214226        | Paranitroaniline        | China PR                   | China PR                   | Any combination other than mentioned in<br>Sr. No. 1 of above producer and exporter |  | 0.26   | Kg                          | USD      |
| 3.  | 29214226        | Paranitroaniline        | China PR                   | China PR                   | M/s Suzhou Luosen<br>Auxiliaries Co. Ltd.<br>(Producer)                             | Wujian City Yilin<br>Foreign Trading Co.<br>Ltd          | 0.09   | Kg                          | USD      |
| 4.  | 29214226        | Paranitroaniline        | China PR                   | China PR                   | Any combination other than mentioned in<br>Sr. No. 3 of above producer and exporter |  | 0.26   | Kg                          | USD      |
| 5.  | 29214226        | Paranitroaniline        | China PR                   | Any other than<br>China PR | Any   | Any  | 0.26   | Kg                          | USD      |
| 6.  | 29214226        | Paranitroaniline        | Any other than<br>China PR | China PR                   | Any   | Any  | 0.26   | Kg                          | USD      |

3. The anti-dumping duty imposed 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 payable in Indian  
currency.

**Explanation** – For the purposes of this notifica-  
tion, rate of exchange for 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 ex-  
ercise 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.354/108/2010-TRU]

## Mid Term Review Investigation Initiated on Carbon Black from China, Australia, Russia and Thai

[Ref: F.No.15/41/2010-DGAD dated 30th August 2011]

*Subject: Initiation of Mid-term Review (MTR) investigation with regard to the anti-dumping duties imposed on imports of “Carbon Black used in rubber applications” originating in or exported from China PR, Australia, Russia and Thailand.*

Whereas having regard to the Customs Tariff  
Act, 1975, as amended from time to time, (here-  
inafter referred to as Act) and the Customs  
Tariff (Identification, Assessment and Collec-  
tion of Duty or Additional Duty on Dumped  
Articles and for Determination of Injury) Rules,  
1995, as amended from time to time, (hereinafter  
referred to as Rules), the Designated Authority  
(hereinafter referred to as Authority), notified its  
final findings vide Notification No.14/21/2008-  
DGAD dated 24th December, 2009 and recom-  
mended imposition of definitive anti-dumping

## Corrections in CBEC Circular on Export of Pan Masala in Plastic Sachet

[Corrigendum dated 5th September 2011]

*Subject: Export of Pan Masala-Gutkha packed in plastic sachet by 100% EOU - Application of provisions of Plastic Waste Management and Handling Rules, 2011.*

Attention is invited to the Board's instruction of even number dated 30.8.2011 on the subject mentioned above.

2. In Paragraph 3 of the said instruction the date 02.07.2007, wherever it occurs, should be read as 02.07.2011.

3. The other contents of the said instruc-  
tion shall remain unchanged.

F.No. 528/69/2011-STO (TU)

exported from the countries as specified in the  
corresponding entry in column (5), 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 equal to the  
amount 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 correspond-  
ing entry in column (9) of the said Table.

subject goods from the subject countries in accordance with section 9A of the Customs Tariff Act 1975 read with Rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995. They have claimed that the circumstances that were prevalent during the period of investigation of the original investigation have changed significantly leading to a situation where the existing antidumping duties are no longer warranted.

### Product under Consideration

3. The product under consideration is 'Carbon Black used in rubber applications' (excluding Thermal Black and Carbon black grades meant for semi conductive compound applications). It is an inorganic chemical used in the production/processing of rubber (including tyres) as reinforcing filler. Carbon Black is also known as acetylene black, channel black, furnace black, lamp black, thermal black, and noir de carbone. Carbon Black can be divided into two categories— rubber and non-rubber applications. Carbon Black for rubber applications is the Carbon Black that is used in production/processing of rubber (including tyres), as a reinforcing filler. The present investigation is in respect of Carbon Black used in rubber applications. Carbon Black used in non-rubber applications, such as inks in copiers and computer printer cartridges, paints, crayons and polishes, is not within the scope of the present investigation.

4. The subject goods fall under Chapter 28 of the Customs Tariff under Subheading No.28030010. However, the customs classification is indicative only and is in no way binding on the scope of the present investigation.

### Grounds for Review

5. The Applicant has submitted that the import prices of Carbon Black have increased significantly; that domestic selling prices have also increased significantly; that the cost of raw material – Carbon Black Feed Stock (CBFS) has come down significantly and that with the fall in cost of major raw materials, the Non-injurious price (NIP) for the domestic industry has come down drastically. The petitioner has further submitted that coupled with a significant increase in import prices leading to an increase in the landed value of imports, the injury margin has come down and as a consequence, a need for reviewing the current level of duties has arisen.

### Initiation

6. Rule 23 of the Anti-dumping Rules, as amended, *inter alia* reads as follows:

(1) Any anti-dumping duty imposed under the provision of section 9A of the Act, shall remain in force, so long as and to the extent necessary, to counteract dumping, which is causing injury.

(2) The Designated Authority shall review the need for the continued imposition of any anti-dumping duty, where warranted, on its own initiative or upon request by any interested party who submits positive information substantiating

the need for such review, and a reasonable period of time has elapsed since the imposition of the definitive anti-dumping duty and upon such review, the designated authority shall recommend to the Central Government for its withdrawal, where it comes to a conclusion that injury to the domestic industry is not likely to recur, if the said antidumping duty is removed or varied and therefore no longer warranted. The Customs Tariff (Amendment) Act 1995 and the Rules made there under require the Authority to review from time to time, the need for continued imposition of Anti Dumping Duty and if it is satisfied on the basis of information received by it that there is no justification for continued imposition of such duty, the Authority may recommend to the Central Government for its withdrawal.

7. On the basis of information made available by the aforementioned Applicant before the Authority, the Authority considers it prima facie appropriate to initiate a mid-term review of the anti-dumping duties imposed on the imports of the subject goods originating in or exported from the subject countries.

### Countries involved

8. The countries involved in the present investigation are China PR, Australia, Russia and Thailand.

### Procedure

9. Having regard to the information provided by the Applicant indicating changed circumstances necessitating a review of the measure in force, the Designated Authority now considers that it is appropriate to initiate a mid-term review of the final findings notified vide Notification No. 14/21/2008-DGAD dated 24th December, 2009 published in the Gazette of India, Extraordinary Part I, Section I and the definitive duties imposed by the Central Government vide Notification No.6/2010-Customs dated 28th January, 2010 and the Authority hereby initiates an investigation in accordance with the provisions of Section 9(A) of Customs Tariff (Amendment) Act 1995 read with Rule 23 of the Rules supra to review the need for continued imposition of the anti-dumping duties. The review will cover all aspects of Notification No.14/21/2008-DGAD dated 24th December, 2009.

### Period of Investigation (POI)

10. The period of investigation for the purpose of the present review is 1st April, 2010 to 31st March, 2011. The injury investigation period will however cover the periods 2007-08, 2008-09, 2009-10 and the POI (2010-11).

### Submission of Information

11. The exporters in subject countries, their Governments through their Embassies/High Commissions in India, the importers and users in India known to be concerned and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority in the following address:

The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties, Ministry of Commerce & Industry, Department of Commerce, Room No.240, Udyog Bhawan, New Delhi -110011.

12. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

### Time Limit

13. Any information relating to the present review should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of publication of this review notification. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the Rules supra.

### Inspection of Public File

14. In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

## Spl CVD of 4% Exempts on CRGO Sheet for Manufacture of Transformers

Ntfn 87 In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue),

No. 20/2006-Customs, dated the 1<sup>st</sup> March, 2006 which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 92(E), dated the 1<sup>st</sup> March, 2006, namely:-

In the said notification, in the Table, after S. No. 85 and the entries relating thereto, the following Serial number and the entries shall be inserted, namely:-

| (1) | (2)                   | (3)  | (4)   |
|-----|-----------------------|--|-------|
| "86 | 72251100,<br>72261100 | Cold rolled sheets of grain-oriented (CRGO) silicon-electrical steel for manufacture of transformers | Nil". |

[F. No. 332/7/2011-TRU]

## CBEC Announces Uniform Procedure on Factory Stuffing of Export Goods

*Subject: Stuffing of export containers under supervision of Central Excise Officers.*

952-CBEC Board has received several  
08.09.2011 representations from  
(DoR) Associations, Chambers of  
Commerce, Trade Bodies etc.,  
about the divergent procedures followed by the field formations regarding examination and stuffing of export containers in the factory or warehouse under the supervision of Central Excise Officers. Such procedures are contained in the CBEC's Central Excise Manual and various Notifications/ Circulars issued by the Board from time to time. For the sake of uniformity and ease of reference, the salient features of examination of export goods and factory stuffing procedure are outlined as under.

2. Chapter 7 and 8 of CBEC's Central Excise Manual, inter-alia, provide that the exporter of excisable goods may request the Superintendent/ Inspector of Central Excise having jurisdiction over the factory or warehouse or approved premises for examination and sealing of the export goods at the place of dispatch, 24 hours in advance or such shorter period as may be mutually agreed upon. Notification No. 19/2004-CE(NT) dated 6<sup>th</sup> September 2004, issued under Rule 18 of the Central Excise Rules, 2002, inter-alia, provides that registered manufacturer exporters and merchant exporters who procure the goods directly from the factory or warehouse for export under claim of rebate, have the option of getting the export goods sealed by the Central Excise officer at the place of dispatch. Further, the merchant – exporters other than those procuring the goods directly from the factory or warehouse are also allowed to export the goods sealed at the place of dispatch by a Central Excise Officer. The application for examination and sealing of export goods at the place of dispatch is required to be made to the jurisdictional Superintendent/ Inspector of Central Excise. In terms of Notification No. 42/2001-CE (NT) dated 26<sup>th</sup> June 2001, applicable to export under bond in terms of Rule 19 of Central Excise Rules, 2002, the exporter shall approach the concerned Superintendent or Inspector of Central Excise.

3. Vide Circular No. 736/52/2003-CX dated 11<sup>th</sup> August 2003, the facility of self-sealing and self-certification has been extended to all categories of manufacturer- exporters subject to compliance with existing procedures. Vide Circular No. 860/18/2007-CX dated 22<sup>nd</sup> November 2007, it has been prescribed that in case of exports under free Shipping Bills, i.e., Shipping Bills where no export benefits are being sought, the manufacturer- exporter shall mandatorily resort to self-sealing of export containers and the Central Excise Officer shall not entertain any request for stuffing and sealing of export containers, in their presence in such cases.

4. In view of above existing instructions, it is reiterated that the facility/ option of examination and sealing of export containers by the Central

Excise Officers at the place of dispatch is available to both manufacturer- exporters (except when the export is on free Shipping Bill) and merchant-exporter in respect of the goods exported in terms of Rule 18 or 19 of the Central Excise Rules, 2002. Such examination, stuffing and sealing of export containers by the Central Excise Officers are permitted at the factory or warehouse or any other approved premises.

5. In respect of the both excisable and non excisable goods the exporters are required to obtain one time permission from the concerned custom formation in terms of the Custom Circular No. 60/2001-Cus dated 1<sup>st</sup> November 2001, and Circular No. 20/2010-Cus dated 22<sup>nd</sup> July 2010. On the basis of the said permission given by the Commissioner of Customs, the Central Excise officers of the jurisdictional range had been undertaking the work of sealing the export goods on the request made by the exporters.

6. The examination, stuffing and sealing of export containers at the place of dispatch are required to be done by the jurisdictional Central Excise Superintendent/ Inspector. The application for examination and stuffing of export containers at the place of dispatch has to be made to the jurisdictional Superintendent/ Inspector of Central Excise, 24 hours in advance or such shorter period as may be mutually agreed upon. The facility of online scheduling of factory stuffing by Central Excise Officers has been prescribed by the Board vide Circular No. 934/24/2010-CX dated 25<sup>th</sup> August 2010, vide which the exporter can seek such scheduling by sending an e-mail to the range officer. It is reiterated that exporter needs to correspond only with the range officer for such stuffing. Keeping in mind these requirements, the Chief Commissioner will ensure that the Commissioner should suitably augment staff strength available with range by making necessary administrative arrangements.

7. In respect of the services provided by the Central Excise Officers at any premises other than the premises which are not the normal work premises of that officer, i.e. for export from premises other than those registered with the

## Service Tax Category on Brokers Enlarged

44-ST In exercise of the powers  
09.09.2011 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 makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 31/2009-Service Tax, dated the 1st September, 2009, which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 625 (E), dated the 1st September, 2009, namely :-

In the said notification, after the words, "provided by a sub-broker", the words "or authorised person, as the case may be," shall be inserted.

2. This notification shall come into force on the date of its publication in the Official Gazette.

[F. No. 354/205/2011-TRU]

Central Excise officer, MOT charges will be payable at the applicable rates even if the said services are being provided during the normal working hours. In case of the services provided beyond the normal working hours MOT charges as applicable will be payable for all the premises whether registered with the Central Excise or not.

8. As per the instructions issued by the Board from F. No. 224/37/2005-CX.6 dated 24<sup>th</sup> December 2008, officers posted in the range have been assigned duties with regard to stuffing of cargo indicated in Annexure 1 in respect of the exports.

9. The field formations may be suitably informed and instructed for compliance. Any instruction to the contrary may be reported.

10 Receipt of this circular may be acknowledged.

F. No 224/57/2011-CX.6

### Annexure-1

(Extract from Annexure to F. No. 224/37/2005-CX.6 dated 24<sup>th</sup> December, 2008)

#### Export of Goods

| SNo | Function   | Inspector   | Superintendent   |
|-----|--|---|--|
| 3.6 | Examination and sealing of export consignments under Central Excise Seal | On being deputed by the Range Officer visit the specified premises for examination and sealing of export consignments and prepare examination report as per relevant departmental instructions. Duly completed examination report must accompany the export goods as per instructions / circulars on the subject. | To depute the Sector Officer or himself carry out the process of examination and sealing as per relevant departmental instructions. To ensure that in the case of free shipping bills, the assessee has to mandatorily opt for self sealing of export consignment in view of Board's circular No. 860/18/2007-CX dated 22.11.2007. |

World Bank Pinksheet issued in September 2011 covers price movements in 43 energy and non-energy products. This Pink Sheet focuses on price movements in August 2011.

## Crude, World Sugar and Edible Oils Down

### Up ↑

Coffee, arabica and Tea Colombo  
Palmkernel oil, Soybean meal  
Maize, Rice, Wheat and Sorghum; Meat  
Logs, Plywood and Sawwood; Rubber  
DAP, Potassium chloride, TSP and Urea  
Gold and Silver; Iron Ore

### Down ↓

Coal, Natural Gas and Crude, Cocoa

Copra, Coconut oil, Groundnut oil, Palm oil, Soybean oil and Soybeans

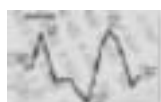
Barley, Bananas, Fishmeal, Oranges; World sugar

Woodpulp, Cotton

Aluminium, Copper, Lead, Nickel, Tin and Zinc

### Steady ↔

Phosphate rock, Steel Products, CR and HR Coil Sheet, Steel rebar and Steel wire rod



|                                   | Monthly averages |        |          | Quarterly averages |         |         |         |         | Annual averages |         |         |
|-----------------------------------|------------------|--------|----------|--------------------|---------|---------|---------|---------|-----------------|---------|---------|
|                                   | 2011             |        |          | 2010               |         |         | 2011    |         | 2009            | 2010    | 2011    |
|                                   | Jun              | Jul    | Aug      | Apr-Jun            | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jan-Dec         | Jan-Dec | Jan-Aug |
| <b>Energy</b>                     |                  |        |          |                    |         |         |         |         |                 |         |         |
| Coal, Australia \$/mt             | 119.28           | 120    | 118.8 ↓  | 99.49              | 93.55   | 107.63  | 128.99  | 120     | 71.84           | 98.97   | 123.22  |
| Crude oil, average \$/bbl         | 105.85           | 107.92 | 100.49 ↓ | 78.18              | 75.51   | 85.42   | 99.75   | 110.05  | 61.76           | 79.04   | 104.73  |
| Crude oil, Brent \$/bbl           | 113.76           | 116.46 | 110.09 ↓ | 78.69              | 76.41   | 86.79   | 104.9   | 117.1   | 61.86           | 79.64   | 111.57  |
| Crude oil, Dubai \$/bbl           | 107.52           | 109.98 | 105.06 ↓ | 77.98              | 74.04   | 84.37   | 100.4   | 110.56  | 61.75           | 78.06   | 105.99  |
| Crude oil, West Texas Int. \$/bbl | 96.25            | 97.31  | 86.32 ↓  | 77.85              | 76.08   | 85.09   | 93.95   | 102.5   | 61.65           | 79.43   | 96.62   |
| Natural gas Index 2000=100        | 182.2            | 190.1  | 183.7 ↓  | 147.5              | 155.1   | 151.6   | 165.5   | 179.1   | 153.5           | 156.1   | 175.9   |
| Natural gas, Europe \$/mmbtu      | 10.26            | 10.99  | 10.81 ↓  | 7.51               | 8.26    | 8.54    | 9.45    | 10.31   | 8.71            | 8.29    | 10.13   |
| Natural gas, US \$/mmbtu          | 4.55             | 4.41   | 4.05 ↓   | 4.32               | 4.28    | 3.8     | 4.18    | 4.37    | 3.95            | 4.39    | 4.26    |
| Natural gas LNG, Japan \$/mmbtu   | 14.52            | 16     | 16 ↔     | 10.95              | 11.22   | 10.91   | 11.99   | 13.71   | 8.94            | 10.85   | 13.64   |
| <b>Beverages</b>                  |                  |        |          |                    |         |         |         |         |                 |         |         |
| Cocoa ¢/kg                        | 301.6            | 316.7  | 306.4 ↓  | 321                | 305.9   | 296.6   | 334.3   | 307.4   | 288.9           | 313.3   | 318.5   |
| Coffee, arabica ¢/kg              | 606.2            | 590.9  | 595.2 ↑  | 392                | 468.5   | 513.9   | 620     | 636.5   | 317.1           | 432     | 619.5   |
| Coffee, robusta ¢/kg              | 260              | 248.5  | 247.1 ↓  | 161                | 183.2   | 199.4   | 241.5   | 262.6   | 164.4           | 173.6   | 251     |
| Tea, auctions (3) avg. ¢/kg       | 301.8            | 310.1  | 304 ↓    | 276.4              | 295.1   | 303.5   | 288.7   | 299.7   | 272.4           | 288.5   | 297.4   |
| Tea, Colombo auctions ¢/kg        | 311.8            | 309.6  | 315.7 ↑  | 316.2              | 322.1   | 342.4   | 356.3   | 319.7   | 313.7           | 329     | 331.6   |
| Tea, Kolkata auctions ¢/kg        | 322.8            | 341.2  | 316.9 ↓  | 274                | 320.6   | 311.7   | 229.2   | 313     | 251.5           | 280.5   | 285.6   |
| Tea, Mombasa auctions ¢/kg        | 270.8            | 279.5  | 279.5 ↔  | 238.9              | 242.7   | 256.3   | 280.6   | 266.3   | 252             | 256     | 275     |
| <b>Fats and Oils</b>              |                  |        |          |                    |         |         |         |         |                 |         |         |
| Coconut oil \$/mt                 | 1,803            | 1,662  | 1,454 ↓  | 955                | 1,159   | 1,546   | 2,073   | 1,996   | 725             | 1,124   | 1,916   |
| Copra \$/mt                       | 1,186            | 1,121  | 985 ↓    | 634                | 769     | 1,038   | 1,379   | 1,342   | 480             | 750     | 1,284   |
| Groundnut oil \$/mt               | 1,980            | 2,120  | 2,100 ↓  | 1,352              | 1,301   | 1,604   | 1,723   | 1,830   | 1,184           | 1,404   | 1,860   |
| Palm oil \$/mt                    | 1,133            | 1,089  | 1,083 ↓  | 813                | 875     | 1,108   | 1,251   | 1,147   | 683             | 901     | 1,171   |
| Palmkernel oil \$/mt              | 1,765            | 1,371  | 1,375 ↑  | 1,034              | 1,161   | 1,619   | 2,131   | 1,874   | 700             | 1,184   | 1,845   |
| Soybean meal \$/mt                | 394              | 400    | 401 ↑    | 342                | 378     | 424     | 437     | 400     | 408             | 378     | 414     |
| Soybean oil \$/mt                 | 1,324            | 1,337  | 1,330 ↓  | 875                | 984     | 1,242   | 1,349   | 1,311   | 849             | 1,005   | 1,331   |
| Soybeans \$/mt                    | 558              | 559    | 558 ↓    | 409                | 452     | 522     | 565     | 557     | 437             | 450     | 560     |
| <b>Grains</b>                     |                  |        |          |                    |         |         |         |         |                 |         |         |
| Barley \$/mt                      | 210.1            | 215.5  | 206.1 ↓  | 146.9              | 161.9   | 181.1   | 198.1   | 209.5   | 128.3           | 158.4   | 205.5   |
| Maize \$/mt                       | 310.6            | 300.8  | 310.2 ↑  | 157.7              | 181.7   | 241.5   | 282.8   | 312.6   | 165.5           | 185.9   | 299.6   |
| Rice, Thailand, 5% \$/mt          | 513.8            | 538.3  | 567 ↑    | 452.4              | 457     | 510.8   | 511.2   | 493.1   | 555             | 488.9   | 514.8   |
| Rice, Thailand, 25% \$/mt         | 473.8            | 506.8  | 531.7 ↑  | 399.1              | 418.5   | 471.4   | 465.4   | 456.8   | 458.1           | 441.5   | 475.6   |
| Rice, Thai, A.1 \$/mt             | 427.5            | 449.3  | 464.3 ↑  | 333.8              | 376.9   | 423.1   | 411.3   | 419.2   | 326.4           | 383.7   | 425.6   |
| Rice, Vietnam 5% \$/mt            | 475.3            | 492    | 546.2 ↑  | 366.1              | 411.1   | 504.7   | 479.8   | 479.7   | n.a.            | 428.8   | 489.6   |



|                                       | Monthly averages |        |        | Quarterly averages |         |         |         |         | Annual averages |         |         |        |
|---------------------------------------|------------------|--------|--------|--------------------|---------|---------|---------|---------|-----------------|---------|---------|--------|
|                                       | 2011             |        |        | 2010               |         |         | 2011    |         | 2009            | 2010    | 2011    |        |
|                                       | Jun              | Jul    | Aug    | Apr-Jun            | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jan-Dec         | Jan-Dec | Jan-Aug |        |
| Sorghum \$/mt                         | 260.4            | 271.2  | 302.5  | ↑                  | 142.6   | 153.6   | 208.6   | 255.2   | 270.5           | 151.1   | 165.4   | 268.8  |
| Wheat, Canada \$/mt                   | 486.8            | 445.8  | 434.9  | ↓                  | 260.9   | 326.1   | 383.6   | 449     | 474.6           | 300.5   | 312.4   | 456.4  |
| Wheat, US, HRW \$/mt                  | 326.4            | 303.9  | 327.1  | ↑                  | 177.4   | 237.9   | 283.6   | 330.5   | 339.3           | 224.1   | 223.6   | 330    |
| Wheat, US, SRW \$/mt                  | 282.2            | 266.4  | 277.6  | ↑                  | 186.9   | 253.4   | 284.9   | 320.8   | 301.9           | 186     | 229.7   | 301.5  |
| <b>Other Food</b>                     |                  |        |        |                    |         |         |         |         |                 |         |         |        |
| Bananas, EU \$/mt                     | 1186.1           | 1075.8 | 1022.5 | ↓                  | 1029    | 932.6   | 1033.4  | 1251.4  | 1250.2          | 1144.9  | 1002.2  | 1200.4 |
| Bananas, US \$/mt                     | 976              | 961    | 951    | ↓                  | 862     | 922     | 909     | 964     | 1,004           | 847     | 868     | 977    |
| Fishmeal \$/mt                        | 1,547            | 1,490  | 1,435  | ↓                  | 1,814   | 1,663   | 1,613   | 1,740   | 1,648           | 1,230   | 1,688   | 1,636  |
| Meat, beef ¢/kg                       | 390              | 395    | 399    | ↑                  | 342     | 331     | 353     | 410     | 406             | 264     | 335     | 405    |
| Meat, chicken ¢/kg                    | 191.7            | 192.6  | 194.3  | ↑                  | 190.2   | 193.6   | 189.3   | 188.2   | 191             | 188.8   | 189.2   | 190.6  |
| Meat, sheep ¢/kg                      | 677.2            | 690.7  | 700.5  | ↑                  | 486.8   | 572.5   | 618.7   | 637.1   | 668.5           | 427.6   | 531.4   | 663.5  |
| Oranges \$/mt                         | 916.4            | 971.6  | 951.7  | ↓                  | 1083.6  | 1162.9  | 877.9   | 824     | 877.9           | 909     | 1033.2  | 878.6  |
| Shrimp, Mexico ¢/kg                   | 1,240            | n.a.   | n.a.   |                    | 945     | n.a.    | 1221.7  | 1245.6  | 1,244           | 945     | 1,004   | 1,245  |
| Sugar, EU ¢/kg                        | 47.03            | 46.67  | 46.82  | ↑                  | 42.66   | 43.29   | 44.38   | 44.69   | 47.02           | 52.44   | 44.18   | 46.08  |
| Sugar, US ¢/kg                        | 78.39            | 83.62  | 88.03  | ↑                  | 69.62   | 78.2    | 84.86   | 86.56   | 80.28           | 54.88   | 79.25   | 84.02  |
| Sugar, world ¢/kg                     | 55.58            | 62.21  | 61.18  | ↓                  | 34.93   | 42.98   | 58.01   | 62.7    | 52.56           | 40      | 46.93   | 58.65  |
| <b>Timber</b>                         |                  |        |        |                    |         |         |         |         |                 |         |         |        |
| Logs, Cameroon \$/cum                 | 504              | 521.6  | 523.3  | ↑                  | 408     | 426.3   | 448.5   | 451.6   | 489.6           | 421.5   | 428.6   | 483.6  |
| Logs, Malaysia \$/cum                 | 417.6            | 430.5  | 450    | ↑                  | 253.5   | 293.5   | 312.1   | 326.2   | 382.1           | 287.2   | 278.2   | 375.7  |
| Plywood ¢/sheets                      | 607.7            | 612.7  | 619.2  | ↑                  | 566.3   | 572.3   | 580.5   | 588.5   | 603.2           | 564.6   | 569.1   | 600.9  |
| Sawnwood, Cameroon \$/cum             | 870.6            | 832.6  | 839.5  | ↑                  | 787.1   | 811.8   | 847.8   | 833.1   | 872.2           | 748.9   | 812.7   | 848.5  |
| Sawnwood, Malaysia \$/cum             | 973.2            | 969.4  | 973.6  | ↑                  | 832.6   | 879.8   | 892.9   | 921.6   | 959.2           | 805.5   | 848.3   | 948.2  |
| Woodpulp \$/mt                        | 950.4            | 955.1  | 940    | ↓                  | 875.5   | 912.9   | 897.8   | 891.5   | 942             | 614.6   | 866.8   | 924.5  |
| <b>Other Raw Materials</b>            |                  |        |        |                    |         |         |         |         |                 |         |         |        |
| Cotton A Index ¢/kg                   | 317.8            | 269    | 251.5  | ↓                  | 199.3   | 205.2   | 330.1   | 456.9   | 386.7           | 138.2   | 228.3   | 381.4  |
| Rubber, RSS3 ¢/kg                     | 493.4            | 473.2  | 467.6  | ↓                  | 372.7   | 337.5   | 432.8   | 573.2   | 530.1           | 192.1   | 365.4   | 531.4  |
| Rubber, TSR20 ¢/kg                    | 452.5            | 456.2  | 461.8  | ↑                  | 302.3   | 314.4   | 425.9   | 525.1   | 467.3           | 180     | 338.1   | 486.9  |
| <b>Fertilizers</b>                    |                  |        |        |                    |         |         |         |         |                 |         |         |        |
| DAP \$/mt                             | 625              | 650.6  | 659.4  | ↑                  | 458.2   | 494.1   | 585.6   | 601.7   | 617.3           | 323.1   | 500.7   | 620.9  |
| Phosphate rock \$/mt                  | 182.5            | 197.5  | 197.5  | ↔                  | 125     | 125     | 140     | 158.3   | 182.5           | 121.7   | 123     | 177.2  |
| Potassium chloride \$/mt              | 436              | 461.3  | 482.5  | ↑                  | 316.1   | 334.2   | 343.2   | 374.2   | 422.7           | 630.4   | 331.9   | 416.8  |
| TSP \$/mt                             | 549.5            | 555    | 560    | ↑                  | 357.4   | 389.6   | 463.8   | 486.3   | 544.2           | 257.4   | 381.9   | 525.8  |
| Urea \$/mt                            | 485.9            | 474.8  | 477.5  | ↑                  | 237.2   | 279.2   | 357     | 353.4   | 407.9           | 249.6   | 288.6   | 404.5  |
| <b>Metals and Minerals</b>            |                  |        |        |                    |         |         |         |         |                 |         |         |        |
| Aluminum \$/mt                        | 2,558            | 2,525  | 2,379  | ↓                  | 2,096   | 2,090   | 2,343   | 2,501   | 2,611           | 1,665   | 2,173   | 2,530  |
| Copper \$/mt                          | 9,067            | 9,650  | 9,001  | ↓                  | 7,027   | 7,243   | 8,637   | 9,642   | 9,173           | 5,150   | 7,535   | 9,387  |
| Gold \$/toz                           | 1,529            | 1,572  | 1,757  | ↑                  | 1,196   | 1,227   | 1,367   | 1,384   | 1,507           | 973     | 1,225   | 1,500  |
| Iron ore, contract, fob Brazil ¢/dmtu | n.a.             | n.a.   | n.a.   |                    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.            | 101     | n.a.    | n.a.   |
| Iron ore, spot, cfr China \$/dmt      | 170.9            | 173    | 177.5  | ↑                  | 159.2   | 137.4   | 155.9   | 178.6   | 175.8           | 80      | 145.9   | 176.7  |
| Lead ¢/kg                             | 252.5            | 268.1  | 239.7  | ↓                  | 195     | 203.2   | 239     | 260.4   | 255.1           | 171.9   | 214.8   | 256.8  |
| Nickel \$/mt                          | 22,421           | 23,848 | 21,845 | ↓                  | 22,476  | 21,191  | 23,609  | 26,870  | 24,355          | 14,655  | 21,809  | 24,921 |
| Silver ¢/toz                          | 3,584            | 3,812  | 4,030  | ↑                  | 1,838   | 1,901   | 2,647   | 3,179   | 3,857           | 1,469   | 2,020   | 3,619  |
| Steel products index 2000=100         | 272.6            | 271.4  | 271.4  | ↔                  | 241.1   | 232.4   | 233.9   | 250.5   | 272.8           | 227.1   | 229.7   | 264.1  |
| Steel cr coilsheet \$/mt              | 900              | 900    | 900    | ↔                  | 838     | 850     | 850     | 867     | 900             | 783     | 816     | 888    |
| Steel hr coilsheet \$/mt              | 800              | 800    | 800    | ↔                  | 738     | 750     | 750     | 767     | 800             | 683     | 716     | 788    |
| Steel rebar \$/mt                     | 640              | 640    | 640    | ↔                  | 621     | 533     | 550     | 600     | 640             | 486     | 563     | 625    |
| Steel wire rod \$/mt                  | 790              | 790    | 790    | ↔                  | 767     | 678     | 653     | 684     | 782             | 969     | 712     | 747    |
| Tin ¢/kg                              | 2,552            | 2,740  | 2,404  | ↓                  | 1,786   | 2,055   | 2,601   | 2,986   | 2,885           | 1,357   | 2,041   | 2,845  |
| Zinc ¢/kg                             | 223.4            | 239.8  | 220    | ↓                  | 202.6   | 201.3   | 231.5   | 239.3   | 225.5           | 165.5   | 216.1   | 231.8  |

\$ = 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

## CBEC Opens Special Window for Seamless Clearance for Goods moved by Authorised Operators – Reliance upon Documents Filed in other Countries

Subject: Authorized Economic Operator (AEO) programme for implementation.

37-CBEC In view of growing concern  
23.08.2011 amongst Customs  
(DoR) administrations about the  
threat posed through misuse  
of channels of import and export, there is a need  
to ensure security in global supply chain in  
international movement of goods. Keeping this  
in view, CBEC has finalized the 'Authorized  
Economic Operators' (AEO) programme for  
implementation to secure supply chain of im-  
ported and export goods. This programme has  
been developed pursuant to guidelines of WCO  
adopted in SAFE FoS (Framework of Standard)  
in 2005. Many Customs administrations have  
already instituted AEO programmes or similar  
programmes which share a common objective  
of ensuring security in global supply chain from  
the point of origin i.e. the point of export to  
import in the receiving country, keeping in view  
national requirements of respective administra-  
tions. The detailed guidelines on implementation  
of the AEO programme are appended as '**An-  
nexure**' to this Circular.

2. One of the salient features of the AEO  
programme is that any economic operator such  
as importer, exporter, logistics provider,cus-  
toms House Agent can apply for authorization  
subject to the criteria that the applicant is:

(i) able to establish a record of compliance  
in respect of Customs and other legal provi-  
sions.

(ii) able to demonstrate satisfactory systems  
of managing commercial and, where appropri-  
ate, transport records.

(iii) financially solvent.

(iv) able to demonstrate satisfactory sys-  
tems in respect of security and safety stan-  
dards.

3. The AEO programme shall be implemented  
by the Directorate General of Inspection  
(DGICCE) and Additional Director General,  
DGICCE (HQ), New Delhi will be the AEO  
Programme Manager. The AEO Programme  
Manager shall be assisted by a team of officers  
viz. the AEO Programme Team.

4. The authorization shall normally be granted  
within 90 days of receipt of application if the  
same is found to be acceptable and not deficient  
in any material particulars. The programme also

provides for circumstances under which the  
authorization may be considered for revocation  
or suspension.

5. The AEO Programme envisages various  
benefits to different categories of economic  
operators such as importers, exporters, Cus-  
toms House Agents, etc. The intention is to give  
AEO certified operators preferential treatment  
in terms of less Customs examination, relaxed  
procedural requirements etc. This is subject to  
the authorized operators maintaining security  
standards and compliance requirements as  
detailed in Annexure and informing the AEO  
Programme Manager within 30 days in case of  
any significant change in business or business  
processes.

6. The AEO programme would be implemented  
on voluntary basis i.e. those who are interested  
in getting benefits of the programme may apply  
for authorization as per the procedure outlined  
in the Annexure. The authorization shall be  
granted after detailed pre-certification verifica-  
tion and validation done by AEO Programme  
Team.

7. As DGICCE is assigned the work of imple-  
mentation of the AEO programme, Board de-  
sires that process of inviting application, pro-  
cessing of the same, validation and certification  
shall be done as envisaged in the programme,  
as per the following time lines:

| Action   | Timeline               |
|--|------------------------|
| Announcement of AEO programme                        | 23.8.2011              |
| Receipt of applications for pilots                   | By 15.9.2011           |
| Scrutiny of applications for pilots                  | By 30.9.2011           |
| Selection of 3 pilots and intimation thereof         | By 15.10.2011          |
| Validation process including field visits for pilots | 15.10.2011 - 15.1.2012 |
| Decision on grant of AEO status                      | 15.2.2012              |

8. All Commissioners are requested to issue a  
suitable Public Notice and a standing order for  
guidance of trade and staff.

**[Annexures are available at our website  
[www.worldtradesScanner.com](http://www.worldtradesScanner.com)]**

## FPS Benefits on Handmade Carpets Extended to Handloom Carpets

77-PN(RE) In exercise of the powers  
05.08.2011 conferred under Paragraph  
(DGFT) 2.4 of the Foreign Trade  
Policy, 2009-14, the

Director

General of Foreign Trade hereby make the  
following amendment in the Handbook of  
Procedures Vol I (2009-14):

2. In Appendix 37D, Table-2, Sr.No.11, the  
"Note:" is amended to read as under:

**Note:** The expression 'Handmade' would  
include Hand-Made, Hand-knotted, Hand-  
Tufted, Hand-Woven and Handloom.

### Effect of this Public Notice

Earlier 'Handloom' was not included in the  
expression "Handmade" in the 'Note' in Table-  
2, Sr. No.11 of Appendix 37D. This has been  
rectified.

to approve the request from the ECB borrowers  
with respect to change in the recognized lender  
when the original lender is an international bank  
or a multilateral financial institution (such as  
IFC, ADB, CDC, etc.) or a regional financial  
institution or a Government owned development  
financial institution or an export credit agency or  
supplier of equipment and the new lender also  
belongs to any one of the above mentioned  
categories, subject to the Authorised Dealer  
ensuring the following conditions:-

(i) the new lender is a recognized lender as  
per the extant ECB norms;

(ii) there is no change in the other terms and  
conditions of the ECB;

(iii) the ECB is in compliance with the extant  
guidelines.

4. However, changes in the recognized lender  
in case of foreign equity holder and foreign  
collaborator will continue to be examined by the  
Reserve Bank.

5. The changes in the recognized lender should  
be promptly reported to the Department of  
Statistics and Information Management, Re-  
serve Bank of India in Form 83.

6. The above modifications to the ECB guide-  
lines will come into force with immediate effect.  
All other aspects of the ECB policy, such as,  
USD 500 million limit per company per financial  
year under the automatic route, eligible bor-  
rower, end-use, all-in-cost ceiling, average  
maturity period, prepayment, refinancing of  
existing ECB and reporting arrangements shall  
remain unchanged.

7. AD Category -I banks may bring the con-  
tents of this circular to the notice of their  
constituents and customers concerned.

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

## RBI Delegates Power of Change in Lender Approval to Dealers

Sub: External Commercial Borrowings – Simplification of Procedure

AP(DIR Srs) Attention of Authorized Dealer  
Cir.11 Category-I (AD Category-I)  
07.09.2011 banks is invited to the Foreign  
(RBI) Exchange Management  
(Borrowing or lending in  
foreign exchange) Regulations, 2000, notified  
vide Notification No. FEMA 3/2000-RB dated  
May 3, 2000, amended from time to time and the  
A.P. (DIR Series) Circular No. 5 dated August 1,  
2005, amended from time to time relating to the

External Commercial Borrowings (ECB).

2. As per the extant ECB procedures, any  
request for change of the lender for an existing  
ECB is required to be referred by the Authorised  
Dealer Bank to the Reserve Bank for necessary  
approval.

3. As a measure of simplification of the exist-  
ing procedures, it has been decided to delegate  
powers to the designated AD Category-I banks

## Deferred Payment Protocols between India and Erstwhile USSR

Sub: Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR

AP(DIR Srs) Attention of Authorised Dealer Category-I  
Cir.10 (AD Category-I) banks is invited to A.P.  
07.09.2011 (DIR Series) Circular No.41 dated February  
(RBI) 11, 2011, wherein the Rupee value of the  
special currency basket was indicated as

Rs. 64.7004 effective from January 31, 2011.

2. AD Category-I banks are advised that a further revision has taken place on August 17, 2011 and accordingly, the Rupee value of the special currency basket has been fixed at Rs. 66.9682 with effect from August 23, 2011.

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

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

## Change of Designation of Officers Representing CBEC in the CESTAT

951-CBEC With the approval of the Competent Authority it has  
26.08.2011 been decided to re-designate the officers representing  
(DoR) the Department before the Customs, Excise and  
Service Tax Appellate Tribunal (CESTAT) with  
immediate effect. The new designations will be as follows:-

|           | Rank of the officer     | Present Designation | New Designation               |
|-----------|-------------------------|---------------------|-------------------------------|
| (i)       | Chief Commissioner      | CDR                 | Chief Commissioner (A.R.)     |
| (ii)      | Commissioner            | Jt. CDR             | Commissioner (A.R.)           |
| (iii) (a) | Additional commissioner | SDR                 | Add. Commissioner (A.R.)      |
| (b)       | Joint Commissioner      | SDR                 | Joint Commissioner (A.R.)     |
| (iv) (a)  | Deputy Commissioner     | JDR                 | Deputy Commissioner (A.R.)    |
| (b)       | Assistant Commissioner  | JDR                 | Assistant Commissioner (A.R.) |
| (c)       | Superintendent          | JDR                 | Superintendent (A.R.)         |
| (d)       | Appraiser               | JDR                 | Appraiser (A.R.)              |

2. The abbreviation (A.R.) stands for (Authorised Representative).

3. The change in designations may be brought to the notice of the officers working under your charge for use in future correspondence.

F. No. 390/Misc./80/2011-JC

## Customs Valuation Exchange Rates

| September 2011      | Imports | Exports |  |
|---------------------|---------|---------|--|
| <b>Schedule I</b>   |         |         |  |
| 1 Australian Dollar | 48.85   | 47.65   |  |
| 2 Canadian Dollar   | 47.35   | 46.10   |  |
| 3 Danish Kroner     | 9.05    | 8.80    |  |
| 4 EURO              | 67.25   | 65.60   |  |
| 5 Hong Kong Dollar  | 5.95    | 5.85    |  |
| 6 Norwegian Kroner  | 8.65    | 8.35    |  |
| 7 Pound Sterling    | 76.45   | 74.65   |  |
| 8 Swedish Kroner    | 7.40    | 7.15    |  |
| 9 Swiss Franc       | 58.90   | 57.15   |  |
| 10 Singapore Dollar | 38.60   | 37.70   |  |
| 11 U.S. Dollar      | 46.55   | 45.75   |  |
| <b>Schedule II</b>  |         |         |  |
| 1 Japanese Yen      | 60.80   | 59.10   |  |

Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 62(NT)/26.08.2011)

## Commodity Spot Prices in India – 10-13 September 2011

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

|                      |          |               |        |         |        | (Rs.) |
|----------------------|----------|---------------|--------|---------|--------|-------|
| Commodity            | Unit     | Market        | 10-Sep | 12-Sep  | 13-Sep |       |
| CER (Carbon Trading) | 1 MT     | Mumbai        | 536.5  | 536.5   | 535.5  |       |
| Chana                | 100 KGS  | Delhi         | 3420   | 3369    | 3372   |       |
| Masur                | 100 KGS  | Indore        | 2978   | 2990    | 3000   |       |
| Potato               | 100 KGS  | Agra          | 484.4  | 483.6   | 482.5  |       |
| Potato TKR           | 100 KGS  | Tarkeshwar    | 468.3  | 462.4   | 456.5  |       |
| Areca nut            | 100 KGS  | Mangalore     | NA     | NA      | NA     |       |
| Cashewkern           | 1 KGS    | Quilon        | NA     | NA      | NA     |       |
| Cardamom             | 1 KGS    | Vandanmedu    | 634.8  | 625.8   | 626.3  |       |
| 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        | 5650   | 5650    | 5538   |       |
| Guar Gum             | 100 KGS  | Jodhpur       | NA     | NA      | NA     |       |
| Maize                | 100 KGS  | Nzmbad        | 1211   | 1211    | 1205   |       |
| Wheat                | 100 KGS  | Delhi         | 1154.6 | 1166.3  | 1167.9 |       |
| Mentha Oil           | 1 KGS    | Chandausi     | 1383.1 | 1383.3  | 1356   |       |
| Cotton Seed          | 100 KGS  | Akola         | NA     | NA      | NA     |       |
| Castorsd RJK         | 100 KGS  | Rajkot        | 4804   | 4806.5  | 4789   |       |
| Guar Seed            | 100 KGS  | Bikaner       | 4390   | 4413    | 4360   |       |
| Soya Bean            | 100 KGS  | Indore        | 2381   | 2390.5  | 2384.5 |       |
| Mustrdsd JPR         | 20 KGS   | Jaipur        | 601.9  | 602.85  | 603.1  |       |
| Sesame Seed          | 100 KGS  | Rajkot        | 5513   | 5538    | 5863   |       |
| Coconut Oil Cake     | 100 KGS  | Kochi         | NA     | NA      | NA     |       |
| RCBR Oil Cake        | 1 MT     | Raipur        | NA     | NA      | NA     |       |
| Kapaskhali           | 50 KGS   | Akola         | 1418.1 | 1432.3  | 1432.1 |       |
| Coconut Oil          | 100 KGS  | Kochi         | 9360   | 9360    | 9412   |       |
| Refsoy Oil           | 10 KGS   | Indore        | 662.65 | 666.55  | 665.8  |       |
| CPO                  | 10 KGS   | Kandla        | 496.8  | 504.2   | 500.8  |       |
| Mustard Oil          | 10 KGS   | Jaipur        | 654.2  | 658.3   | 658.8  |       |
| Gnutoilexp           | 10 KGS   | Rajkot        | 1011.7 | 1010    | 990    |       |
| Castor Oil           | 10 KGS   | Kandla        | NA     | NA      | NA     |       |
| Crude Oil            | 1 BBL    | Mumbai        | 4047   | 4047    | 4143   |       |
| Furnace Oil          | 1000 KGS | Mumbai        | NA     | NA      | NA     |       |
| Sourcrd Oil          | 1 BBL    | Mumbai        | NA     | NA      | NA     |       |
| Brent Crude          | 1 BBL    | Mumbai        | 5231   | 5231    | 5176   |       |
| Gur                  | 40 KGS   | Muzngr        | NA     | NA      | NA     |       |
| Sugars               | 100 KGS  | Kolhapur      | 2716   | 2703    | 2704   |       |
| Sugarm               | 100 KGS  | Delhi         | 2908   | 2895    | 2903   |       |
| Natural Gas          | 1 mmBtu  | Hazirabad     | 181.6  | 181.6   | 182.5  |       |
| Rubber               | 100 KGS  | Kochi         | 21557  | 21503   | 21526  |       |
| Cotton Long          | 1 Candy  | Kadi          | NA     | NA      | NA     |       |
| Cotton Med           | 1 Maund  | Sriganganagar | NA     | NA      | NA     |       |
| Jute                 | 100 KGS  | Kolkata       | 2605.5 | 2586    | 2569.5 |       |
| Gold                 | 10 GRMS  | Ahmd          | 28109  | 27975   | 27836  |       |
| Gold Guinea          | 8 GRMS   | Ahmd          | 22578  | 22470   | 22359  |       |
| Silver               | 1 KGS    | Ahmd          | 63755  | 63486   | 62882  |       |
| 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        | 409.3  | 409.3   | 410.65 |       |
| Nickel               | 1 KGS    | Mumbai        | 996.2  | 979.5   | 1002.3 |       |
| Aluminium            | 1 KGS    | Mumbai        | 108.65 | 108.9   | 110.9  |       |
| Lead                 | 1 KGS    | Mumbai        | 113.85 | 114.05  | 114.2  |       |
| Zinc                 | 1 KGS    | Mumbai        | 101.35 | 100.55  | 102.55 |       |
| Tin                  | 1 KGS    | Mumbai        | 1117.5 | 1086.75 | 1107   |       |

(Source: MCX Spot Prices)

## CBEC Issues Draft Shipping Bill (Electronic Declaration) Regulations, 2011 Following Self Assessment

[F.No. 450/26/2011-Cus.IV dated 1<sup>st</sup> September 2011]

'Self-Assessment' has been introduced in Customs vide Finance Act, 2011. Further, it has been made mandatory for importers and exporters to file declarations electronically. These

changes necessitated a re-look at the extant regulations / forms. Accordingly, draft 'Bill of Entry (Electronic Declaration) Regulations, 2011' and draft 'Shipping Bill (Electronic Declaration)

Regulations, 2011' have been prepared by CBEC and are attached herewith as Annexure – 'X' & 'Y' respectively.

2. Board solicits comments and suggestions on the above draft Regulations from the trade and industry associations, departmental officers and others. The comments and suggestions to the draft Regulations may please be sent latest by **16<sup>th</sup> September, 2011**, to Director (Customs), Ministry of Finance, Department of Revenue, Central Board of Excise & Customs, Room No.227-B, North Block, New Delhi – 110001 or at Fax No. (011) 23092173 or at e-mail I.D.: dircus@nic.in

3. Draft 'Bill of Entry (Electronic Declaration) Regulations, 2011' and draft 'Shipping Bill (Electronic Declaration) Regulations, 2011' have been put up only to elicit public response. Final decision shall be taken only after due examination of the responses received.

[Annexures are available at our website [www.worldtradesScanner.com](http://www.worldtradesScanner.com)]

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### Contentious US Budget Debate Spurs Cotton Lobby to Act

The US fiscal deficit is pushing legislators to consider cuts in areas previously held sacred, including agriculture subsidies. In recognition of changes in the amount of money available to agriculture, the National Cotton Council - the US lobbying group for the cotton industry - recently conceded that direct payments and counter cyclical payments may be cut and is now seeking a programme of revenue based crop insurance.

The summer debt limit debate that riled Washington ended with a compromise that a "Super Committee" of six US congressional Democrats and six Republicans would agree to budget cuts or face automatic cuts across the board, with some exceptions. In agricultural spending, food stamps and conservation are expected to be exempted from automatic cuts. The congressional committee is set to have its first meeting tomorrow, 8 September.

The National Cotton Council statement comes at time of major debate within the farm policy community. Speaking to Bridges, Bruce Babcock, a professor at Iowa State University, observed that "direct payments are impossible to defend when we're cutting off aid for health care, education." Babcock expects a 30 percent reduction in direct payments, or a \$1.5 billion cut.

Some US farmer organisations, such as the Iowa Farm Bureau, have already endorsed a move away from direct payments towards the more politically palatable crop insurance. Cotton is not a major crop in Iowa and the state's farm bureau position may reflect this.

Direct payments to cotton average US\$53 an acre, versus US\$22 an acre for corn, a popular crop in Iowa; the Cotton Council's position is therefore a notable change. According to Babcock and others, support for rice, the largest recipient of direct payments per acre, may also need to consider a move towards crop insurance.