Postal Regn.No. DL(C)-01/1251/09-11
Licence to Post without
Prepayment U(C)-30/09-11
RNI No. 42906/84

WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 $2

Vol. XXVIII No 26 21-27 September 2011

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

Annual subscription Rs 750

Dept of Revenue Shifts 1100 DEPB Items to Drawback Schedule

Schedule of All Industry Rates of Duty Drawback 2011-12 to be Notified Soon

The Government of India will shortly be notifying the schedule of AIR (All Industry Rates) of duty drawback for the year 2011-12. In this regard, the Government had constituted a Committee in January 2011 under the chairmanship of Shri Saumitra Chaudhuri, Member, Planning Commission for formulation of AIR of Duty Drawback. In view of the Government's decision to bring the DEPB scheme to an end by 30th September this year, the Committee had also been entrusted with the added responsibility of recommending drawback rates for those commodities which have traditionally been exported under DEPB (Duty Entitlement Passbook) Scheme . The Committee has had wide ranging discussions with various export councils to gain a better understanding of the issues involved. A number of export councils and associations have submitted data to the Committee which has been carefully examined and considered. The Committee has since submitted its report to the Government along with a Schedule of recommended Drawback rates. The recommendations of the Committee form the basis for the rates being notified.

The DEPB Scheme has been in existence since 1997. Presently, there are 2130 line items covered under this scheme. Incorporating these items within the drawback schedule and assigning appropriate duty drawback rates for these items was a challenge both from a product classification perspective as well as from a drawback rate perspective. Consequently, the new Drawback Schedule will incorporate an additional 1100 line items(approx.) which are being taken from the DEPB list. With this, the total number of items in the drawback schedule will number approximately 4000 line items, as against the present 2835 line items.

Broadly speaking, most of the items which are already covered under the duty drawback schedule will suffer a minor reduction in the existing drawback rates. The reduction is mainly on account of the reduction in basic customs duty on crude petroleum from 5% to Nil as well as a reduction in central excise duty on diesel from Rs 4.40 per litre.to Rs 2.40 per litre. Crude petroleum enters into the product chain of various products as petrochemical inputs and diesel is also consumed in captive DG power plants in a majority of industries. Further, there has been a steep reduction in import duty on silk yarn from 30% to 5%. This has resulted in an adverse impact on the duty drawback rates for the silk fabric, silk garments and silk carpet industries for which imported silk yarn is the main input. The extent of reduction has been limited to 30% to 50% . While, there would be a minor reduction in duty drawback rates for most other items, due care has been taken to ensure that this reduction is capped at 10% of existing duty drawback rates, wherever the reduction in percentage terms actually works out to be much more, so as to minimize the hardship faced by exporters. In certain items namely leather garments and leather bags, the duty drawback rates have actually increased.

In respect of items covered under the DEPB Scheme, it was observed that the major exporters operating under the DEPB Scheme were mainly from the Engineering sector including the auto and auto component industry, Chemicals, Pharma Sector, Textiles and the marine sector. Since the DEPB Scheme will not continue beyond September 30,2011, it has been decided to provide a smooth transition for these items while incorporating these in the drawback schedule. As a transitory arrangement, these items will suffer a modest reduction in the existing DEPB rates , to the extent of 1% to 3%, which represents the ad-hoc rates of DEPB introduced in 2007. Further, the appropriate duty drawback rates for the items under DEPB have been recomputed taking into account the prevailing customs duty rates. It has been observed that for most of the items under DEPB, the recomputed rate works out to be far lower than the existing DEPB rates, even after removal of the ad-hoc element, ranging from 1 to 3%. In order to ensure that this transition does not adversely affect exporters who were operating under the DEPB Scheme, the Government has decided that the drawback rate shall be capped at 5.5% for many items. However, there are 340 line items where , even after reduction of the ad-hoc rates (1 to 3%) from the existing DEPB rates, the recomputed rate works out to more than 5.5%. Some of these items are listed below as an illustration:

- Worsted woollen yarn
- Blanket, etc
- Nylon twine
- Cut polished chat stones
- Lacquer coated polyester film
- Hermetically sealed compressors
- Polyester metallised film

In such cases, Government has decided to provide the recomputed duty drawback rates. Further, for certain products in the marine products sector, namely frozen and chilled meat products, it has been decided to provide a transitional duty drawback rate , taking into account the large volumes of exports of these products in the DEPB and also considering the fact that a large number of exporters in these sectors are from the Medium and Small Scale Sector.

Presently, the DEPB rates are available for two wheelers, three wheelers, commercial vehicles and tractors. Drawback rates have been provided in the proposed schedule. However, exporters of passenger cars are presently opting for brand rate of duty drawback. Government has received requests from these exporters through SIAM (Society of Indian Automobile Manufacturers)for inclusion under the AIR drawback schedule and the same has been accepted. Consequently, the drawback schedule will now provide AIR rate of duty drawback for

Passenger Car Exporters also. Further, Government has also decided not to impose any value cap on the transport sector. With these measures, it is hoped that the auto sector which are the primary beneficiaries under DEPB would be able to make a smooth transition into the drawback scheme.

In respect of overlapping items, (i.e. items which figure in both the DEPB Schedule as well as the drawback schedule) Government has decided that to the extent possible the drawback rates be aligned so as to provide uniformity to exporters who have been operating under either of these schemes.As a general policy, it has been decided that there will be no value cap for all items, where the duty drawback rate is less than or equal to 3%.

[Source: PIB (MoF) Press Release dated 16th September 2011]

Brazil Slaps Anti-Dumping Tax on Chinese Steel Imports

In a move aimed toward defending domestic industries, Brazil announced on 6 September that it would be imposing antidumping duties on select Chinese steel products, along with tariffs on certain imports from its Mercosur partners. The antidumping levy would be valid for five years, according to officials.

Antidumping duties - meant to target products whose price abroad is less than that in their country of origin - have long been an area of contention between the two BRICS countries.

The anti-dumping duty on Chinese steel tubing, which is commonly used for Brazil's oil and gas industry, will be set at US$743 a ton. In announcing the duty, government officials acknowledged that half of the 81 anti-dumping measures introduced will directly affect Chinese products bought by Brazilian importers.

The decision to apply antidumping duties on Chinese steel tubing came on the same day that Brazil's trade chamber, CAMEX, announced that such duties could be applied retroactively. Duties may be imposed retroactively by 90 days prior to a preliminary ruling on whether the price of the import is indeed less than in its country of origin.

Appreciation of real causing difficulties for Brazilian exporters

Along with facing an inflow of cheap imports from abroad, Brazil has also struggled with the appreciation of its currency, the real, in recent years. Bloomberg estimates show that the real has gained 40 percent against the dollar since the end of 2008. The increasing value of the real makes imports cheaper, while making it difficult for Brazilian exporters to compete with their foreign counterparts.

Brazil will also be imposing higher tariffs on air conditioners, bicycles, and five other products from its Mercosur partners, according to an announcement made on the same day by CAMEX.

UNCTAD Calls for Increased Spending to Boost Global Demand

The first half of 2011 has seen global economic growth retract from 2010 levels, a downward trend that could worsen if developed economies continue to implement fiscal austerity measures, cautioned a 6 September report released by the United Nations Conference on Trade and Development (UNCTAD).

The organisation's annual Trade and Development report, entitled "Post-crisis Policy Challenges in the World Economy," found that the global economy is likely to grow only by 3.1 percent this year, in comparison with 3.9 percent in 2010. Developed economies are expected to see growth rates of between 1.5 and 2 percent, compared to developing economies which - with the exception of northern Africa -are seeing much stronger growth at over six percent this year.

The report sharply criticised recent moves toward austerity measures in developed economies, warning that these policies only attack the symptoms of the financial crisis, rather than its root causes - such as the deregulation of the financial sector. These austerity measures, largely viewed as attempts to restore the confidence of financial markets, were surprising given the "almost universal recognition that the crisis was the result of financial market failure in the first place," the authors noted.

UNCTAD Secretary-General Supachai Panitchpakdi, in his foreword to the report, cautioned that, "in light of the irresponsible behaviour of many private financial market actors," seeing policymakers and much of the public trust those same financial institutions again could prove unwise.

The organisation also compared current austerity policies to the fiscal tightening policies backed by the International Monetary Fund in the 1990s and 2000s, many of which did not lead to their intended results. The report warned developed countries against repeating these steps, as the same difficulties could arise.

Notably, problems in the developed world, along with the lack of significant reforms in financial markets, could make developing countries susceptible to trade and financial shocks. These shocks could, in turn, have negative impacts on developing country exports similar to those seen in 2008.

While the report found that international trade in goods and services made a strong comeback in 2010, registering a 14 percent year-on-year increase, UNCTAD noted that trade volume growth is now likely to fall back into the single digits. The 2010 increase was also unevenly distributed across countries, with developed countries seeing slower improvements.

The report acknowledged the WTO's warning from earlier this year that protectionist measures are rising among the Group of 20 (G-20) leading economies. While UNCTAD found that such increases were modest, the authors cautioned that these new trade barriers "are fuelling fears that, at a time of high unemployment and fiscal belt-tightening in developed economies, and complaints of 'currency wars' by developing economies, governments may impose more import controls."

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
19-Sep-11	47.5875	47.9000	47.5825	47.8575	47.8575	1439725	2245352	1073819	47.7920
16-Sep-11	47.5475	47.6000	47.2975	47.3500	47.3500	1312331	2221357	1054628	47.4670
15-Sep-11	47.8300	47.9900	47.6075	47.6575	47.6575	1320617	2531380	1210329	47.8435
14-Sep-11	47.8900	48.1150	47.6700	47.7275	47.7275	1359611	3119430	1493926	47.8055

[Source: NSE and RBI Website]

Singapore Exports Rise Unexpectedly on Non Electronic Demand

Singapore's key non-oil exports rose unexpectedly in August on the back of sharp growth in select non-electronic product shipments, notably marine transport and disk media products, while export volumes in other sectors remained weak.

The lackluster performance from exports outside of the non-electronic product sector suggests the Monetary Authority of Singapore could consider less restrictive policy at its October meeting if it doesn't see broader signs of strong demand before then.

Exports of goods made in Singapore rose 5.1% in August compared with a year earlier, after falling 2.8% in July, trade promotion agency International Enterprise Singapore said Friday.

Compared with the previous month, exports rose 8.3% in seasonally adjusted terms, after contracting 2.3% on month in July. Seven economists in the poll had projected a median 1.3% contraction in August. Only two analysts had forecast an expansion.

Electronics exports declined 19.4% from a year earlier, after falling 16.9% in July, while non-electronics shipments grew 20.4%, compared with July's 5.8%.

IE Singapore said the growth in non-electronic shipments was driven by very large increases in the exports of ships and boats, optical apparatus and disk media products.

The data also showed that Singapore's shipments to the European Union, its biggest export destination, fell 2.5% in August from a year earlier, compared with a 11.4% on-year decrease in the previous month.

Exports to the U.S. fell 23.1% from a year earlier after declining 3.2% in July. Exports to China, however, grew 15.7% after the previous month's 10.0% increase.

WEEKLY INDEX OF CHANGES

CBEC Clarification on Onions, Rice and Wheat Exports

- DGS will Furnish Fortnightly Reports to the Board in the Case of Rice and Wheat
- Daily Reports in the Case of Onions

Subject: Export of Non-Basmati Rice, Wheat and Onions.

41-CBEC 14.09.2011 (DoR) DGFT has issued three notifications on 9.9.2011 which modify the Export policy in respect of Non-Basmati Rice, Wheat and Onion with immediate effect. Notification No.71 (RE-2010)/2009-2014 dated 9.9.2011 makes "Free" the export of **Non-Basmati Rice** subject to it being made by private parties from privately held stocks and only through Customs EDI ports. Notification No.72 (RE-2010)/2009-2014 dated 9.9.2011 makes "Free" the export of **Wheat** subject to such export taking place only through Customs EDI Port. Finally, Notification No.73 (RE-2010)/2009-2014 dated 9.9.2011 "Prohibits" the export of **Onions** of all varieties including those in "cut, sliced or broken in powder form". This prohibition is subject to the transitional arrangement under para 1.5 of the Foreign Trade Policy (FTP).

2. In respect of Onions, the export of which is now prohibited, attention is drawn to transitional arrangement as per para 1.5 of the FTP. As per this arrangement, shipment of export will be allowed "if made within the original validated with respect of available balance and time period of an irrevocable commercial letter of credit, established before the date of imposition of such restriction". Furthermore, such letter of credit and contracts have to be registered with the concerned Regional Authority within 15 days of the imposition of restriction.

3. In this regard it is desired by Board that the prohibition on export of Onion shall be enforced strictly without any deviation. Whenever any export consignment is presented it should be ensured without fail that the conditions of the transitional arrangement as per par 1.5 of the FTP are complied with.

4. Considering the sensitivity of the said items the Board also desires that the export of Non-Basmati Rice and Wheat shall be monitored on fortnightly basis. Accordingly, Director General, Directorate General of Systems will furnish **fortnightly** reports to the Board [Director, Customs, CBEC] indicating exporter-wise, port-wise, destination-wise, quantum and value of Non-Basmati Rice and Wheat exported through EDI Ports. The first such report should be submitted on 03.10.2011.

5. Regarding Onions, Director General, Directorate General of Systems will furnish **daily** reports to the Board [Director, Customs, CBEC] indicating the exporter-wise, destination-wise quantum and value of (i) Onions and (ii) Onions in cut, sliced or broken in powder form exported through EDI Ports. The jurisdictional Chief Commissioners of Customs / Central Excise will furnish similar report in respect of non-EDI ports. The first report due tomorrow i.e. 15.9.2011 shall include details of exports, if any, on 9.9.2011, 10.9.2011, 11.9.2011, 12.9.2011, 13.9.2011 and 14.9.2011.

6. The fortnightly and daily reports shall be sent by Director General, Directorate General of Systems / Chief Commissioners to Director (Customs), CBEC vide e-mail at dircus@nic.in and uscusiii@nic.in.

7. All Chief Commissioners / Commissioners issue a suitable Public Notice and standing order for guidance of trade and staff.

Cotton Export Policy Liberalised – No Performance Guarantee Required

Subject: Policy for export of cotton with effect from 1st October, 2011.

74-Ntfn(RE) 12.09.2011 (DGFT) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby makes the following amendments in respect of Sl. No. 161 A {ITC(HS) Classification} in the Notification No. 12(RE-2010)/2009-14 dated 16.12.2010 read with Notification No. 62(RE-2010)/2009-14 dated 02.08.2011:

2. The entries against Sl. No. 161 A in Chapter 52 of ITC(HS) Classification} are substituted as follows:-

Chapter 52

SNo.	Item Tariff Code	Unit	Item Description	Export Policy	Nature of Restriction
161 A	5201		Cotton, not carded or combed	Free	Prior registration of contracts with DGFT. Other conditions as at Para 3 below.
	5203		Cotton, carded or combed	Free	Prior registration of contracts with DGFT. Other conditions as at Para 3 below.

3. The procedure stipulated in Notification No. 63(RE-2010)/2009-14 dated 04.08.2011 for (i) Obtaining Registration Certificate (RC) for Export of Cotton [ITC (HS) Code 5201 & 5203] (ii) Time to Export (Validity of RC) and (iii) Procedure for reporting, shall continue to apply. Only condition regarding performance Bank Guarantee, wherever it appears, in Notification No. 63(RE-2010)/2009-14 dated 04.08.2011 will not apply now.

4. This will come into effect from 01.10.2011.

5. Effect of this notification

Export of cotton [ITC(HS) Codes 5201 & 5203] will continue to be free subject to registration of contracts with DGFT. Performance guarantee (as was given in Notification No. 63 of 04.08.2011) will no longer be required.

Majumder Now Permanent Chairman of CBEC, He is no Longer 'Acting'

[Ref: Office Order No. 262/2011 dated 14th September 2011]

The President of India is pleased to appoint Shri S.D. Majumder, IRS [C&CE], presently Member, Central Board of Excise & Customs (CBEC) as Chairman; Central Board of Excise & Customs in the Department of Revenue, Ministry of Finance in the pay scale of ‘ 80,000/- (fixed) with the status of Special Secretary to the Govt. of India in the existing vacancy from the date of his taking charge of the post, until further orders or until his superannuation, whichever is earlier.

F.No. A.12026/11/2010-Ad.I

Mandatory E-filing of Central Excise Returns in ACES

955-CBEC 15.09.2011 (DoR) It has been decided to make it mandatory for the assesses to submit the prescribed Central Excise Returns electronically w.e.f. 1st day of October, 2011. In this regard, the Central Excise (Fourth Amendment) Rules, 2011 has been issued vide Notification No. 21/2011-CE (NT) dated 14.09.2011, amending Rule 12 and Rule 17 of the Central Excise Rules, 2002. Similarly, the CENVAT Credit (Fourth Amendment) Rules, 2011 has been issued vide Notification No.22/2011-CE (NT) dated 14.09.2011, amending Rule 9A of the CENVAT Credit Rules, 2004. The above mentioned changes will come into effect on 01.10.2011.

2. The following amendments have been made in Central Excise Rules, 2002 and CENVAT Credit Rules, 2004:

(i) ER-1 Return, filed under Rule 12(1) of the Central Excise Rules, 2002, will have to be electronically filed irrespective of the duty paid in the preceding financial year.

(ii) ER-2 Return, filed by 100% EOUs under Rule 17 of the Central Excise Rules, 2002, will be required to be filed electronically irrespective of the duty paid in the preceding financial year.

(iii) ER-3 Return, filed under the provisos to Rule 12(1) of the Central Excise Rules, 2002, will be required to be filed by the concerned assessees including SSI units electronically irrespective of the duty paid in the preceding financial year.

(iv) ER-4 Return (Annual Financial Information Statement), filed under Rule 12(2) (a) of the Central Excise Rules, 2002 will continue to be filed electronically by the assessees who are not exempted from filing such statement by a notification.

(v) ER-5 and ER-6 Returns, pertaining to principal inputs filed under Rule

9A of the CENVAT Credit Rules, 2004, will continue to be electronically filed by the assessees who are not exempted from filing such declaration/return by a notification.

(vi) ER-7 (Annual Installed Capacity Statement) filed under Rule 12(2A) (a) of the Central Excise Rules, 2002, has to be filed by all assessees electronically.

(vii) ER-8 Return, to be filed under the proviso to Rule 12(1) of the Central Excise Rules, 2002, by assessees availing the exemption under Notification No.1/2011-CE dated 01.03.2011 has to be filed electronically.

3. As a large number of assessees may be required to file Central Excise Returns electronically as a result of the above changes, it is requested that they may be provided all assistance so as to help them in adopting the new procedure.

4. Field Formations and Trade may also be informed suitably.

F.No.201/10/2011-CX.6

Amendments in Central Excise Rules 2002 – Online Filing of Return

21-CE(NT) 14.09.2011 (DoR) In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules further to amend the Central Excise Rules, 2002, namely :-

1. Short title and commencement.- (1) These rules may be called the Central Excise(Fourth Amendment) Rules, 2011.

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

2. In the Central Excise Rules, 2002, –

(a) in **rule 12,** -

(i) in sub-rule (1), the fourth proviso shall be **omitted**;

(ii) in sub-rule (2), the proviso to clause (a) shall be **omitted**;

(iii) after sub-rule (4), the following sub-rule shall be **inserted**, namely :-

"(5) Every assessee other than assessees availing the exemption under notification No. 49/2003-Central Excise, dated the 10th June 2003 or notification No. 50/2003-Central Excise, dated the 10th June 2003, shall file electronically the return or the statement, as the case may be, specified in this rule."

(b) in **rule 17**,-

(i) in sub-rule (3), after the words "The unit shall," the word "electronically" shall be **inserted**.

(ii) the proviso to sub-rule (3) shall be **omitted**.

F.No. 201/10/2011-CX.6

Amendments in Cenvat Credit Rules 2004 – Online Filing of Return

22-CE(NT) 14.09.2011 (DoR) In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) and section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely:-

1. Short title and commencement.- (1) These rules may be called the CENVAT Credit (Fourth Amendment) Rules, 2011.

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

2. In the CENVAT Credit Rules, 2004,-

(a) in **rule 9A**, -

(i) in sub-rule (1), the second proviso shall be **omitted**;

(ii) in sub-rule(3), the proviso shall be **omitted**;

(iii) after sub-rule (4), the following sub-rule shall be **inserted**, namely :-

"(5) Every assessee shall file electronically, the declaration or the return, as the case may be, specified in this rule."

[F.No.201/10/2011-CX 6]

No Verification for Harassment of User, says Mumbai DGFT Office

The following Circular issued by the DGFT, Zonal Policy Research Unit, Mumbai Zonal Office on 9th September 2011

03-ZPRU Cir. 09.09.2011 It has come to the notice that references are being made by sections officers (ADG/FTDO) to outside agencies for verification of genuineness of documents without obtaining approval of superiors. Moreover, no reason requiring verification of genuineness of documents is found to be recorded in the respective file(s) in most of the cases.

Such routine references for verification leads to avoidable delays in finalization of cases because the concerned agencies, more often than not, take considerably long time in confirmation of genuineness. Such cases are also found to be not taken for suo moto review in time bound manner by the sections concerned.

It is, therefore, reiterated once again that references to outside agencies for verification of genuineness of documents should not be made in routine manner without any clear, cogent and convincing reason. In cases, where the need for such verification arises, it should clearly be recorded on file and approval of concerned JDG be obtained.

The verification process should be completed expeditiously by either telephonically contacting the concerned agency (bank, Customs etc) or by deputing staff of this office for the purpose. A separate register should also be opened in each section for close monitoring of such references.

This issues with the approval of competent authority.

Lower Rank Officers Deemed Proper Officers with Retrospective Effect for Revival of Lost Court Cases

The Customs (Amendment and Validation) Bill, 2011

(As Passed by Lok Sabha on 25 August 2011)

A Bill further to amend the Customs Act, 1962.

Bill No. 44-C of 2011

BE it enacted by Parliament in the Sixty-second Year of the Republic of India as follows:-

Short Title

1. This Act may be called the Customs (Amendment and Validation) Act, 2011.

Amendment of Section 28 of Act 52 of 1962

2. In **section 28** of the Customs Act, 1962, after sub-section (*10*), the following subsection shall be **inserted**, namely:-

"(11) Notwithstanding anything to the contrary contained in any judgment, decree or order of any court of law, tribunal or other authority, all persons appointed as officers of Customs under sub-section (1) of section 4 before the 6th day of July, 2011 shall be deemed to have and always had the power of assessment under section 17 and shall be deemed to have been and always had been the proper officers for the purposes of this section".

Service Tax Exempted on Indian Company who Engages Foreign Law Firm for Advice or Consultancy

45-ST 12.09.2011 (DoR) In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts taxable services referred to under item (iii) of sub-clause (zzzzm) of clause (105) of section 65 of Finance Act, 1994.

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

[F. No. 354/167/2011-TRU]

Duty Free Import Facility for Defence Extended to Police

Ntfn 89
12.09.2011
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments, in the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No.39/96-Customs, dated the 23rd July, 1996**, published in Gazette of India, Extraordinary part II, Section 3, Sub-section (i) vide G.S.R. 291(E), dated the 23rd July, 1996, namely:-

In the said notification, in the **TABLE**,

(i) against **S.No.2**, in column (2), for the words " Indian Navy" the words, "Indian Navy or Central Para Military Forces" shall be substituted;

(ii) against **S.No.8,**-

(a) in column (2), for the words "Ministry of Defence", the words "Ministry of Defence or Ministry of Home Affairs" shall be substituted

(b) In column (3), for the words "Under Secretary to the Government of India in the Ministry of Defence" and "said Under Secretary", the words "Under Secretary to the Government of India in the Ministry of Defence or Joint Secretary to the Government of India in the Ministry of Home Affairs, as the case may be" and "said Under Secretary or said Joint Secretary, as the case may be" shall respectively be substituted;

(iii) against **S.No.10**, in column (3), -

(a) in clause (b), in sub-clause (1), for the words "Ministry of Defence" , the words "Ministry of Defence or Ministry of Home affairs, as the case may be" shall be substituted;

(b) in clause (2), sub-clause (iii), for the words "Ministry of Defence" , the words "Ministry of Defence or Ministry of Home affairs, as the case may be" shall be substituted;

(iv) against **S.No.11**, in column (3),-

(a) in clause (a), for the words" for use in anti-smuggling operations", the words, " for use in anti smuggling operations or coastal security operations or internal security operations" shall be substituted;

(b) for clause (b),the following shall be substituted, namely,-

"(b) the importer produces a certificate,-

(i) from the Under Secretary to the Government of India in the Department of Revenue that the said goods are intended for use in anti-smuggling operations or

(ii) from an officer not below the rank of Joint Secretary to the Government of India, in the Ministry of Home Affairs that the said goods are intended for use in coastal security operations or internal security operations."

(v) against **S.No.12**, in column (3), for the words " Central Reserve Police Force", the words "Central Para Military Forces" shall be substituted;

[F.No.354/76/2011 –TRU]

Shipping Lines asked to Use SEZ Codes instead of "Local" Codes

The following Public Notice was issued by the Commissioner of Customs (Imports) Jawaharlal Nehru Custom House on 8th September 2011.

Sub: Transhipment of cargo from Gateway port to EPZs and SEZs.

115-PN
08.09.2011

Attention of all Steamer Agents/ Shipping Lines, Importers, Custom House Agents, CFS Operators / Custodians, Main Line Operators (MLO) is invited to the provisions of the section 30 of the Customs Act, 1962 regarding filing of Import General Manifest before arrival of vessel.

2. The imported cargo unloaded at a port is allowed to be transshipped to another port/ICD/CFS/SEZ of a port abroad, if the cargo is mentioned in the import manifest for such transshipment. It has been noticed that in case of SEZs cargo, the Steamer Agents/Shipping Lines are mentioning the same as Local item and is being transshipped to concerned SEZs.

3. This Custom House has successfully migrated to ICES v 1.5 from the month of April' 2011. In ICES v 1.5, all SEZs codes have been provided by the Directorate General of Systems, New Delhi. In respect of SEZs cargo, all Steamer Agents, Shipping Lines are required to file Import manifest with specific SEZs codes provided in the System instead of "Local" as is being filed at present.

4. In case, if henceforth such SEZs goods are filed as Local item while filing Import manifest, necessary amendment regarding change of destination code is required to be done from "Local" to specified "SEZ" with immediate effect.

5. Any difficulties in implementation of said Public Notice should be brought into the notice of undersigned.

F.No.S/3-Gen-563/11 Imp. Noting

Permission from Assessing Officer must for Labeling of Imported Goods in CFS; AC Docks Permission only for RMS Goods

The following Public Notice was issued by the Commisioner of Customs (Import) Jawaharlal Nehru Custom House on 8th September 2011.

Sub:- Compliance of DGFT Notification No.44 (RE-2000)/1997-2002 dt.24.11.2000- Labeling of goods prior to clearance.

116-PN
08.09.2011

Attention of all the Importers/ Exporters, trade and CHAs is invited to the Board's circular No. 19/2011 dt. 15.04.2011 and Public Notice No. 76/2011 and Standing Order No. 40/2011 both dated 03.05.2011 issued in pursuance of this circular. This circular extends the facility of labeling on imported goods in Bonded Warehouses subject to certain procedural conditions.

2. It has been brought to the notice that there is no uniform practice/ procedure being followed for seeking permission for labeling on imported goods in CFS itself. In some cases, permission is being sought from the assessing group and in some cases permission is being sought from docks officers. It has also been noticed that in certain cases importers did not seek any such permission and also claimed the benefit of Notification. No. 29/10-CUS.dated 27.02.10. However, when non-compliance of RE 44 condition was detected during examination, they sought permission for labeling of goods. In this regard, it may be noted that the onus of making true and correct declaration in all aspects relating to the imported goods lies with the importer. This is especially so in the context of introduction of self-assessment this year. Therefore, it is clear that the importer

MoC Invites Suggestions for SEZs Policy from Trade

Suggestions For Addressing Policy & Operational Issues of SEZs

In short span of about five years since SEZs Act and Rules were notified in February, 2006, of the 585 SEZs approved, 381 have been notified of which 143 SEZs are already exporting. SEZs now export in excess of Rs. 3,00,000 crore accounting for over 28% of the country's total exports. With an investment of Rs. 2,00,000 crore, SEZs today provide direct employment to over 7,00,000 persons.

It has been the endeavour of this department to accelerate the growth of SEZs. Stake holders have gained useful experience and it is felt that the policy framework and its operation could benefit from this experience. In order to comprehensively address all issues relating to the policy framework and operational issues related to SEZs, suggestions are invited from all concerned.

Suggestions may be sent in the **linked format**.

Shri Sanjeet Singh
Director(SEZ)
Department of Commerce
Room No. 149, Udyog Bhawan, New Delhi
Fax: 2306 2109/2306 3418

Suggestions For Addressing Policy & Operational Issues of SEZs

* mandatory fields

Name* :
E-Mail* :
Contact Number* :
Are you an * existing SEZ :
Developer
Co-Developer
Unit
Others
Enter Code :
Suggestion* :
(Max 500 chars.)
Submit Continue with next Suggestion

should declare in case RE-44 conditions have not been complied with at the time of import and seek specific permission of labeling the imported goods before clearance. However, if non-compliance is detected during examination, appropriate action will have to be taken as per provisions of the Customs Act, 1962.

3. In order to ensure that uniform practice is followed in this regard, it has been decided that for the Bills of Entries which are selected for verification, the importer should give a suitable letter to the assessing group seeking permission for labeling on imported goods in CFS itself. The assessing group will give suitable examination order to the docks officer to allow such labeling at CFS. The docks officer shall verify compliance of RE-44 condition before clearance of the goods. In case of RMS cleared Bills of Entries, the importer should give a suitable letter to the AC/DC Docks seeking permission for labeling on imported goods. The AC/DC Docks, while giving such permission will suitably instruct the docks officers to verify compliance before clearance of the goods.

4. It is further clarified that this procedure will be applicable to all goods covered under DGFT Notification No.44 (RE-2000)/1997-2002 dt. 24.11.2000, irrespective of whether they attract RSP based CVD and whether the importer has claimed the benefit of Notification. No. 29/10-CUS.dated 27.02.10.

F. No. : S/6-Gen-42/2011 Docks / TPL (Imp)

LDCs Duty Concessions Raised, Only 20% of Normal Rate Applicable (Previous 40%)

Ntfn 90 16.09.2011 (DoR)

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 amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. **96/2008-Customs, dated the 13th August, 2008,** published in the Gazette of India, Extraordinary, vide number G.S.R. 590 (E), dated the 13th August, 2008, namely:-

In the said notification,-

(a) in the opening paragraph, in clause (i) for the figures and words “40 per cent”, the figures and words “**20 per cent**” shall be substituted;

(b) in **Appendix I,** in the Table, in column (4),-

(i) for the entry “6%”, wherever it occurs, the entry “8%” shall be substituted;

(ii) for the entry “9%”, wherever it occurs, the entry “12%” shall be substituted;

(iii) for the entry “12%”, wherever it occurs, the entry “16%” shall be substituted;

(iv) for the entry “15%”, wherever it occurs, the entry “20%” shall be substituted;

(v) for the entry “18%”, wherever it occurs, the entry “24%” shall be substituted;

(vi) for the entry “27%”, wherever it occurs, the entry “36%” shall be substituted;

(vii) for the entry “30%”, wherever it occurs, the entry “40%” shall be substituted;

(viii) for the entry “36%”, wherever it occurs, the entry “48%” shall be substituted;

(ix) for the entry “45%”, wherever it occurs, the entry “60%” shall be substituted;

(x) for the entry “54%”, wherever it occurs, the entry “72%” shall be substituted;

(xi) for the entry “60%”, wherever it occurs, the entry “80%” shall be substituted.

[F. No. 354/189/2005-TRU (Vol II)]

India Raises Rates, Breaks Ranks Brazil and Russia

India’s central bank raised interest rates for the 12th time since the start of March 2010, breaking ranks among the so-called BRIC nations that have either cut or held borrowing costs as the global recovery falters. Bond yields rose and stocks pared gains.

The Reserve Bank of India increased the repurchase rate to 8.25 percent from 8 percent, it said in a statement on 16 September.

Governor Duvvuri Subbarao’s move contrasts with Brazil and Russia, which cut borrowing costs in the past month, while China has paused rate increases since early July. Higher food and fuel prices and weakness in the rupee may keep inflation above 9 percent, a level exceeded in each of the last nine months.

The yield on the 7.8 percent bond due April 2021 rose 5 basis points, or 0.05 percentage point, to 8.37 percent. The Bombay Stock Exchange Sensitive Index gained 0.7 percent after surging as much as 1.5 percent earlier. The rupee fell to 47.4650 per dollar from 47.43 earlier.

The Indian rupee has weakened 5.8 percent this quarter, the worst fall in Asia, as investors shunned emerging markets on concern the world economy is weakening.

Highest Inflation

Inflation in India is the highest among the BRICS nations, quickening to a 13-month high of 9.78 percent in August.

Consumer prices rose 7.2 percent in Brazil, 8.2 percent in Russia and 6.2 percent in China last month from a year earlier. In South Africa, they climbed 5.3 percent in July.

India needs to control inflation to protect purchasing power and sustain growth, the Reserve Bank has said.

The $1.7 trillion economy expanded 7.7 percent in the three months ended June 30 from a year earlier, the slowest pace since the last quarter of 2009. Gross domestic product rose 7.8 percent in the previous three months.

Cairns Group Meets in Canada

With December’s WTO Ministerial Conference on the horizon, ministers from the Cairns Group of agricultural exporters met last week to brainstorm on how to proceed with the troubled Doha Round of trade talks. While focusing on the Doha agriculture negotiations, Cairns Group ministers also discussed the international agriculture trade policy environment, food security issues, and science-based trade.

From 7 to 9 September 2011, ministers from the 19-member Cairns coalition met in Saskatoon, Canada, to assess the ongoing WTO Doha Round agriculture negotiations. The 36th annual meeting took place at a critically important time for the WTO Doha Round negotiations.

US: “The Round is not working”

US Ambassador Michael Punke’s speech to the group drew particular attention; while the US is not a Cairns Group member, they have traditionally attended meetings as a special guest. Punke called on WTO members not to sugarcoat the Doha Round’s current problems: “our view is that the most workable, most realistic, and least damaging path would be to acknowledge in a direct and honest manner that the Round is not working,” he said. “In the weeks between now and December, the United States will be highly sceptical of any proposal that assumes we can fix our problems by rearranging the deck chairs.”

Sharing concerns about the current state of the negotiations, Cairns Group ministers expressed their disappointment and discussed how to break the present deadlock. Australian Trade Minister Craig Emerson, who chairs the Cairns Group, stressed that bringing the Round to a conclusion in 2011 has proven to be impossible. During the meeting, Cairns members centred their discussions on how the aspirations of the Doha Round can be achieved, while recognising the limits of the current process and calling for a new approach.

Despite the Doha struggles, the Cairns Group expressed its continued commitment to the liberalisation of agriculture markets. “You can’t fix a problem unless you recognise you’ve got one, and the Cairns Group has pressed the alarm buzzer in the emergency ward,” Emerson said. Even though different options for the future of the Round have been looked at - see our related story in this week’s issue - ministers agreed to support the re-engineering of the Round.

Airbus, Boeing Split $12B Air France Order

Air France-KLM Group, Europe’s biggest airline, plans to order 25 Airbus SAS A350s and an equal number of Boeing Co. (BA) 787s worth about $12 billion at list prices to replace older planes and add capacity on long-haul routes.

Delivery of the wide-body aircraft will begin in 2016, with the first arrivals going to Dutch unit KLM, Paris-based Air France in a statement.

Cont'd..252

Tariff Value of Brass Scrap Raised by US$37/MT

65-Cus(NT) 15.09.2011 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. **36/2001-Cus (N. T.), dated, the 3rd August 2001**, namely: -

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

Table

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value US$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	4392
9	1207 91 00	Poppy seeds	2281

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

Swiss Franc Exchange Rate w.e.f. 16 September 2011

66-Cus(NT) 16.09.2011 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise and Customs hereby makes the following amendments n the Notification of the Government of India, iMinistry of Finance (Department of Revenue) No.62/2011-CUSTOMS (N.T.) dated the 26th August, 2011 [S.O. 1975 (E)], namely:-

In the Schedule-I of the said Notification for Serial No.9 and the entries relating thereto, the following shall be substituted, namely:-

Schedule-I

SNo.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
9.	Swiss Franc	55.07	53.58

The rates will be effective from 16th September, 2011.

[F.No.468/11/2011-Cus.V]

Customs Valuation Exchange Rates

September 2011		Imports	Exports	
Schedule I				Rate of exchange of one unit of foreign currency equipment to Indian Rupees
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	55.07*	53.58*	
10	Singapore Dollar	38.60	37.70	
11	U.S. Dollar	46.55	45.75	
Schedule II				Rate of exchange of 100 units of foreign currency equivalent to Indian rupees
1	Japanese Yen	60.80	59.10	

*(Source: Customs Notification 62(NT)/26.08.2011; *w.e.f 16.09.2011)*

Commodity Spot Prices in India – 16-19 September 2011

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

(Rs.)

Commodity	Unit	Market	16-Sep	17-Sep	19-Sep
CER (Carbon Trading)	1 MT	Mumbai	576	572.5	572.5
Chana	100 KGS	Delhi	3523	3561	3691
Masur	100 KGS	Indore	3175	3183	3255
Potato	100 KGS	Agra	479.4	479.3	479
Potato TKR	100 KGS	Tarkeshwar	452.4	456.1	456.6
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	681.5	696.2	712
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	5525	5525	5350
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1190	1186	1161
Wheat	100 KGS	Delhi	1174	1178	1190.8
Mentha Oil	1 KGS	Chandausi	1422.2	1420.4	1461.9
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	4701	4709	4568
Guar Seed	100 KGS	Bikaner	4425	4440	4445
Soya Bean	100 KGS	Indore	2358.5	2364.5	2355
Mustrdsd JPR	20 KGS	Jaipur	601.1	601.55	599.1
Sesame Seed	100 KGS	Rajkot	5988	6175	6225
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1447.9	1456.8	1441.9
Coconut Oil	100 KGS	Kochi	9152	9152	9152
Refsoy Oil	10 KGS	Indore	668	670.65	667
CPO	10 KGS	Kandla	501.7	502.1	498
Mustard Oil	10 KGS	Jaipur	662.3	663.5	661.9
Gnutoilexp	10 KGS	Rajkot	990	990	980
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	4277	4175	4175
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	5373	5327	5327
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2701	NA	2698
Sugarm	100 KGS	Delhi	2899	2894	2893
Natural Gas	1 mmBtu	Hazirabad	185.5	180.8	180.8
Rubber	100 KGS	Kochi	21815	21825	21671
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	2551.5	2553.5	2569
Gold	10 GRMS	Ahmd	27345	27726	28085
Gold Guinea	8 GRMS	Ahmd	21964	22270	22558
Silver	1 KGS	Ahmd	62425	63250	63500
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	417.35	411.4	411.4
Nickel	1 KGS	Mumbai	1030.2	1030.2	1037.1
Aluminium	1 KGS	Mumbai	111.35	11.35	111.5
Lead	1 KGS	Mumbai	115.15	115.15	119.55
Zinc	1 KGS	Mumbai	103.85	103.85	106.75
Tin	1 KGS	Mumbai	1116	1116	1102

(Source: MCX Spot Prices)

The carrier also has options for 60 more of the planes, of which it expects to take at least 23 by 2024.

While the Air France board approved the purchase on 15 September, the order is "still subject to the finalization of discussions with the manufacturers," the company said in the statement.

Air France-KLM, which had 121 Airbus and 48 Boeing planes in its long-haul passenger fleet as of June 30, needs to replace more than a dozen aging and inefficient jets and first announced its intention to place an order in 2007. Retirement of Air France's last 10 Boeing 747 jumbos and an equal number of MD-11s from Dutch unit KLM was postponed last year from 2012 to 2016.

Air France said it expects to sign the contracts by the end of this year, adding that its overhaul and repair business is "committed to positioning itself as a key market player for the maintenance of these aircraft and their engines." Negotiations hit a snag earlier this year after Rolls-Royce Holdings Plc, the sole engine provider on the A350, declined to allow the airline to offer maintenance of its turbines to other carriers.

Sugar Output in India Seen at Four-Year High as Planting Gains

Sugar output in India, the second- biggest producer, may surge to the highest level in four years after farmers boosted planting, potentially increasing exports.

Production may total 25.83 million metric tonnes in the year starting Oct. 1, according to a compilation of estimates by sugar cane commissioners of 10 states including Uttar Pradeshand Maharashtra, the biggest growers. That compares with 26 million tonnes forecast by the Indian Sugar Mills Association and 24.2 million tonnes estimated this year.

Rising production may prompt the government to lift curbs on exports, helping ease a shortage caused by a decline in supplies from Brazil, the biggest producer and shipper. Futures have declined 17 percent this year on expectations of increased production from Thailand, Russia and European Union.

The government may announce the first production estimate for the 2011-2012 season after a meeting of cane officials from states on 20 September, according to Food Secretary B.C. Gupta.

Uttar Pradesh, India's largest cane grower, may process 70 million tonnes of cane to make 6.45 million tonnes of sugar, said Kamran Rizvi, the state's sugar cane commissioner. Maharashtra, the biggest sweetener producer, may make 9.3 million tons, according to Anil Bansode, the state's joint director for sugar.

Farmers nationwide planted sugar cane on 5.08 million hectares (12.6 million acres), up 3 percent from a year ago, according to the farm ministry. Cane production may climb to 342.2 million tonnes in 2011-2012 from 339.17 million tonnes a year earlier, Farm Minister Sharad Pawar said Sept. 14.

The government plans to announce its policy on exports by Oct. 15 and the nation may allow shipments of more than 500,000 tonnes in one tranche, Pawar said on 19 September.

India allowed mills to export 2.6 million tonnes of sugar since the start of the season on Oct. 1. Shipments next year may be as much as 4 million tonnes.

Europe Rules Out Stimulus, Shuns Geithner's Plea

European finance ministers ruled out efforts to spur the faltering economy and showed no signs of taking up a proposal by U.S. Treasury Secretary Timothy Geithner to increase the firepower of the debt crisis rescue fund.

Inviting Geithner to a euro meeting for the first time, the European finance chiefs said the 18-month debt crisis leaves no room for tax cuts or extra spending to spur an economy on the brink of stagnation.

Europe's economy will barely grow in the second half of 2011, a casualty of the debt buildup that 256 billion euros ($353 billion) in aid for Greece, Ireland and Portugal has failed to extinguish.

Geithner made little headway with a call for Europe to boost the capacity of the 440 billion-euro rescue fund, known as the European Financial Stability Facility, by enabling it to tap the European Central Bank.

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Foreign Trade Policy

Customs

Central Excise

CBEC Circulars

Service Tax

Owned, Edited, Published and Printed by Arun Goyal and Printed at Mercury Printers, 602 Choori Walan, Delhi
Published from 24/4866, Sheeltara House, Ansari Road, New Delhi 110002. (INDIA) Phone: 2328 1314; Fax: 91-11-23281314
Email:academy.delhi@gmail.com; Website: worldtradescanner.com
This issue contains 8 pages in all