

## G20 Leaders Call for Ministers to Meet on Doha in Early 2010

Emerging from a two-day summit in Pittsburgh last week, leaders from the Group of 20 rich and emerging economies repeated calls for the WTO's Doha Round of trade talks to be concluded before the end of 2010, and instructed their trade ministers to meet early next year to assess progress toward a deal.

"We ask our ministers to take stock of the situation no later than early 2010, taking into account the results of the work program agreed to in Geneva following the Delhi ministerial, and seek progress on agriculture, non-agricultural market access, as well as services, rules, trade facilitation and all other remaining issues," the leaders wrote in a declaration released after the meeting closed on Friday.

The statement represented a compromise on proposed timelines for the talks. Australia, Brazil and the EU had fought for a commitment for negotiators to secure an agreement on 'modalities' - the broad outlines of a global tariff- and subsidy-cutting deal - early next year. Doing so would leave countries ample time to go through the process of 'scheduling' - the transformation of the modalities into specific tariff cuts on thousands of product lines - before the end of 2010. For some developing countries, scheduling could take as long as six to nine months, one rich country trade official said.

WTO Director-General Pascal Lamy paid a visit to the summit to brief the leaders on the state-of-play of world trade, and to urge them to throw their political weight behind a new global trade accord.

Lamy has long argued that a global trade deal is critical to forestalling protectionism and lowering consumer costs amid the ongoing economic downturn. If all WTO members raised their tariffs to the maximum levels currently allowed by the global trade body, then the average world tariff level would double, Lamy said on Monday. Many trade observers doubt that countries would take such drastic measures in response to the crisis, but in the absence of a new global trade agreement, the possibility remains.

### IMF reform: Real change on the way?

Beyond Doha, G20 leaders had a full agenda for their two-day summit, hitting on questions as varied as potential limits on bankers' bonuses, reforms to international financial institutions, caps on fossil fuel subsidies, and progress toward a global climate change deal.

Reforms of the International Monetary Fund (IMF), the global lender that has its headquarters in Washington, are a top priority for major emerging economies, which have traditionally been sidelined in IMF decision making. Under the current system, China, which holds 3.7 percent of the vote, has less influence than France, which controls 4.9 percent, even though the Chinese economy is 1.5 times bigger than that of France.

But that could soon change. The G20 leaders agreed to "a fundamental realignment of voting weights" at the IMF, according to a statement released by the White House.

But Mark Weisbrot of the Washington-based Center for Economic Policy Research says a 5 percent shift in voting weights would only be a superficial change. As long as the combined votes of Europe, the United States and Japan outweigh those of the emerging economies, the rich countries will continue to set the agenda, Weisbrot says.

Also at last week's meeting, leaders agreed that the G20 will become the 'premier forum' for global economic cooperation, replacing the Group of Seven, which has taken centre stage in international economic policymaking since the mid 1970s.

The G20's influence on the world stage will no doubt be limited by its fundamental lack of an enforcement mechanism. But leaders gave the new grouping some clout by agreeing to 'peer review' each others' economic policies. Australian Prime Minister Kevin Rudd said that countries will begin sharing information before the end of this year, Reuters reported.

The leaders agreed to meet again in Canada in June 2010, in Korea in November 2010, and in France the following year.

## Dollar Falls as G-7 Leaders Refrain From Criticizing Weakness

The dollar fell against the euro for a second day after Group of Seven finance chiefs refrained from calling for measures to stop the U.S. currency's decline.

The yen pared earlier gains against the dollar as Japanese Finance Minister Hirohisa Fujii said the government will intervene if the yen moves in a "biased direction." Losses in the yen may be tempered in coming months as New York University Professor Nouriel Roubini, who predicted the financial crisis, said a slow economic recovery may disappoint investors. Australia's dollar rose against

the greenback after a report showed the nation's services shrank at a slower pace.

The dollar fell to \$1.4639 per euro from \$1.4576 in New York on Oct. 2. It touched a one-year low of \$1.4844 on Sept. 23. It dropped to \$1.5991 per British pound from \$1.5946,

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## Dollar Imports Down by 32% in Aug 2009

India's exports during August, 2009 were valued at US \$ 14289 million (Rs. 69066 crore) which was 19.4 per cent lower in dollar terms (minus 9.2 per cent in Rupee terms) than the level of US\$ 17724 million (Rs. 76103 crore) during August, 2008. Cumulative value of exports for the period April- August, 2009 was US\$ 64129 million (Rs. 311715 crore) as against US \$ 92959 million (Rs. 391841 crore) registering a negative growth of 31 per cent in Dollar terms and 20.4 per cent in Rupee terms over the same period last year.

India's imports during August, 2009 were valued at US \$ 22661 million (Rs. 109533 crore) representing a decrease of 32.4 per cent in dollar terms (minus 23.9 per cent in Rupee terms) over the level of imports valued at US \$ 33512 million (Rs. 143890 crore) in August, 2008. Cumulative value of imports for the period April- August 2009 was US\$ 102300 million (Rs. 497108 crore) as against US\$ 153691 million (Rs. 648041 crore) registering a negative growth of 33.4 per cent in Dollar terms and 23.3 per cent in Rupee terms over the same period last year.

Oil imports during August, 2009 were valued at US \$ 6281 million which was 45.5 per cent lower than oil imports valued at US \$ 11521 million in the corresponding period last year. Oil imports during April- August, 2009 were valued at US\$ 28275 million which was 47.4 per cent lower than the oil imports of US \$ 53742 million in the corresponding period last year.

Non-oil imports during August, 2009 were estimated at US \$ 16380 million which was 25.5

per cent lower than non-oil imports of US \$ 21991 million in August, 2008. Non-oil imports during April- August, 2009 were valued at US\$ 74024 million which was 25.9 per cent lower than the level of such imports valued at US\$99949 million in April- August, 2008.

The trade deficit for April- August, 2009 was estimated at US \$38171 million which was lower than the deficit of US \$ 60732 million during April-August, 2008.

### Exports & Imports : (US \$ Million)

	(Provisional)	
	August	April- August
<b>Exports</b> (including re-exports)		
2008-2009	17724	92959
2009-2010	14289	64129
%Growth 2009-2010/ 2008-2009	-19.4	-31.0
<b>Imports</b>		
2008-2009	33512	153691
2009-2010	22661	102300
%Growth 2009-2010/ 2008-2009	-32.4	-33.4
<b>Trade Balance</b>		
2008-2009	-15787	-60732
2009-2010	-8372	-38171

Figures for 2008-09 are the latest revised whereas figures for 2009-10 are provisional

[Source: Min of Commerce Press Release dated 1 October 2009]

## MPEDA and SYSCO Signs Agreement to Promote Indian Black Tiger Shrimps

### Exports of Marine Products Reaches Rs. 8608 crore in 2008-09

The Marine Products Export Development Authority (MPEDA) has signed an Agreement for Promotion of Indian Black Tiger Shrimp including the Co-Branding Agreement with SYSCO (USA). The Agreement was signed by Ms. Leena Nair, Chairperson, MPEDA and Mr. James Butch Vidrine, Vice President, SYSCO (USA) on 5 October.

Earlier, SYSCO submitted a detailed proposal for promotion of Indian Black Tiger Shrimp through its network by branding it as MPEDA PORTICO shrimps. The proposal contains three phases of brand promotion. The total estimated expenditure for the entire promotion programme is US \$ 2,308,450, of which 50% will be borne by SYSCO.

Speaking on the occasion, Ms. Nair informed that the export of marine products from India reached an all time high of Rs.8608 crore during the year 2008-09. During this period 602,835 MTs of seafood products were exported. There was an increase of 11.29% in terms of quantity and a 12.95% increase in rupee earning compared to the exports during the previous year. "This was a creditable achievement for the Indian Seafood Industry considering the great recession which has shaken even the strongest

economies in the world. Right policies and interventions by Government of India / MPEDA and the pro-active role played by the industry helped in achieving the positive growth in exports for the fifth consecutive year in the most trying circumstances" Ms. Nair reiterated.

During the signing ceremony, Ms. Leena Nair said that once the Indian Black Tiger brand is established, export of other products will also get a major boost because of better brand image of seafood exported from India.

During 2008-09, Frozen Shrimp continued to be the major export item accounting for 44% of the total export earnings. Fish, the principal export item in quantity terms and the second largest export item in value, accounted for a share of about 40% in quantity and 20% in export earnings. Frozen fish recorded an export growth of about 8% in quantity, 32% in rupee value and 15% in dollar earnings. Frozen cuttlefish contributed 8% in quantity and about 9% in value terms to the export basket. Export of frozen squid grew very remarkably registering a growth of 67% in quantity, 55% in rupee terms and 41% in US dollar terms respectively. All

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and slid to 1.0313 Swiss francs from 1.0350 francs.

The yen declined to 131.41 per euro from 130.90 in New York on Oct. 2. The Japanese currency was at 89.76 per U.S. dollar from 89.81.

### G-7 Statement

The U.S. currency fell after G-7 finance chiefs meeting in Istanbul over the weekend stopped short of sounding alarm at the U.S. currency's 14 percent decline against a basket of currencies since March.

"Excess volatility and disorderly movements in exchange rates have adverse implications for economic and financial stability," G-7 officials said in a statement after talks on Oct. 3, repeating language they used in April.

A weaker dollar risks hurting economies outside the U.S. by making the exports of companies such as Japan's Canon Inc. more expensive. The Dollar Index, which tracks the greenback against the currencies of six trading partners including the euro and the yen, lost 0.3 percent to 76.769.

Australia's dollar gained 1 percent to 87.40 U.S. cents from 86.52 after the performance of services index rose 1.3 points to 49.3. The figure is just short of the 50 level separating expansion from contraction. Commonwealth Bank of Australia and the Australian Industry Group released the figure in Sydney today.

### Fujii's Comments

The yen retreated against 13 of its 16 major counterparts after Japan's Fujii issued his clearest warning yet that his nation is open to intervening in the currency market.

Fujii's position has shifted since his initial remarks on taking office in September. He formerly opposed seeking a "weak" yen. The currency last week rose to an eight-month high of 88.24 against the dollar, threatening exporters' profits.

Stocks and commodity markets may drop in coming months as the gradual pace of the economic recovery disappoints investors, according to Roubini.

### ECB Meeting

The European Central Bank will keep its main refinancing rate unchanged at 1 percent at the Oct. 8 meeting, according to all 53 economists survey.

Boston Fed President Eric Rosengren said last week the U.S. central bank and the government should maintain policies that support economic growth until a self-sustaining recovery is assured.

The benchmark interest rate is as low as zero in the U.S. and 0.1 percent in Japan, compared with 3 percent in Australia and 2.5 percent in New Zealand, attracting investors to the South Pacific nations' assets.

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## NAMA Talks Spin Wheels While Rules Group Finds Some 'Common Ground'

As the frequency of meetings, if not the pace of substantive progress, picks up at the WTO, industrial goods negotiators met last week to discuss non-tariff barriers to trade and sector-specific liberalisation proposals. Meanwhile, negotiators in the rules group made tentative steps forward in the long-controversial negotiations on fisheries disciplines.

The 23-24 September meeting of the negotiating group on non-agricultural market access (NAMA) came at the start of three months of intensive talks at the WTO aimed at helping members iron out their differences in the long-running Doha Round trade negotiations.

But the busier schedule has done little to change perceptions that the talks are drifting, in part due to a US stance that is at best distracted, at worst unconstructive.

Nevertheless, one trade diplomat held out hope that holding regular, high-level meetings might lead to more constructive engagement. "Having senior officials come here [from national capitals] and look at each other is better than not having them come here," the negotiator said. "Maybe they'll start to negotiate, and things will happen."

Several members have notified so-called 'non-tariff barriers' (NTBs) to the WTO, arguing that other countries' technical regulations, health and safety standards and certification, labeling requirements and other policies are serving as undue restrictions on their export opportunities. They have submitted different proposals for minimising the trade-restricting effects of such regulations in sectors such as textiles, clothing, footwear, wood for construction, electronics and auto parts. Most of these would have Members, when adopting a new regulation for a product, consider the costs of compliance to would-be exporters, discuss prospective regulations with trading partners, and respect international standards when possible.

The chair of the negotiating group, Swiss Ambassador Luzius Wasescha, urged the sponsors of these proposals to find convergence, which would enable legal text to be drafted for potential future disciplines on NTBs.

A separate approach proposed for dealing with NTBs is a so-called 'horizontal mechanism' to mediate trade irritants between two or more countries.

Proposals to cut deeply or even eliminate tariffs across entire industrial sectors such as chemicals, industrial machinery, or bicycles remain one of the most divisive issues in the NAMA negotiations. The US, the EU, and other developed countries want large, fast-growing markets like China, India, and Brazil to sign on to 'sectoral' initiatives. The latter countries counter that the mandate states clearly that participation in such initiatives is voluntary. Given this deadlock, negotiators have simply been looking at detailed information compiled by the sponsors of different initiatives on countries' trade and tariff profiles, in an attempt to highlight

potential commercial interests arising from participation.

The next week of NAMA negotiations is scheduled for early November.

### Rules group finds agreement 'on principles'

The WTO's negotiating group on rules resumed its discussion of fisheries subsidies in informal meetings on 24 and 25 September, moving ahead on the basis of a 'roadmap' for the talks that the chair, Ambassador Guillermo Valles Galmés of Uruguay, put forward in a draft text in December 2008.

A group calling itself the Friends of Fish put forward a statement outlining its views on how the talks should progress. The statement outlined the group's goals of promoting sustainable fishing, doing away with harmful subsidies, and offering 'effective and appropriate' flexibilities - special and differential treatment (S&DT), in WTO jargon - for developing countries. The Friends of Fish group, a loose coalition of countries that has long supported far-reaching bans on fish subsidies, is made up of Argentina, Australia, Chile, Colombia, New Zealand, Norway, Iceland, Peru, Pakistan and the United States.

A second statement, put forward jointly by Brazil, China, Ecuador and Mexico, put an even stronger emphasis on the importance of substantive special and differential treatment. There should be no limits to boat sizes in developing countries, said Brazil, speaking on behalf the four-country grouping, and poorer countries should be allowed to subsidise fishing on the high seas if they meet certain conditions. In its statement, the group was adamant that such flexibilities should be 'effective', 'substantive', and that they should go "beyond mere technical support or transitional provisions."

Barbados, speaking on behalf of the small, vulnerable economies (SVEs), reiterated the group's proposal that countries that account for less than 0.1 percent of global non-agricultural trade be completely exempt from any new subsidies disciplines.

Despite the differences among the statements, at least one official was struck by the similarities across the countries and groupings. All of those present agreed on the dual importance of curtailing overfishing and ensuring that developing countries have access to adequate flexibilities, the delegate said.

There was "substantive common ground" between the statements presented and "agreement on principles," continued the source, who was encouraged by the tone of the talks. "It's a good start," the delegate added, "but the devil is always going to be in the details."

At the next meeting of the rules group, scheduled for the week of 26 October, fisheries negotiators will consider how they aim to define 'fisheries management'. The chair has advised negotiators to be ready to delve into the 'nitty gritty' of the talks.

## Geneva Referendum Approves WTO Extension

Geneva citizens approved a proposed extension of the World Trade Organization's headquarters in a referendum on Sunday. The measure passed with a 62 percent majority vote.

The outcome of the referendum was met with cheers at the WTO, which has had to move 100 of its employees to a different building in the centre of Geneva because of space constraints.

Those who objected to the US\$126 million plan argued that an extension of the WTO's William Rappard Centre would damage the surrounding park and lakeside promenade. "The capitalist cancer of WTO is attacking the lung of Geneva," read one protestor's poster.

The extension, which is to be built on the current WTO parking lot, will accommodate an additional 300 employees, on top of the organisation's current staff of 800. According to the WTO website, architects, landscapers, and security will work together to ensure that the future perimeter of the building will not encroach access to the surrounding Barton Park. Other renovations include increasing infrastructure by modernising electricity and plumbing, as well as compacting the centre's indoor capacity.

Approximately half of the renovation plan will be funded through interest-free loans, to be paid back within 50 years, while the remainder of the plan will be paid by Swiss citizens.

In the rules group's talks on horizontal subsidies (held 22 and 23 September) and anti-dumping (held 16 September), delegates agreed to proceed according to a 'three pillar approach', in which the group considers a mix of bracketed and un-bracketed issues, as well as topics that are not covered in the most recent chair's text.

The anti-dumping discussions centred on material retardation (with regard to infant industries); negligible imports; the threat of injury; the definition of 'domestic industry'; and the exclusion of producers who are related to exporters or importers who are themselves importers, among other items. One delegate described the meeting as a "technical discussion."

The horizontal subsidies talks addressed export credits, an Indian proposal on duty rebate schemes, and the title of Article 14 of the Uruguay Round Agreement ('Anti-Dumping on Behalf of a Third Country'), among other issues. The group also considered the possibility of the 'transposition' of provisions between the WTO's Anti-Dumping Agreement and its Agreement on Subsidies and Countervailing Measures. The two agreements have many similarities, one official explained, and could be better harmonised.

Less than two weeks after the start of a European dairy farmers' strike, Sweden's agriculture minister said that he would meet with other European agriculture ministers in Luxembourg on 5 October to discuss the ongoing milk crisis. The European Milk Board welcomed the news of the meeting, saying that it will provide ministers with a much-needed push to reform dairy policies.

Dairy farmers said they would halt their protests until the EU meeting, but threatened to resume if a satisfactory resolution was not reached.

Over 60,000 European dairy farms stopped or reduced milk deliveries on 18 September to protest a decline in prices and plans to do away with production quotas. Farmers dumped 350,000 litres in protest to follow through with the boycott. According to the European Milk Board, the delivery boycott caused the market to react, triggering an increase in spot prices.

The EU already provides heavy farm subsidies, but by July 2009 European milk prices had fallen 25 percent from the previous year. Dairy farmers claimed prices were too low to cover production costs. Industry groups are now pushing the EU to force an increase prices to 40 eurocents per litre of milk. They have also demanded that excess supplies of milk be bought quickly to make a widespread price increase possible.

In November 2008, the EU agreed to raise daily output quotas by 1 percent each year before getting rid of them altogether. The decision dissatisfied dairy farmers, who demanded in a statement in February that the quota in-

creases be "released for production only as and when required."

To appease the upset dairy farmers, France and Germany have published a draft with new regulations for struggling farmers, which has been approved by 18 EU member states. The publication, presented by EU commissioner for Agriculture and Rural Development Mariann Fischer Boel to the European Parliament, proposes short-term changes to the quota-buying schemes and temporary aid of •15,000 for each member-state's dairy sector. It also contains suggestions for long-term measures to improve the dairy industry.

But the European dairy sector largely remains unreformed, despite some recent efforts to 'de-couple' support from production levels of other agricultural products in the EU. In January of this year, Brussels re-introduced export subsidies for some dairy and poultry products; the payments had been suspended for two years. The move, which put in place 50 percent export subsidies for dairy products, drew harsh criticism from exporters outside the 27-member EU.

Export subsidies have long been one of the most controversial trade-distorting measures employed by rich countries. Many farm-exporting nations expect that a Doha Round agreement at the WTO would do away with such subsidies by 2013, which would coincide with an EU commitment made in 2005. Draft modalities of a Doha trade deal include such a provision, but so far negotiators at WTO headquarters in Geneva have been unable to finalise the accord, which would cut tariffs and subsidies around the globe.

## World Bank Chief Calls for Shift in Multilateral System

Robert Zoellick, president of the World Bank, warned against over-confidence in the US dollar and called for a new approach to managing global trade in a speech in Washington on Monday. The world is in the midst of an upheaval as momentous as the collapse of the Soviet Union and the French Revolution, he said in a speech at the School for Advanced International Studies at John Hopkins University. The massive economic shift has been brewing for 20 years, he said.

Power relations and international cooperation will change during this new upheaval, he added. While some assume that China and India will emerge as new world superpowers and that the United States will see its influence diminish, Zoellick argued that 2010 will bring a lot of uncertainty for China.

Zoellick's more controversial statements were about the future of the US dollar. It would be a mistake for the US to trust that the dollar will continue to be the largest reserve currency, he argued. Other currencies, such as the euro and the Chinese renminbi, have shown their resili-

ence in the financial crisis, and will be on the rise. But he maintained that the US dollar would still be an important currency but that its ultimate strength will hinge on decisions made in Washington.

Zoellick also commented on the state of the current and future trading system. He questioned the Bretton Woods trading system's ability to satisfy global demand, explaining that while leaders have generally avoided widespread protectionism since the 1930s, there is more of a temptation to protect during times of crisis. Thanks to the slow-moving Doha Round of negotiations, whose agenda is now nearly a decade old, it is not being given enough focus when facing new challenges. Once a Doha Round deal has been struck, he said, the world needs to move on to a new agenda.

The new global trading system that Zoellick envisions would maintain liberalisation, encourage open regionalism counter crisis-driven protectionism, expand trade in services, and help the poorest countries seize trade opportunities.

other items also recorded a growth in exports during 2008-09.

While Shrimp constitutes about 44% of the total exports from India with a value of US\$839 million yet it has been showing a downward trend over the last few years - from its all time high of US \$ 394 million in 2002-03 it came down to US \$ 152 million in 2008-09. Apart from declining production, the other major reason for this has been the lack of a brand image for the Indian Tiger Shrimp in the international market, especially in USA.

SYSCO is a Fortune 500 food service company and is North America's leading foodservice marketer and distributor. They are the global leaders in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home. Having a record sale of \$37.5 billion for fiscal year 2008. SYSCO continues to be the global leader in the foodservice industry. Today, SYSCO has sales and service relationships with approximately 400,000 customers. Operating from 170-plus locations throughout the contiguous United States and portions of Alaska, Hawaii, and Canada, SYSCO's product lines are as diverse as the 50,000 employees who support its daily operations. With their vast network all over USA the Corporation has a capacity to absorb almost 10,000 MT of Black Tiger Shrimps from India. Hence this tie up with SYSCO is expected to make a big difference to India's export earnings.

In 2008-09, European Union (EU) remained the largest market for Indian seafood accounting for 151590 MT (25%) in quantity, Rs.2800 crore (32.5%) in rupee terms and US \$ 623 million (33%) in US dollar terms. Share of European Market has come down from 35% to 32.6% in US dollar terms during the year. A very important feature of the export trend is the increase in exports to China. China got into the second place from the third position held in last year with a share of 15% in US dollar terms. Japan was relegated to third position with an overall export of 57271 MT having a value of US \$ 278.61 million. Share of export to Japan has also gone down to 14.34% from 16% during the previous year. Exports to USA have fallen further to US \$ 227.29 million (-10.18%) relegating it to fourth position. But exports to USA have shown slight increase in quantity and rupee value. Exports to South East Asia registered a remarkable growth with 39% increase in quantity, 52% increase in rupee terms and 33% increase in US \$ term. The share of South East Asia has increased to 10% from 7.5% in US \$ terms during the year. Exports to Middle East also registered growth with 5.5% increase in quantity, 20.8% increase in rupee value and 7.3% increase in US \$ terms. Share of all other countries put together is 10.6%.

## WEEKLY INDEX OF CHANGES

### SAFTA Duty Concession – Three Percent Further Cut

Ntfn 107 In exercise of the powers conferred by sub-section (1) of section 25 of the 23.09.2009 Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that (DoR) 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. **67/2006-Customs, dated the 30th June, 2006** which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i), vide number G.S.R. 393 (E), dated the 30<sup>th</sup> June, 2006, namely:-

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

Table					
SNo.	Chapter, Heading, Sub-heading or Tariff item	Description of goods	Rate for import from countries listed in Append I	Rate for import from countries listed in Append II	
(1)	(2)	(3)	(4)	(5)	
1	1 to 3	All goods	17%	Nil	
2	1	Grand parent poultry stock and Donkey stallions	17%	Nil	
3	4 (except 0402 10 20, 0402 10 90, 0405 20 00, 0405 90 90)	All goods	17%	Nil	
4	0402 10 20, 0402 10 90	All goods	17%	Nil	
5	0405 20 00, 0405 90 20, 0405 90 90	All goods	17%	Nil	
6	5	All goods	17%	Nil	
7	0603	All goods	17%	Nil	
8	0604	All goods	17%	Nil	
9	7	All goods	17%	Nil	
10	8 (except 0802 11 00, 0802 12 00)	All goods	17%	Nil	
11	0802 11 00	All goods	Rs. 28 per kg	Nil	
12	0802 12 00	All goods	Rs. 52 per kg	Nil	
13	0810 60 00 and 0810 90	All goods other than black, white or red currants and gooseberries	10.6%	Nil	
14	0813 20 00	All goods	17%	Nil	
15	9 (except 0901 and 0904 20)	All goods	17%	Nil	
16	0901	All goods	17%	Nil	
17	0904 20	All goods	17%	Nil	
18	12	All goods	17%	Nil	
19	1209, 1211 30 00, 1211 40 00, 1211 90	All goods other than liquorice roots	10.6%	Nil	
20	13	All goods	17%	Nil	
21	1302 19 and 1302 20 00	All goods other than vegetable saps and extracts of pyrethrum or of the roots of plants containing rotenone	10.6%	Nil	
22	14	All goods	17%	Nil	

23	1501 00 00	All goods	17%	Nil	
24	1502	All goods	10.6%	Nil	
25	1503 00 00 to 1506	All goods	17%	Nil	
26	1505	All goods	10.6%	Nil	
27	1507 90 90	All goods	17%	Nil	
28	1508 90 10 or 1508 90 99	All goods	17%	Nil	
29	1509 10 00	All goods	17%	Nil	
30	1509 90	All goods	17%	Nil	
31	1510	All goods	17%	Nil	
32	1511 90	All goods	17%	Nil	
33	1512 29 90	All goods	17%	Nil	
34	1516 10 00, 1518, 1520 00 00, 1521, 1522	All goods	17%	Nil	
35	1507, 1508, 1509, 1510, 1511, 1512 29 90	All goods (except crude palm oil), other than edible grade, having Free Fatty Acid (FFA) 20 percent or more	17%	Nil	
36	1508, 1509 or 1510	Refined vegetable oils of edible grade, in loose or bulk form	17%	Nil	
37	1511	Fractions of crude palm oil (other than crude palmolein), of edible grade, having an acid value of 2 or more and total carotenoid (as beta carotene) in the range of 500mg/kg. to 2500mg/kg., in loose or bulk form	17%	Nil	

Explanation—For the purposes of this exemption, "Crude palm oil" means fixed vegetable oils, fluid or solid, obtained by pressure, if they have undergone no processing other than decantation, centrifugation or filtration, provided that, in order to separate the oils from solid particles only mechanical force, such as gravity, pressure or centrifugal force, has been employed, excluding any absorption filtering process, fractionalization or any other physical or chemical process. If obtained by extraction oil shall continue to be considered as "crude", provided it has undergone no change in colour, odour or taste when compared with corresponding oil by pressure.

38	16 (except 1601 00 00, 1602 32 00)	All goods	17%	Nil	
39	1601 00 00, 1602 32 00	All goods	17%	Nil	
40	1702	All goods	17%	Nil	
41	1702 11 and 1702 19	All goods	17%	Nil	
42	1703	All goods	7.4%	Nil	

43	1704	All goods	17%	Nil	
44	18 to 20	All goods	17%	Nil	
45	1806 90	Food preparations, meant for infant use and put up for retail sale, of—(i) flour, meal, starch or malt extract containing cocoa in a proportion by weight 40% or more but less than 50%, calculated on a totally de-fatted basis; or (ii) goods of headings 04.01 to 04.04 containing cocoa in a proportion by weight 5% or more but less than 10%, calculated on a totally de-fatted basis	10.6%	Nil	
46	21	All goods (except compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% by volume, determined at a temperature of 20 degrees centigrade falling under 2106 90)	17%	Nil	
47	2106 90	Compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% by volume, determined at a temperature of 20 degrees centigrade	17%	Nil	
48	2201 and 2202	All goods	17%	Nil	
49	2207 20 00	All goods	7.4%	Nil	
50	2209	All goods	17%	Nil	
51	23	All goods	17%	Nil	
52	25	All goods	9%	Nil	
53	2620 11 00, 2620 19 00 and 2620 30	All goods	7.4%	Nil	
54	2701 20	All goods	9%	Nil	
55	2702 to 2708	All goods	9%	Nil	
56	2710 to 2715	All goods	7.4%	Nil	
57	28 (except 2801, 2802, 2803, 2804, 2805, 2814, 2823 00 10)	All goods	7%	Nil	
57A	2823 00 10	All goods	9%	Nil	
58	2801, 2802, 2803, 2804, 2805, 2814	All goods	5%	Nil	
59	2901 to 2904	All goods	7.4%	Nil	
60	2905 to 2942 (except 2905 43 00, 2905 44 00)	All goods	9%	Nil	
61	2905 43 00, 2905 44 00	All goods	13.8%	Nil	
62	29	2,3,5,6-Tetrachloropyridine	7%	Nil	
63	30 to 32	All goods	9%	Nil	
64	3207 40 00	Glass frit	5%	Nil	

65	33 (except 3301 and 3302 10)	All goods	9%	Nil
66	3301	All goods	13.8%	Nil
67	3302 10	All goods (Excluding compound alcoholic preparations of a kind used for manufacture of beverages of an alcoholic strength by volume exceeding 0.5% determined at 20 degree centigrade falling under 3302 10)	9%	Nil
68	3302 10	Compound alcoholic preparations of a kind used for manufacture of beverages of an alcoholic strength by volume exceeding 0.5% determined at 20 degree centigrade	17%	Nil
69	34	All goods	9%	Nil
70	3501 to 3505	All goods	13.8%	Nil
71	3506, 3507	All goods	9%	Nil
72	35	Isolated Soya protein	10.6%	Nil
73	36 and 37	All goods	9%	Nil
74	38 (except 3809 10 00, 3823 11 11, 3823 11 12, 3823 11 19 and 3824 60)	All goods	9%	Nil
75	3809 10 00	All goods	13.8%	Nil
76	3815	All goods	7.4%	Nil
77	3823 11 11, 3823 11 12, 3823 11 19 and 3824 60	All goods	13.8%	Nil
78	38	Dipping oil, Paclobutrazol (Cultar)	9%	Nil
79	39	All goods	9%	Nil
80	3901	Low density polyethelene, Linear Low density polyethelene, High density polyethelene, Linear medium density polyethelene and Linear High density polyethelene	5%	Nil
81	3902 (except 3902 20 00), 3903	All goods	5%	Nil
82	3904	Polymers of vinyl chloride	5%	Nil
83	39	Ethylene vinyl acetate (EVA)	5%	Nil
84	40 to 45	All goods	9%	Nil
85	4707	All goods	9%	Nil
86	48,49,51	All goods	9%	Nil
87	52 (except 5203 00 00)	All goods	9%	Nil
88	5201	All goods	7.4%	Nil
89	5203 00 00	All goods	17%	Nil
90	53 (except 5302)	All goods	9%	Nil
91	5302	All goods	17%	Nil
92	54 to 63	All goods	9%	Nil
93	64 to 71	All goods	9%	Nil
94	6902 or 6903	All goods	7.4%	Nil

95	72	All goods other than seconds and defectives	7.4%	Nil
96	72	Seconds and defectives	9%	Nil
97	73	All goods	9%	Nil
98	7401 to 7410	All goods	5%	Nil
99	7411 to 7419	All goods	9%	Nil
100	7601 to 7607	All goods	5%	Nil
101	7608 to 7616	All goods	9%	Nil
102	7806	All goods other than lead bars, rods, profiles and wire	7.4%	Nil
103	7901 to 7905	All goods	7.4%	Nil
104	7907	All goods	9%	Nil
105	8001 to 8003	All goods	7.4%	Nil
106	8007 00 90	Tin plates, sheets and strip, of a thickness exceeding 0.2mm; tin foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0.2mm; tin powders and flakes	7.4%	Nil
107	8007	All goods	9%	Nil
108	8101, 8104, 8105, 8107, 8108 (except 8101 99 10, 8101 99 90, 8104 90 90, 8105 90 00, 8107 90 90, 8108 90 90)	All goods	7.4%	Nil
109	8101 99	Bars and rods, other than those obtained simply by sintering, profiles, plates, sheets, strip and foil	7.4%	Nil
110	8101 99 10, 8101 99 90, 8104 90 90, 8105 90 00, 8107 90 90, 8108 90 90	All goods	9%	Nil
111	8102, 8103, 8106, 8109, 8110, 8111, 8112	(1) All goods (other than articles thereof) (2) Articles	7.4% 9%	Nil Nil
112	82, 83, 84	All goods	9%	Nil
113	8443 91 00 or 8443 99	Parts of printing presses	7.4%	Nil
114	8472 90	Cash dispensers	7.4%	Nil
115	8473 40	Cash dispensing mechanism and deposit modules for Automatic Teller Machines	7.4%	Nil
116	85	All goods	9%	Nil
117	86	All goods	7.4%	Nil
118	87 (Except 8703, 8711)	All goods	9%	Nil
119	8703, 8711	All goods	17%	Nil

## Textiles Concessions under SAFTA – Duty Reduced to 9% from 10%

Ntfn 108  
23.09.2009  
(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 amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No.68/2006-Customs, dated the 30th June, 2006** which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i), vide number G.S.R. 394 (E), dated the 30th June 2006, namely:-

In the said notification, in the **TABLE**, against serial numbers. **1 to 248**, for the entries in column (4), the entry '9%' shall be **substituted**.

[F.No. 354/42/2002-TRU]

120	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars, new, which have not been registered anywhere prior to importation (1) If imported as completely knocked down (CKD) unit; (2) If imported in any other form	9% 17%	Nil Nil
121	8703	Golf Cars	9%	Nil
122	8704	Refrigerated motor vehicles for transport of goods	7.4%	Nil
123	8711	Motor cycles(including mopeds) andcycles fitted with anauxiliary motor, with or without side cars, and sidecars, new, which have not been registered anywhereprior to importation (1) If imported as completely knocked down (CKD) unit; (2) If imported in any other form	9% 17%	Nil Nil
124	88 to 90	All goods	9%	Nil
125	9001 10 00	All goods	7.4%	Nil
126	91 to 97	All goods	9%	Nil
127	9508	Roundabouts, swings, shooting galleries and other fairground amusements	7.4%	Nil."

[F.No. 354/42/2002-TRU Vol II]

## Advance Authorisation for Deemed Export in FTP 2009-2014

Ntnf 112 In exercise of the powers  
29.09.2009 conferred by sub-section (1) of  
(DoR) section 25 of the Customs Act,  
1962 (52 of 1962), the Central

Government, being satisfied that it is necessary in the public interest so to do, hereby exempts materials required for the manufacture of the final goods when imported into India, from whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the **whole of the additional duty, safeguard duty and anti-dumping duty** leviable thereon respectively under sections 3, 8B and 9A of the said Customs Tariff Act, except to the extent specified in para 2 to this notification, subject to the following **conditions**, namely:-

(i) that the importer has been granted Advance Authorisation for deemed export by the Regional Authority in terms of Paragraph 4.1.3(iii) of the Foreign Trade Policy permitting import of the said materials (hereinafter referred to as the said authorisation);

(ii) that the said authorisation is produced before the proper officer of customs at the time of clearance for debit;

(iii) that the said authorisation contains endorsements specifying, inter alia,-

(a) the description, quantity and value of materials allowed to be imported under the said authorisation; and

(b) the description and quantity of final goods to be manufactured out of, or with, the imported materials;

(iv) that in respect of imports made before the discharge of export obligation, the importer at the time of clearance of the imported materials executes a bond with such surety or security, in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials;

(v) that in respect of imports made after the discharge of export obligation, if facility under rule 18 or sub-rule (2) of rule 19 of the Central Excise Rules, 2002 or the CENVAT Credit under CENVAT Credit Rules, 2004 has been availed, then the importer shall, at the time of clearance of the imported materials furnish a bond to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself, to use the imported materials in his factory or in the factory of his supporting manufacturer for the manufacture of dutiable goods and to submit a certificate, from the jurisdictional Central Excise officer or from a specified chartered accountant within six months from the date of clearance of the said materials, that the imported materials have been so used:

Provided further that if the importer says

additional duty of customs leviable on the imported materials but for the exemption contained herein, then the imported materials may be cleared without furnishing a bond specified in this condition and the additional duty of customs so paid shall be eligible for availing CENVAT Credit under the CENVAT Credit Rules, 2004;

(vi) that in respect of imports made after the discharge of export obligation, and if facility under rule 18 or sub-rule 2 of rule 19 of the Central Excise Rules, 2002 or the CENVAT credit under CENVAT Credit Rules, 2004 has not been availed and the importer furnishes proof to this effect to the satisfaction of the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, then the imported materials may be cleared without furnishing a bond specified in condition (v);

(vii) that the imports and exports are undertaken through **seaports** at Bedi (including Rozi-Jamnagar), Chennai, Cochin, Dahej, Dharamtar, Haldia (Haldia Dock complex of Kolkata port) Kakinada, Kandla, Kolkata, Krishnapatnam, Magdalla, Mangalore, Marmagoa, Muldwarka, Mumbai, Mundhra, Nagapattinam, Nhava Sheva, Okha, Paradeep, Pipavav, Porbander, Sikka, Tuticorin, Visakhapatnam and Vadinar or through any of the **airports** at Ahmedabad, Bangalore, Bhubaneswar, Chennai, Cochin, Coimbatore, Dabolim (Goa), Delhi, Hyderabad, Indore, Jaipur, Kolkata, Lucknow (Amausi), Mumbai, Nagpur, Rajasansi (Amritsar), Srinagar, Trivandrum and Varanasi or through any of the **Inland Container Depots** at Agra, Ahmedabad, Anaparthi (Andhra Pradesh), Babarpur, Bangalore, Bhadohi, Bhatinda, Bhilwara, Bhiwadi, Bhusawal, Chheharata (Amritsar), Coimbatore, Dadri, Dappar (Dera Bassi), Daulatabad (Wanjarwadi and Maliwada), Delhi, Dighi (Pune), Durgapur (Export Promotion Industrial Park), Faridabad, Garhi Harsaru, Gauhati, Guntur, Hyderabad, Jaipur, Jalandhar, Jamshedpur, Jodhpur, Kanpur, Karur, Kota, Kundli, Loni (District Ghaziabad), Ludhiana, Madurai, Malanpur, Mandideep (District Raisen), Miraj, Moradabad, Nagpur, Nasik, Pimpri (Pune), Pitampur (Indore), Pondicherry, Raipur, Rewari, Rudrapur (Nainital), Salem, Singanalur, Surat, Surajpur, Tirupur, Tuticorin, Udaipur, Vadodara, Varanasi, Waluj (Aurangabad) or through the **Land Customs Station** at Agartala, Amritsar Rail Cargo, Attari Road, Changrabandha, Dawki, Ghojadanga, Hilli, Jogbani, Mahadipur, Nepalganj Road, Nautanva (Sonauli), Petrapole, Ranaghat, Raxaul, Singhabad and Sutarkhandi or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005);

Provided that the Commissioner of Customs may within the jurisdiction, by special order, or by a public notice, and subject to such conditions as may be specified by him, permit import and export from any other seaport/airport/inland container depot or through any land customs station;

(viii) that the export obligation as specified in the said authorization (both in value and quan-

## Advance Licence under Duty Exemption Scheme – Supplies to Intermediate Manufacturer under Para 8.3(c) of FTP

23-CE(NT) In pursuance of sub-rule (2)  
25.09.2009 and sub-rule (3) of rule 19  
(DoR) of the Central Excise Rules,  
2002, the Central Board of

Excise and Customs hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number 44/2001-Central Excise (N.T.), dated the 26<sup>th</sup> June, 2001, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i), vide number G.S.R. 474(E), dated the 26<sup>th</sup> June, 2001, namely:-

After sub-para (ix) and before Explanation, the following proviso shall be inserted, namely:-

"Provided that this procedure shall also be available for the supplies made by an Advance authorization holder to a manufacturer holding another Advance authorization, if such manufacturer, in turn, supplies the resultant products to an ultimate exporter in terms of para 8.3(c) of the Foreign Trade Policy, and the procedure, safeguards and conditions as prescribed in this notification shall apply mutatis-mutandis."

[F.No.224/64/2009-CX.6]

tity terms) is discharged within the period specified in the said authorization or within such extended period as may be granted by the Regional Authority by supplying final goods manufactured in India which are specified in the said authorization;

(ix) that the importer produces evidence of having discharged obligation to supply final goods to the satisfaction of the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a period of sixty days from the expiry of the period allowed for fulfilment of obligation or within such extended period as the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow;

(x) that the said authorisation shall not be transferred and the said materials shall not be transferred or sold :

Provided that the said materials may be transferred to a job worker for processing subject to complying with the conditions specified in the relevant Central Excise notifications permitting transfer of materials for job work:

Provided further that no such transfer for purposes of job work shall be effected to the units located in areas eligible for area based exemptions from the levy of excise duty in terms of notification Nos. 49/03-CE and 50/03-CE both dated 10<sup>th</sup> June, 2003, 32/99-CE dated 8<sup>th</sup> July, 1999, 33/99-CE dated 8<sup>th</sup> July, 1999, 8/04-CE dated 21<sup>st</sup> January, 2004, 20/07-CE dated 25<sup>th</sup> April, 2007, 56/02-CE dated 14<sup>th</sup> November, 2002, 57/02-CE dated 14<sup>th</sup> November, 2002, 71/

03-CE dated 9<sup>th</sup> September, 2003, 56/03-CE dated 25<sup>th</sup> June, 2003 and 39/01-CE dated 31<sup>st</sup> July, 2001;

(xi) that components and parts, required for manufacture of final goods which are wholly exempted from payment of excise duty when removed from the factory of production, may be taken directly from the port of import to the project site as per the procedures and limitations, if any, laid down by the Board in this regard subject to the condition that description and quantity of such components and parts and the address of the site have been specified in the said authorization.

2. The exemption from safeguard duty and anti-dumping duty shall not be available in respect of materials required for final goods specified in paragraph 1 which are covered under sub-clauses (a), (b), (c), (i) and (j) of clause (iii) of the explanation to this notification.

3. The materials required for the manufacture of the final goods, when imported into India and supplied to Export Oriented Unit, Electronic Hardware Technology Park and Software Technology Park, shall be exempted from the whole of the duty of customs leviable thereon, under the First Schedule to the said Customs Tariff Act and from the whole of additional duty, safeguard duty and anti-dumping duty leviable thereon, respectively, under sections 3, 8B and 9A of the said Customs Tariff Act subject to the conditions mentioned in Paragraph 1.

**Explanation.** – For the purposes of this notification,-

(i) **“Dutiable goods”** means excisable goods which are not exempt from central excise duty and which are not chargeable to ‘nil’ rate of central excise duty;

(ii) **“Electronic Hardware Technology Parks”**, “Export Oriented Units” and “Software Technology Parks” have the same meaning as assigned to them in paragraph 9.23, 9.24 and 9.60 of the Foreign Trade Policy respectively;

(iii) **“Final goods”** means –

(a) supply of goods against the Advance Authorisation scheme or the Advance Authorisation for Annual Requirement or the Duty Free Import Authorisation Scheme or the Duty Free Replenishment Certificate under the Duty Exemption/Remission Scheme;

(b) supply of goods made to Export Oriented Units or Software Technology Parks or Electronic Hardware Technology Parks ;

(c) supply of goods to the holders of licence under Chapter 5 of the Foreign Trade Policy;

(d) supply of goods made to projects financed by multilateral or bilateral Agencies or funds as notified by the Government of India in the Ministry of Finance (Department of Economic Affairs) under the International Competitive Bidding in accordance with the procedures of those Agencies or funds where the agreement provides for tender evaluation without including the duties of customs;

(e) supply and installation of goods and equipment (single responsibility of turnkey contracts) to projects financed by multilateral or bilateral agencies or funds as notified by the Government

of India in the Ministry of Finance (Department of Economic Affairs) under international competitive bidding in accordance with the procedures of those agencies or funds, where the bids have been invited and evaluated on the basis of Delivered Duty Paid (DDP) prices for the goods manufactured abroad;

(f) supply of capital goods either in assembled or unassembled or disassembled condition including plant, machinery, accessories, tools, dies and such other goods used for installation purposes till the stage of commercial production and spares to the extent of ten per cent. of the Free on Rail value of such capital goods for fertilizer plants where such supplies are made after following the procedure of International Competitive Bidding without including the duties of customs;

(g) supply of goods to any project or purpose in respect of which the Government of India in the Ministry of Finance, by notification, permits the import of such goods at Zero duty of customs and where such supplies are made after following the procedure of International Competitive Bidding without including the duties of customs;

(h) supply of goods to power and refinery projects not covered under sub-clause (g) where such supplies are made after following the procedure of International Competitive Bidding without including the duties of customs;

(i) supply of Marine Freight Containers by Export Oriented Units namely, Domestic freight containers manufacturers where such containers are exported out of India within a period of six months or such further period as may be permitted by the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be;

(j) supply of goods made to projects funded by United Nation Agencies;

(k) supply of goods to nuclear power projects where such supply is made after following the procedure of Competitive Bidding;

(iv) **“Foreign Trade Policy”** means the Foreign Trade Policy 2009-2014, published by the Government of India in the Ministry of Commerce and Industry vide notification No.1 /2009-2014, dated the 27th August 2009 as amended from time to time;

(v) **“Licensing Authority”** means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorized by him to grant a licence under the said Act;

(vi) **“Materials”** means –

(a) raw materials, components, intermediates, consumables, catalysts and parts which are required for manufacture of final goods;

(b) mandatory spares within a value limit of ten per cent. of the value of the licence which are required to be exported along with the final goods;

(c) fuel required for manufacture of final goods;

(d) packaging materials required for packing of final goods;

(vii) **“Regional Authority”** has the same meaning as assigned to it in paragraph 9.49.1 of the Foreign Trade Policy; and

(viii) **“Specified Chartered Accountant”** means a statutory auditor or a Chartered Accountant who certifies the importer's financial records under the Companies Act, 1956 (1 of 1956) or the Income Tax Act, 1961 ( 43 of 1961) or the Sales Tax or the Value Added Tax laws of the State Government.

[F.No.605/58/2009-DBK]

## Recredit of Target Plus etc Credit on Reexport of Defective Machinery Allowed

F.NO.605/49/2009-DBK

*Sub: Re-Export of goods imported under reward schemes which are defective or unfit for use Re-credit of duty.*

25-CBEC I am directed to invite your  
29.09.2009 attention to the above  
(DoR) mentioned subject and to say  
that, representations have

been received in the Board seeking extension of the facility of re-credit of the duty presently available to goods imported under Duty Entitlement Pass Book Scheme (DEPB), Vishesh Krishi and Gram Udyog Yojana (VKGUY) and Served From India Schemes (SFIS) to the goods imported under reward schemes such as Target Plus Scheme (TPS) / Duty Free Credit Entitlement (DFCE), Focus Market Scheme (FMS), Focus Product Scheme (FPS) Hi-Tech Product Export Promotion Scheme (HTPEPS). Status Holder Incentive Scheme (SHIS) and AgriInfrastructure Incentive scheme under VKGUY.

2. The matter has been examined by the Board. The Board had earlier vide Circular no 21/2006-Cus dt 10.8.2006 clarified that the goods imported under Served From India Scheme (SFIS)

and Vishesh Krishi and Gram Udyog Yojana (VKGUY) can be re-exported if the goods are found to be defective or unfit for use. The exporter in such cases was to be given a credit entitlement Certificate equal to 98% of the debit made at the time of import by the Jurisdictional Commissioner of Customs provided the exporter fulfils the criteria laid down in the circular. Similar facility was earlier extended to the goods imported under DEPB and DFRC schemes vide Circular numbers 75/2000 dt 11.9.2000 and 29/2005 dt 08.07.2005 respectively.

3. It has now been decided to extend the above-mentioned facility to scrips issued under all reward schemes. Accordingly, in case where the goods imported against TPS / DFCE / FMS / FPS / HTPEPS / SHIS / AgriInfrastructure Incentive scheme under VKGUY are found defective or unfit for use, the same may be permitted to be re-exported by the Commissioner of Customs subject to the following conditions :-

Re-export of goods takes place from the same port from where the goods were imported;

1. The goods are re-exported within 6 months from the date of import;

2. The Deputy Commissioner/Assistant Commissioner of Customs, as the case may be, is satisfied about the identity of the goods; and

3. The goods were not put into use after import.

4. In such cases, on re-export of goods, 98% of the credit amount debited in the above said duty credit scrips shall be generated by the concerned Custom House in the form of a Certificate. The said Certificate shall inter alia contain details of the original duty credit scrips and the value, quantity and description of the goods

exported.

5. Based on the aforesaid certificate issued by the Customs department an application shall be filed by the exporter with the concerned Regional Authority to enable the authority to take necessary action in terms of Para 3.11.6 of the Hand Book of Procedure, Vol.I, 2009-14.

6. These instructions may be brought to the notice of the trade / exporters by issuing suitable Trade / Public Notices. Suitable Standing orders/instructions may be issued for the guidance of the assessing officers. Difficulties faced, if any, in implementation of the Circular may please be brought to the notice of the Board at an early date.

## Anti-dumping on EPDM from EU, USA, China and Brazil – Notification Rescinded

Ntnfn 110  
24.09.2009  
(DoR)

In exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 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, the Central Government hereby **rescinds** the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No. 75/2006-Customs, dated the 19<sup>th</sup> July, 2006**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 430(E), dated the 19<sup>th</sup> July, 2006, except as respects things done or omitted to be done before such rescission.

[F. No.354/51/2006-TRU (Pt.I)]

## Another Five Years of Anti-dumping on Sun/Dust Control Polyester Film from Taiwan and UAE on Review

Ntnfn 111  
29.09.2009  
(DoR)

Whereas, the designated authority, *vide* its notification No. 15/17/2008-DGAD, dated the 14<sup>th</sup> August, 2008,

published in the Gazette of India, Part I, Section 1, Extraordinary, dated the 14<sup>th</sup> August, 2008, had initiated a review in the matter of continuation of anti-dumping on imports of **Sun/Dust Control Polyester Film** (hereinafter referred to as the subject goods) falling under Sub-heading 3920 69 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, Chinese Taipei (**Taiwan**) and United Arab Emirate (**UAE**) (hereinafter referred to as the subject countries), imposed *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 101/2004- CUSTOMS, dated the 29<sup>th</sup> September, 2004, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 648(E), dated the 29<sup>th</sup> September, 2004;

And whereas, the Central Government had extended the anti-dumping duty on the subject goods, originating in, or exported from, the subject countries upto and inclusive of the 25<sup>th</sup> August, 2009 *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 100/2008- Customs, dated the 29<sup>th</sup> August, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 626 (E), dated the 29<sup>th</sup> August, 2008;

And whereas, in the matter of review of anti-dumping on import of the subject goods, originating in, or exported from, the subject countries, the designated authority had *vide* its final findings issued *vide* notification No. 15/17/2008-DGAD, dated 13<sup>th</sup> August, 2009 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 13<sup>th</sup> August, 2009, come to the conclusion that-

(i) the subject goods are entering the Indian market at dumped prices and dumping margins of the subject goods imported from Taiwan and UAE are substantial and above de-minimis;

(ii) the subject goods are likely to enter the Indian market at dumped prices and the likely dumping margins in respect of imports from Taiwan and UAE will be substantial and above de-minimis;

(iii) the subject goods are likely to enter Indian market at dumped prices, should the present measures be withdrawn;

(iv) Further, should the present anti dumping duties be revoked, injury to the domestic industry is likely to continue and intensify,

and therefore, had recommended continued imposition of definitive anti-dumping duty on imports of the subject goods, originating in, or exported from, the subject countries and imported into India, in order to remove injury to the domestic industry;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975)

read with rules 18 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under the said sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), the specification of which is specified in column (4) of the said Table, originating in the country as specified in the corresponding entry in column (5), and produced by the producer as specified in the corresponding entry in column (7), when exported from the country as specified in the corresponding entry in column (6), by the exporter as specified in the corresponding entry in column (8), and imported into India, an anti-dumping duty at a rate which is equivalent to difference between the amount mentioned in the corresponding entry in column (9), in the currency as specified in the corresponding entry in column (11) and as per unit of measurement as specified in the corresponding entry in column (10), of the said Table and the landed value of imported goods in like currency as per like unit of measurement.

Table

SNo.	Sub-heading	Description of goods	Specification	Country of origin	Country of Export	Producer	Exporter	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	3920 69	Sun and/or Dust Control Polyester Film	Any specification	Chinese Taipei	Any country	Any producer	Any exporter	7.99	Kilogram	US Dollar
2.	3920 69	Sun and/or Dust Control Polyester Film	Any specification	Any country except UAE	Chinese Taipei	Any producer	Any exporter	7.99	Kilogram	US Dollar
3.	3920 69	Sun and/or Dust Control Polyester Film	Any specification	UAE	Any country	Any producer	Any exporter	8.17	Kilogram	US Dollar
4.	3920 69	Sun and/or Dust Control Polyester Film	Any specification	Any country except Chinese Taipei	UAE	Any producer	Any exporter	8.17	Kilogram	US Dollar

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years from the date of publication of this notification in the Official Gazette. The anti-dumping duty shall be paid in Indian currency.

*Explanation.* - For the purposes of this notification,-

(a) "landed value" means the assessable value as determined under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties levied under sections 3, 8B, 9 and 9A of the said Customs Tariff Act, 1975;

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

[F.No.354/91/2003-TRU]

## Rough Marble Import by SIL Holders

*Sub: Guidelines for import of Rough Marble Blocks/Slabs for the year 2009-10.*

08-Pol.Cir  
29.09.2009  
(DGFT)

Attention is invited to Policy Circular No.12 (RE-08)/2004 2009 dated 27.6.2008 on the subject mentioned above.

Representations have been received from trade and industry, who have been granted licences for import of rough marble blocks/slabs for the year 2008-09 and for the first three months of the year 2009-10 under the aforementioned Policy Circular. The representations request for release of the balance quota of 75% for the year 2009-10.

2. The representations have been examined and with the approval of competent authority, it is informed that it has been decided to grant

another 25% of the quota to the erstwhile licencees under the aforementioned Circulars.

3. Accordingly, all licence holders of rough marble blocks/slabs issued to them under the provisions of Policy Circular No.12 (RE-08)/2004-2009, may apply to concerned RA of DGFT for enhancing the quantity in their licence by upto another 25% of the quantity granted to them in the year 2008-09. The import of enhanced quantity shall be subject to all the conditions applicable on import of rough marble blocks/slabs indicated in relevant Circulars.

4. This issues with the approval of Competent Authority.

## Marble and Rough/Unprocessed Blocks and Slabs Policy Amended

12-Ntfn(RE)  
29.09.2009  
(DGFT)

In exercise of powers conferred under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby makes the following amendments in Schedule-I (Imports) to the ITC (HS) Classifications of Export and Import Items:

1. **Import Licensing Note No. (2)** inserted at the end of Chapter 25, vide Notification No. 17 (RE-2007)/2004-09 dated 26<sup>th</sup> July 2007, as amended from time to time, will be amended to read as follows:

"Import of marble will be subject to the conditions laid down in Policy Circular No.12 (RE-08)/2004-2009 date 27.06.2008, Policy Circular No.13 (RE-2008)/2004-09 dated 30.6.2008, Policy Circular No.20 (RE-2008)/2004-09 dated 16.07.2008, Policy Circular No.25 (RE-2008)/2004-09 dated 08.08.2008, Policy Circular No. 28 (RE-2008)/2004-09 dated 20.08.2008, Policy Circular No. 65 (RE-2008)/2004-09 dated 26.02.2009, Policy Circular No. 67 (RE-2008)/2004-09 dated 2.03.2009, Policy Circular No. 101 (RE-08/2004-2009) dated 13.8.2009 and Policy Circular No. 08 /2009-2014 dated 29.9.2009".

2. This issues in public interest.

## Service Tax on Coastal Shipping of Export Goods Exempt on Production of Bill of Lading or Equivalent

40-ST  
30.09.2009  
(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, 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. 17/2009-Service Tax, dated the 7<sup>th</sup> July, 2009, G.S.R. 489 (E), dated the 7<sup>th</sup> July, 2009.

2. In the said notification, in the Table, after S.No.16 for the entries in column (1), (2), (3) and (4), the following entries shall be inserted, namely:-

17. (zzzzl)	Service provided for transport of export goods through national waterway, inland water and coastal shipping.	i. The exporter shall- 1. produce the Bill of Lading or a Consignment Note or a similar document by whatever name called, issued in his name; 2. produce evidence to the effect that the said transport is provided for export of relevant goods.
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F. No. 341/15/2007-TRU

## Input Services are not under Inputs which Cover Goods

### Abrasive Stones Classification

**F.No.267/90/2009-CX-8 (Pt.1)**

*Subject: Clarification on some important issues related to the ceramic tile industry.*

899-CBEC  
25.09.2009  
(DoR)

Attention is invited to Notification No. 05/2006-CE dated 01.03.06 which stipulates that Central Excise duty at 8% will be charged on Ceramic tiles manufactured in a factory not using electricity for firing the kiln on the condition that "if no credit of the duty paid on the inputs used in or in relation to the manufacture of such ceramic tiles has been taken under rule 3 or rule 13 of the CENVAT Credit Rules, 2004". Representations have been received from trade & industry stating that objections are being raised by the field formations holding that taking of Cenvat credit on input services would violate the condition of the notification.

1.1 The matter has been examined. It is hereby clarified that the notification debar taking of credit on inputs and not on input services. Further input and input services are separately defined in the CENVAT Credit Rules, 2004, and the term 'input' does not include 'input services'. Therefore, taking of credit on input service would not violate the condition of notification.

2. Attention is also invited to the classification of Abrasive stones for the purpose of availing Cenvat Credit. It may be recalled that till the operation of 6 digit CET, Abrasive stones were classifiable under 680110 and was covered under the definition of capital goods as per Rule 2(a)(A)(i) of CENVAT Credit Rules, 2004. However, after the introduction of 8 digits CET, with effect from 28.02.2005, abrasive stones were classified under 6805. Therefore, a view was taken that the abrasive stones came out of purview of capital goods after 28.02.2005. Vide Notfn. No. 07/2007-CE (NT) dated 21.02.2007, the heading 6805 was included in the definition of capital goods. Representations have been received from the trade & industry that because of non-coverage of abrasive stones under the definition of 'capital goods' during the period 28.02.2005 to 20.02.2007, the field formations are taking a view that these goods are in the nature of 'input', therefore, the credit taken on such abrasive stones during this period, disentitles the units from availing benefit of notification no. 05/2006-CE.

2.1. The matter has been examined. The notification No. 07/2005-CE (NT) dated 24.02.2005 was issued to take care of such issues arising due to transition from 6 digit to 8 digit CET. Under the said notification, Central Excise (Removal of Difficulties) Rules, 2005 have been notified. The said Rules provides that the reference to erstwhile chapter, headings, sub-heading or tariff item under 6 digit CET shall be deemed to have been substituted by the corresponding new chapter, headings, sub-heading or tariff item under the 8 digit CET in any of the rules made under Section 37 of the Central

Excise Act. The Cenvat Credit Rules have also been framed under Section 37, therefore, it is clarified that abrasive stones which were classified under heading 680110 under 6 digit tariff, would be treated as capital goods even though the same were classified under heading 6805 in the eight digit tariff for the period 28.02.2005 to 21.02.2007. Therefore, benefit of notification cannot be denied on this ground.

3. Trade & Industry as well as field formations may be suitably informed.

### Tariff Value Raised on Brass Scrap and Poppy Seeds

149-Cus(NT) 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 3<sup>rd</sup> 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)	3285
9	1207 91 00	Poppy seeds	3057"

[F. No. 467/14/2009-Cus.V]

### PAN Card must be Verified in Original before New IEC Issue

The following Trade Notice was issued by the Zonal Jt. DGFT, , Mumbai on 7<sup>th</sup> September 2009.

Sub: Getting the original PAN Card verified for issue/amendment of IEC

05-TN Attention of members of trade is invited towards para 07.09.2009 2.9 of Handbook of Procedures, wherein it is stated that (DGFT) Import Export Code Number (IEC) shall be issued against single PAN number. But prior to issue of IEC, office verifies the details of PAN submitted by applicant from Income Tax site. However, sometimes due to technical/connectivity problems, the IT site is not accessible as a result processing of IEC application gets

### Customs Valuation Exchange Rates

October 2009	Imports	Exports	
<b>Schedule I</b>			
1 Australian Dollar	42.55	41.40	
2 Canadian Dollar	45.45	44.15	
3 Danish Kroner	9.70	9.35	
4 EURO	71.80	70.00	
5 Hong Kong Dollar	6.25	6.15	
6 Norwegian Kroner	8.45	8.15	
7 Pound Sterling	79.70	77.75	
8 Swedish Kroner	7.15	6.90	
9 Swiss Franc	47.55	46.20	
10 Singapore Dollar	34.40	33.60	
11 U.S. Dollar	48.60	47.70	
<b>Schedule II</b>			
1 Japanese Yen	53.70	52.20	

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 146(NT)/25.09.2009)

### Commodity Spot Prices in India – 01-05 October 2009

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 01-05 October.

Commodity	Unit	Market	1-Oct	3-Oct	5-Oct
CER (Carbon Trading)	1 MT	Mumbai	842	819	819
Chana	100 KGS	Delhi	2276	2277	2295
Masur	100 KGS	Indore	4512	4515	4528
Potato	100 KGS	Agra	1301.7	1301.5	1305
Potato TKR	100 KGS	Tarkeshwar	1381.9	1379.9	1378.3
Arecanut	100 KGS	Mangalore	8439	8431	8453
Cashewkern	1 KGS	Quilon	305	304	304
Cardamom	1 KGS	Vandanmedu	684.75	686.75	693.25
Coffee ROB	100 KGS	Kushalnagar	66.6	66.2	66.2
Jeera	100 KGS	Unjha	11440	11422	11413
Pepper	100 KGS	Kochi	14206	14167	14265
Red Chili	100 KGS	Guntur	5991	5991	5981
Turmeric	100 KGS	Nzmbad	8084	8096	8150
Guar Gum	100 KGS	Jodhpur	4825	4900	4925
Maize	100 KGS	Nzmbad	881.5	881.5	889
Mentha Oil	1 KGS	Chandausi	546.8	545.9	544.2
Cotton Seed	100 KGS	Akola	1282	1260	1266
Castorsd RJK	100 KGS	Rajkot	2677	2665.5	2668.5
Guar Seed	100 KGS	Jodhpur	2215	2261	2267
Soya Bean	100 KGS	Indore	1997.5	1978.5	2004.5
Mustrdsd JPR	20 KGS	Jaipur	526.2	522.8	527.5
Sesame Seed	100 KGS	Rajkot	5567	5613	5600
Coconut Oil Cake	100 KGS	Kochi	1050	1040	1040
RCBR Oil Cake	1 MT	Raipur	6243	6067	6003
Kapaskhali	50 KGS	Akola	564.2	562.7	571
Coconut Oil	100 KGS	Kochi	4586	4628	4628
Refsoy Oil	10 KGS	Indore	427.05	425.25	432.15
CPO	10 KGS	Kandla	317.3	311.8	312.6
Mustard Oil	10 KGS	Jaipur	511.7	506.8	508.1
Gnutoilexp	10 KGS	Rajkot	652.8	640	630
Castor Oil	10 KGS	Kandla	555.7	552	555
Crude Oil	1 BBL	Mumbai	3392	3348	3348
Furnace Oil	1000 KGS	Mumbai	26219	26219	NA
Sourcrd Oil	1 BBL	Mumbai	3305	3305	3258.5
Brent Crude	1 BBL	Mumbai	3250	3258	3258
Gur	40 KGS	Muzngr	1047.7	1030	1030
Sugars	100 KGS	Kolhapur	2822	NA	2805
Sugarm	100 KGS	Delhi	2971	2976	2980
Natural Gas	1 mmBtu	Hazirabad	232.6	225.8	225.8
Rubber	100 KGS	Kochi	10800	10800	10769
Cotton Long	1 Candy	Kadi	23030	23030	23120
Cotton Med	1 Maund	Abohar	2176	2176.5	2177.5
Jute	100 KGS	Kolkata	2307	2260	2232
Gold	10 GRMS	Ahmd	15668	15620	15554
Gold Guinea	8 GRMS	Ahmd	12534	12496	12443
Silver	1 KGS	Ahmd	26100	25900	25874
Sponge Iron	1 MT	Raipur	15465	15335	15145
Steel Flat	1000 KGS	Mumbai	31560	31080	31140
Steel Long	1 MT	Bhavnagar	23540	23225	23245
Copper	1 KGS	Mumbai	298.55	282.95	282.95
Nickel	1 KGS	Mumbai	850.5	840.5	825.8
Aluminium	1 KGS	Mumbai	89.05	88.9	85.4
Lead	1 KGS	Mumbai	107.65	104.9	101.7
Zinc	1 KGS	Mumbai	92.55	91.65	88.9
Tin	1 KGS	Mumbai	746.5	729.5	702.25

(Source: MCX Spot Prices)

delayed. Further, instances have also come to notice where applicants have submitted fake PAN card copy with an intention to fraudulently obtain IEC. In order to curb such malpractices and to avoid such inconvenience in issuance of IEC, it has now been decided that all the applicants who have submitted the request for issue of fresh IEC or amendment of IEC shall bring the original PAN card and get it verified from the officers in charge of IEC section in the second half of the working day.

The office will not issue IEC unless and until the applicant gets the PAN copy verified with the original PAN card from any one of the said officers.

Trade may kindly note and comply accordingly in order to avoid any delay in issuance of IEC.

## Supplier Benefits for Domestic Procurement Against Invalidation Letter/ARO

### Value Addition on Clubbing of Advance Authorisation

Subject: Clarification with regard to:

A. Deemed Export Benefits on supplies against Invalidation Letter / ARO.

B. Value Addition requirement on clubbing.

09-Pol.Cir 01.10.2009 (DGFT) Attention is invited to paragraph 4.1.11 of FTP wherein the reference has been made to the facility of Invalidation Letter and Advance Release Order (ARO) for domestic procurement of the inputs for export production. Trade and Industry have represented that for want of specific provision stating the FTP

benefits to the domestic supplier against Invalidation Letter / ARO, field formations at times raise objections.

In this regard, it is informed that the purpose of Invalidation letter / ARO is to facilitate duty neutralisation or inputs procured from the domestic market, in lieu of duty free imports allowed under the authorisation. Accordingly, it is clarified that against invalidation letter, the supplier can avail Advance Authorisation for Intermediate supplies and TED refund (wherever Excise exemption is not available against such supplies), whereas against ARO, the supplier is entitled for deemed export duty drawback, as applicable. Provision of Paragraph 4.1.11 of FTP has to be read with Paragraphs 8.3 and 8.4.1 of FTP.

2. Value addition requirement on clubbing of Advance Authorisations of Paragraph 4.20 of HBP v1:-

Trade and Industry have represented that since the minimum prescribed value addition under Advance Authorisation Scheme has been enhanced to 15% in the FTP 2009-14, the required minimum value addition for the purpose of clubbing of advance authorisations issued during the pre-2009-14 policy and that of 2009-14 policy, needs to be clarified for a uniform application by the Regional Authorities.

In this regard, it is clarified that the value addition on clubbing should be the prescribed minimum value addition stated in the FTP and not the declared value addition given in the application. In case of clubbing of authorisations with different minimum prescribed value addition, the aggregate value addition should be the weighted average based on CIF value utilized in the respective authorisations.

For clarity, an illustration is given below with reference to two Authorisations issued with different V.A Norms:

(i) CIF Value utilized under Authorisation A (issued under positive V.A provision): say, Rs. 1000/-.

(ii) CIF value utilized under Authorisation B (issued under 15% V.A provision): say Rs. 2000/-.

(iii) Minimum FOB Value required under Authorisation A shall be: Rs. 1000/-.

(iv) Minimum FOB value required under Authorisation B shall be: Rs. 2300/-.

(v) Upon Clubbing, CIF value of the clubbed authorisation would be Rs. 3000/- and the minimum FOB value of the clubbed authorisation would be Rs. 3300/-.

This will ensure that the prescribed minimum value addition on the respective authorisations is achieved indicating that the weighted average value addition for the clubbed authorisation is maintained.

This issues with the approval of Competent Authority.

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