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## World Economy Defies US Recession, Emerging Markets Insulated Dollar Weakens; Yuan, Rupee Rise



### Uncle Sam is Sick?

Wall Street economists are reviving a bet that the global economy will withstand the U.S. slowdown. Just three years since America began dragging the world into its deepest recession in seven decades, Goldman Sachs Group Inc., Credit Suisse Holdings USA Inc. and BofA Merrill Lynch Global Research are forecasting that this time it will be different. Goldman Sachs predicts worldwide growth will slow 0.2 percentage point to 4.6 percent in 2011, even as expansion in the U.S. falls to 1.8 percent from 2.6 percent.

Underpinning their analysis is the view that international reliance on U.S. trade has diminished and is too small to spread the lingering effects of America's housing bust. Providing the U.S. pain doesn't roil financial markets as it did in the credit crisis, Goldman Sachs expects a weakening dollar, higher bond yields outside the U.S. and stronger emerging-market equities.

That may provide comfort for some of the central bankers and finance ministers from 187 nations flocking to Washington for annual meetings of the International Monetary Fund and World Bank on Oct. 8-10. IMF chief economist Olivier Blanchard last month predicted "positive but low growth in advanced countries," while developing nations expand at a "very high" rate. He will release revised forecasts on Oct. 6.

### 'Partially Decoupled'

Emerging markets are showing more strength. Manufacturing in China accelerated for a second consecutive month in September, and industrial production in India jumped 13.8 percent in July from a year earlier, more than twice the June pace.

### Emerging-Markets Hold the Keys of Growth

The gap in growth rates between the developing and advanced worlds is widening, he said. Emerging economies will account for about 60 percent of global expansion this year and next, up from about 25 percent a decade ago, according to his estimates.

The main reason for the divergence: "Direct transmission from a U.S. slowdown to other economies through exports is just not large enough to spread a U.S. demand problem globally," Goldman Sachs economists Dominic Wilson and Stacy Carlson wrote in a Sept. 22 report entitled "If the U.S. sneezes..."

Take the so-called BRIC countries of Brazil, Russia, India and China. While exports account for almost 20 percent of their gross domestic product, sales to the U.S.

compose less than 5 percent of GDP, according to their estimates. That means even if U.S. growth slowed 2 percent, the drag on these four countries would be about 0.1 percentage point, the economists reckon. Developed economies including the U.K., Germany and Japan also have limited exposure, they said.

### Room to Grow

The break with the U.S. will be reflected in a weaker dollar, with the Chinese yuan appreciating to 6.49 per dollar in a year from 6.685 on Oct. 1, according to Goldman Sachs forecasts.

### Lower Yields

The bank is also betting that yields on U.S. 10-year debt will be lower by June than equivalent yields for Germany, the U.K., Canada, Australia and Norway. U.S. notes will rise to 2.8 percent from 2.52 percent, Germany's will increase to 3 percent from 2.3 percent and Canada's will grow to 3.8 percent from 2.76 percent on Oct. 1, Goldman Sachs projects.

The U.S. share of global GDP has shrunk to about 24 percent from 31 percent in 2000. He also notes that, unlike the U.S., many countries avoided asset bubbles, kept their banking systems sound and improved their trade and budget positions.

### Economic Locomotives

A book published last week by the World Bank backs him up. "The Day After Tomorrow" concludes that developing nations aren't only decoupling, they also are undergoing a "switchover" that will make them such locomotives for the world economy, they can help rescue advanced nations. Among the reasons for the revolution are greater trade between emerging markets, the rise of the middle class and higher commodity prices, the book said.

Indonesia, India, China and Poland are the developing economies least vulnerable to a U.S. slowdown, according to a Sept. 14 study based on trade ties by HSBC Holdings Plc economists. China, Russia and Brazil also are among nations with more room than industrial countries to ease policies if a U.S. slowdown does weigh on their growth, according to a policy-flexibility index designed by the economists, who include New York-based Pablo Goldberg.

### Inflation, Asset Bubbles and Currency

#### Appreciation Emerges in Emerging Economy

The increasing focus on emerging markets may present challenges for their policy makers as the flow of money into their economies risks fanning inflation, asset bubbles and currency appreciation. Countries from South Korea to Thailand have already intervened to weaken their currencies,

along with taking steps to restrict capital inflows.

Stephen Roach, nonexecutive Asia chairman for Morgan Stanley, remains skeptical of decoupling. He links the optimism to a snapback in global trade from a record 11 percent slide in 2009. As that fades amid sluggish demand from advanced economies, emerging markets that rely on exports for strength will "face renewed and formidable headwinds," he said.

The Goldman Sachs economists argue history is on their side. The U.K., Australia and Canada all continued growing amid the U.S. recession of 2001 as the technology-stock bust

passed them by, while America's 2006-2007 housing slowdown inflicted little pain outside its borders, they said. The shift came when the latter morphed into a financial crisis, prompting Goldman Sachs to declare in December 2007 that 2008 would be the "year of recoupling."

The argument finds favor with Neal Soss, New York-based chief economist at Credit Suisse. While the supply of dollars and letters of credit that fuel international commerce dried up during the turmoil, that isn't a problem now, so the rest of the world can cope with a weaker U.S., he said.

(vi) Clarification of the terms 'original investment' and 'lock-in period' in case of minimum capitalization of construction development projects {Para 5.2.13.2(3)}:

It has been clarified that the term "Original investment" means the entire amount brought in as FDI. It has further been clarified that the lock-in-period of three years will be applied from the date of receipt of each installment/tranche of FDI or from the date of completion of minimum capitalization, whichever is later. This was necessary as a number of queries had been received in regard to the coverage of these terms.

(vii) Removal of the condition that 'wholesale trading made to Group companies should be for internal use only' in the guidelines for Cash & Carry Wholesale Trading {Para 5.2.24.1.2(d)}:

This change has been made in response to requests for simplification of the guidelines received from stakeholders.

(viii) Clarification that Minimum Capitalization includes share premium received along with face value of the shares only when it is received by the company upon issue of the shares to the non-resident investors {Para 5.2.25.2 – Note below}:

This is relevant in sectors such as NBFC and construction development where "minimum capitalization" requirements have been stipulated. This clarification is expected to bring in requisite clarity on the issues of inclusion of share premium within minimum capitalization and on the circumstances under which such share premium can be counted towards minimum capitalization.

(ix) Amendment of Note below the definition of 'Capital' to allow for FDI in partly-paid shares and warrants through the Government route {Para 2.1.5}:

At present, capital is defined as "equity shares, fully, compulsorily and mandatorily convertible preference shares, fully compulsorily and mandatorily convertible debentures". This clarification, allowing for FDI in partly-paid shares and warrants, through the Government route, is intended to bring in consistency with extant practice.

(x) Changes in the paragraphs relating to issue price of shares and addition of a paragraph on share-swaps, consistent with extant instructions {Paras 3.4.2 and 3.5.6}:

The latter has been included as a number of cases of share swaps are now being considered under the Government approval route. Prior to this, the issue of share swaps had not been explicitly mentioned under the FDI policy. This is expected to bring in clarity on the aspect of share swaps requiring approval of Government.

3. After the issue of Circular 1 of 2010, the Department has released five discussion papers on various aspects of FDI policy. Appropriate reference has been made to these discussion papers in this Circular.

[Source: PIB Press Releases on 29<sup>th</sup> September 2010]

## Update of FDI Policy

### DIPP Issues Circular 2 of 2010

1. Circular 2 of 2010, updating all instructions and clarifications relating to FDI Policy, as on September 30, 2010, was released on 29 September. This is as per the commitment made that this circular would be revised every six months, when Circular 1 of 2010 was released.

2. The substantive issues addressed/clarified in Circular 2 include the following:

(i) Incorporation of Press Note 2 of 2010 relating to the prohibition on manufacture of cigarettes etc {Para 5.1}:

The manufacturing of 'cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes', in which FDI had been prohibited earlier this year, has now been formally included in the list of sectors/activities in which FDI is prohibited.

(ii) Clarification on the coverage of "controlled conditions" for FDI in Agriculture, Animal Husbandry etc {Para 5.2.1.1(vi)}:

The term is relevant because FDI is permitted only under 'controlled conditions' under specified sub-sectors within the "Agriculture and Animal Husbandry" sector. A number of queries had been received from stakeholders with regard to the coverage of this term. The coverage/scope of the term 'controlled conditions' has now been separately defined in respect of 'animal husbandry', 'development of seeds', 'pisciculture and aquaculture' and 'floriculture/horticulture/cultivation of vegetables and mushrooms'. It is expected that this would lead to adequate clarity on FDI in this sector.

(iii) Clarification on the concept of value-addition in case of mining and mineral separation of Titanium bearing minerals {Para 5.2.3.3.2(ii)}:

This is relevant because FDI for separation of Titanium bearing minerals and ores is subject to the setting up of value-addition facilities in India. It has been clarified that the objective of

the policy is to ensure that raw material available in the country is utilized for setting up downstream industries and the technology available internationally is available for setting up such industries within the country. Thus, if with the technology transfer, the objective of the FDI policy can be achieved, the conditions stipulated in regard to setting up value addition facilities shall be deemed to be fulfilled.

(iv) Clarification that 100% foreign owned NBFCs, with a minimum capitalization of \$ 50 million, can set up subsidiaries for specific NBFC activities, without bringing additional capital towards minimum capitalization {Para 5.2.18.2(iv)}:

The need for this clarification had arisen as requests had been received for clarifying whether such downstream subsidiaries were independently required to meet conditions relating to minimum capitalization.

(v) Introduction of specific provision for downstream investment through internal accruals {Para 4.6.6(iv)}:

It has now been explicitly clarified that downstream investments through internal accruals are permissible, subject to following of guidelines for downstream investments by Indian companies which are "owned and/or controlled by non-resident entities". This clarity was necessary as the FDI policy states that for the purpose of downstream investment, the operating-cum-investing/investing companies would have to bring in requisite funds from abroad and not leverage funds from the domestic market for such investments. While this would not preclude companies from making downstream investments through 'internal accruals', it had been noticed that, in certain cases, some companies had started accessing the Government approval route for downstream investments through internal accruals.

### 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
5-Oct-10	45.7600	45.7600	44.7775	44.8675	44.8675	771706	3703601	1661750.13	44.7200
4-Oct-10	44.6225	44.8275	44.4400	44.7575	44.7575	641832	3582563	1599396.93	44.3700
1-Oct-10	45.1200	45.1425	44.6600	44.6950	44.6950	608853	3728138	1671338.52	44.6800
29-Sep-10	45.2075	45.2700	45.0125	45.1375	45.1375	571788	4097724	1849958.85	44.9200
28-Sep-10	45.3325	45.5150	45.2975	45.4350	45.4350	582629	3652330	1658239.51	45.1300

[Source: NSE and RBI Website]

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**CVD and Special CVD Reimposed on Zero Duty Goods from Nepal**

Ntfn 104 In exercise of the powers conferred by sub-section (1) of 01.10.2010 section 25 of the Customs Act, 1962 (52 of 1962), and (DoR) in supersession of the notification of the Government of India in the Ministry of Finance (Department of



Revenue) No. 94/2010 –Customs dated the 15th September, 2010, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 761 (E) dated the 15th September, 2010, except as respects things done or omitted to be done before such supersession, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods specified in column (2) of the Table below, when imported into India from Nepal, from the whole of the duty of customs leviable thereon

under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), subject to the conditions, if any, specified in the Annexure to this notification, the condition number of which is mentioned in the corresponding entry in column (3) of the said Table:

**Table**

SNo	Description of goods	Condition No.
(1)	(2)	(3)
1.	(i) Agricultural, horticultural, floricultural and forest produce; (ii) Minerals which have not undergone any processing; (iii) Rice, pulses, flour, atta, bran and husk; (iv) Timber; (v) Jaggery (gur and shakkari); (vi) Livestock, poultry bird and fish; (vii) Bees, bees-wax and honey; (viii) Raw wool, goat hair, bristles and bones as are used in the manufacture of bone-meal; (ix) Milk, home-made products of milk and eggs; (x) Ghani-produced oil and oil-cakes; (xi) Herbs, Ayurvedic and herbal medicines including essential oils and its extracts; (xii) Articles produced by village artisans as are mainly used in villages; (xiii) Akra (xiv) Yak tail; (xv) Stone aggregate, boulder, sand and gravel;	1
2.	All manufactured goods other than the following, namely: - (i). Alcoholic liquors or beverages and their concentrates except industrial spirits; (ii). Perfumes and cosmetics with non-Nepalese or non-Indian brand names; (iii). Cigarettes and tobacco; (iv). Vegetable fats (Vanaspati); (v). Acrylic yarn; (vi). Copper products falling under Chapter 74 and heading 85.44 of the First Schedule to the said Customs Tariff Act, and (vii). Zinc Oxide .	2
3.	(i). Vegetable fats (Vanaspati); (ii). Acrylic yarn; (iii). Copper products falling under Chapter 74 and heading 85.44 of the First Schedule to the said Customs Tariff Act, and (iv). Zinc oxide.	2 and 3

**Annexure**

Condition No	Condition
1.	If the goods are wholly produced in Nepal.
2	(A) (1) The goods are manufactured in Nepal wholly from Nepalese materials or Indian materials or Nepalese and Indian materials. The following products shall be considered as wholly produced or manufactured in Nepal for this purpose -

(i) Raw materials or mineral products extracted from soil, water, riverbed or beneath the riverbed in Nepal.

(ii) Products taken from the sea bed, ocean floor or sub-soil thereof beyond the limits of national jurisdiction of Nepal, provided it has the exclusive rights to exploit that seabed, ocean floor or sub soil thereof, in accordance with the provisions of the United Nation's Convention on the Law of the Sea (UNCLOS).

(iii) Used articles collected in Nepal, fit only for the recovery of raw materials.

(iv) Waste and scrap resulting from manufacturing operations conducted in Nepal. Or,

(2) (a) The goods involve a manufacturing process in Nepal that brings about a change in classification, at four digit level, of the Harmonized Commodities Description and Coding System, different from those, in which all the third country origin materials used in the manufacture of such goods are classified and the manufacturing process is not limited to insufficient working or processing as indicated in the illustrative list below:

(i). operations to ensure the preservation of articles in good condition during transport and storage (for example, ventilation, spreading out, drawing, chilling, placing in salt, sulphur-dioxide or other aqueous solutions, removal of damaged parts and like operations);

(ii). operations consisting or removal of dust, sifting or screening, sorting, classifying, matching (including the making up of sets), washing, painting, cutting up;

(iii). changes of packing and breaking up and assembly of consignments;

**CVD of 4% on Flash Memory Cards**

**Classification of the Item Broadened to Entire HS Code 8523**



The Department of Revenue has issued Excise Notification No. 32 dated 28 September 2010. The measure has broadened the classification of flash memory cards to the entire heading 8523 from 8523 51 for eligibility to the 4% CVD. Thus the contention of the Delhi Preventive Section of Customs that flash memory SD cards, are a sub set of smart cards and are thus leviable to 10 percent CVD under 8523 52 is immaterial. With the broadening of the classification for exemption, the CVD under smart card classification is also 4% after the amending notification of 28 September 2010.

It may be recalled that SD flash memory cards were subjected a Bank Guarantee of 10% following Delhi CC (Prev) Circular based on IIT professor opinion which said that SD flash memory did not have PCB. The conclusion of Delhi CC (Prev) was that the classification of flash memory SD cards was under Smart Card and exemption of 4% was not applicable.

(The excise duty on flash memory was earlier reduced to 4% from 10% by 28-CE dated 07.05.2010. The issue of classification surfaced subsequently and the exemption became "dirty" is now sorted out with the issue of 32-CE dated 28 Sept 2010).

32-CE In exercise of the powers conferred by sub-section 28.09.2010 (1) of section 5A of the Central Excise Act, 1944 (1 of (DoR) 1944), the Central Government, on being satisfied

that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.6/2006-Central Excise, dated the 1<sup>st</sup> March, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R.96(E), dated the 1<sup>st</sup> March, 2006, namely:-

In the said notification, in the Table, against S.No.17, for the existing entry in column (2), the following entry shall be substituted namely:-

"8471 70 or 8473 30 or 8523"

[F.No.354/150/ 2010-TRU]

(iv). slicing, cutting, slitting, re-packing, placing in bottles or flasks or bags or boxes or other containers, fixing on cards or boards etc., and all other packing or re-packing operations;

(v). the affixing of marks, labels or other like distinguishing signs on articles or their packaging;

(vi). mixing of articles, whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in para 1 (b) of Protocol to the Article V of the Treaty of Trade between the Government of Nepal and the Government of India to enable them to be considered as manufactured or produced or made in Nepal;

(vii). assembly of parts of an article to constitute a complete article;

(viii). a combination of two or more operations specified in (i) to (vii) above. and,

(b) the total value of materials, parts or produce originating from countries other than Nepal or India or of undetermined origin used does not exceed 70% (seventy percent) of the FOB price of the articles produced, and the final process of manufacturing is performed within the territory of Nepal.

Explanation:-For the purpose of this notification, the total value of materials, parts or produce originating from countries other than Nepal or India shall be the CIF value at the time of importation of materials, parts or produce, at the point of entry in Nepal, where this can be proven to the satisfaction of Deputy Commissioner of Customs or the Assistant Commissioner of Customs as the case may be, or the earliest ascertainable price paid for the materials, parts or produce of undetermined origin in the territory of the Contracting Party where the working or processing takes place.

(B) The importer produces a certificate of origin in the Form annexed hereto, duly certified by an agency designated by the Government of Nepal, in respect of the consignment, to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that such goods have in fact been manufactured in Nepal.

Form of Certificate of Origin

**Certificate of origin for exports free of Customs duties under the Treaty of Trade between the Government of Nepal and the Government of India**

Reference No. \_\_\_\_\_

- Articles consigned from (Exporter's business name, address):
- Articles consigned to (Consignee's name, address):
- Means of transport and route:
- Item number (HS Tariff Line):
- Marks and number of packages:
- Description of Articles :
- Gross weight or other quantity :
- Number and date of Invoice together with value:
- FOB value of the articles manufactured in Nepal :
- (i) Whether articles are manufactured in Nepal under Para 1(a) of the Protocol to Article V of the Treaty of Trade - (Yes/No):
- (ii) If articles are manufactured in Nepal under Para 1 (b) (i) and (ii) of the Protocol to Article V of the Treaty of Trade:  
(A) CIF value of materials, parts or produce originating from Non-Contracting Parties (i.e. other than Nepal and India ) at the point of entry in Nepal:-  
(B) Value of materials, parts or produce of undetermined origin:-
- Percentage of the sum of the value of column 10(ii) (A) and (B) to the value of column 9:
- Declaration by the exporter:

The undersigned hereby declares that the details furnished above are correct, that the articles are produced in Nepal and that they comply with the Rules of Origin specified in the Treaty of Trade between the Government of Nepal and Government of India.

\_\_\_\_\_  
(Place and Date, Signature of authorised signatory)

13. Certification:

It is certified that the articles herein referred to are eligible for preferential treatment as per provisions of the Treaty of Trade between Government of Nepal and the Government of India. It is further certified that:



**Indonesia Included in ASEAN FTA**

Ntfn 103  
01.10.2010  
(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. 153/2009-Customs, dated the 31st December, 2009 which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 944 (E), dated the 31st December, 2009, namely:-  
In the said notification, in the Appendix I, after serial number 5 and the entries relating thereto, the following serial number and entry shall be inserted, namely:-

S. No.	Name of the country
"6	Indonesia"

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

**Indonesia Inserted in Origin List**

87-Cus(NT)  
30.09.2010  
(DoR)

In exercise of the powers conferred by sub-section (1) of section 5 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government hereby makes the following rules further to amend the Customs Tariff

[Determination of Origin of Goods under the Preferential Trade Agreement between the Governments of Member States of the Association of Southeast Asian Nations (ASEAN) and the Republic of India] Rules, 2009, namely:-

- (1) These rules may be called the Customs Tariff [Determination of Origin of Goods under the Preferential Trade Agreement between the Governments of Member States of the Association of Southeast Asian Nations (ASEAN) and the Republic of India] Third Amendment Rules, 2010.
- (2) These rules shall come into effect on the 1<sup>st</sup> day of October, 2010.

2. In the Customs Tariff [Determination of Origin of Goods under the Preferential Trade Agreement between the Governments of Member States of the Association of Southeast Asian Nations (ASEAN) and the Republic of India] Rules, 2009, in Annexure IV, after S.No. 5, the following S. No. and entry shall be inserted, namely:-

S.No.	Name of the Country
6.	The Republic of Indonesia

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

- The articles have been manufactured in Nepal at a factory situated at \_\_\_\_\_ (name of place/district) by M/s. \_\_\_\_\_ (name of the company).
- The articles involve manufacturing activity in Nepal and that the manufacturing activity satisfies the criteria given in the Protocol to Article V of the Treaty of Trade.
- The articles in question are not products of third country origin.\*

For the Government of Nepal  
(Place and date, Signature and Stamp of Certifying Authority)

\*For the purpose of the above Item No. 3, the articles which have undergone a manufacturing process in Nepal as defined in the Protocol to Article V of the Treaty shall not be treated as product of third country origin.

14. For official use of Indian Customs:

The consignment has been examined and allowed to be imported into India as it complies with the provisions as stipulated under Article V of the Treaty of Trade between the Government of Nepal and Government of India.

\_\_\_\_\_  
Signature and Seal of the Certifying Authority.

Dated:  
Place:

3. (A) The exemption shall apply only to a specified quantity of imports, not exceeding:-
- 100,000 MT in case of Vegetable fats (Vanaspati);
  - 10,000 MT in case of Acrylic yarn;
  - 10,000 MT in case of Copper products falling under Chapter 74 and heading 85.44 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975); and
  - 2,500 MT in case of Zinc Oxide;
- in a time period, which shall commence from the 6th day of March of a given calen-

dar year and end on the 5th day of March of the succeeding calendar year.

(B) The imports shall be permitted only through the land customs stations at Kakarbhitta/Naxalbari, Biratnagar/Jogbani, Birganj/Raxaul, Bhairwaha/Nautanwa, Nepalgunj/Nepalgunj Road and Mahendranagar/Banbasa.

(C) The importer shall follow the procedure as may be specified by the Government of India from time to time.

F. No.354/113/2002-TRU (Pt. II)

India from the subject countries below its normal value;

(ii) the domestic industry has suffered material injury;

(iii) the injury has been caused by the dumped imports from subject countries,

and has recommended imposition of definitive anti-dumping duty on all imports of the subject goods, originating in, or exported from, the subject countries;

Now, therefore, in exercise of the powers conferred by sub-section (1) read with sub-section (5) of section 9A of the said Customs Tariff Act, read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid final findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (3) of the Table below, falling under heading of the First Schedule to the said Customs Tariff Act specified in the corresponding entry in column (2), originating in the country specified in the corresponding entry in column (4), and exported from the country specified in the corresponding entry in column (5) and produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table.



## Anti-dumping Duty on DVD from Malaysia, Thailand and Vietnam – Final Findings

Ntfn 98  
28.09.2010  
(DoR)

Whereas, in the matter of import of Recordable Digital Versatile Disc [DVD] of all kinds (hereinafter referred as the subject goods), falling under heading 8523 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and originating in, or exported from Malaysia, Thailand and Vietnam, (hereinafter referred to as the subject countries) into India, the Designated Authority, in its preliminary findings vide notification No. 14/16/2009-DGAD dated the 13th November, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 13th November, 2009, had come to the conclusion that,—

- the subject goods had been exported to India from the subject countries below its normal value;
- the domestic industry had suffered material injury;
- the injury had been caused by the dumped

imports from subject countries;

and had recommended imposition of provisional anti-dumping duty on all imports of the subject goods originating in, or exported from, the subject country;

And whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods vide notification No. 48/2010-Customs, dated the 12<sup>th</sup> April, 2010, published in the Gazette of India, Extraordinary Part II, Section 3, Sub-section (i), vide number G.S.R. 313(E), dated the 12<sup>th</sup> April, 2010;

And Whereas, the Designated Authority, in its final findings vide notification No. 14/16/2009-DGAD dated the 2<sup>nd</sup> July, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 2<sup>nd</sup> July, 2010, has come to the conclusion that-

- the subject goods have been exported to

Table

SNNo.	Tariff heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	8523	Digital Versatile Disc Recordable	Vietnam	Vietnam	M/s- Ritek Vietnam Co. Ltd	M/s- Ritek Vietnam Co. Ltd	29.75	Per 1000 pieces	US Dollar
2	8523	-do-	Vietnam	Vietnam	Any other combination of producer and exporter other than at S. No. 1		50.51	Per 1000 pieces	US Dollar
3	8523	-do-	Vietnam	Any country other than Vietnam and other than the country already subject to anti dumping duty vide S. No. 3 under column 5 of the duty table in Notification No. 8/2009- Customs dated the 22 <sup>nd</sup> January, 2009	Any	Any	50.51	Per 1000 pieces	US Dollar
4	8523	-do-	Any country other than countries attracting anti dumping duty	Vietnam	Any	Any	50.51	Per 1000 pieces	US Dollar
5	8523	-do-	Thailand	Thailand	Any	Any	25.98	Per 1000 pieces	US Dollar
6	8523	-do-	Thailand	Any country other than Thailand and other than the country already subject to anti dumping duty vide S. No. 6 under column 5 of the duty table in Notification No. 8/2009- Customs dated the 22 <sup>nd</sup> January, 2009	Any	Any	25.98	Per 1000 pieces	US Dollar



7	8523	-do-	Any country other than countries attracting anti dumping duty	Thailand	Any	Any	25.98	Per 1000 pieces	US Dollar
8	8523	-do-	Malaysia	Malaysia	Any	Any	35.92	Per 1000 pieces	US Dollar
9	8523	-do-	Malaysia	Any country other than Malaysia and other than the country already subject to anti dumping duty vide S. No. 9 under column 5 of the duty table in Notification No. 8/2009- Customs dated the 22 <sup>nd</sup> January, 2009	Any	Any	35.92	Per 1000 pieces	US Dollar
10	8523	-do-	Any country other than countries attracting anti dumping duty	Malaysia	Any	Any	35.92	Per 1000 pieces	US Dollar

2. The anti-dumping duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier) with effect from the date of imposition of the provisional anti-dumping duty, that is, the 12<sup>th</sup> April, 2010, and shall be payable in Indian currency.

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

(a) Digital Versatile Disc Recordable means such discs of all kinds and includes DVD-R, DVD+R, DVD-RW and DVD+RW;

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

[F. No. 354/244/2009-TRU (Pt.1)]

### Zero Duty for Rice Import Extended upto 01 Oct 2011

Ntfn 102  
01.10.2010  
(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. 21/2002-Customs, dated the 1st March, 2002 which was published in the Gazette of India, Extraordinary, vide number G.S.R.118 (E), dated the 1st March, 2002, namely:-

In the said notification, in the preamble, in the proviso, in clause (iag), for the figures, letters and words "1st day of October, 2010", the figures, letters and words "1st day of October, 2011" shall be substituted.

[F. No. 354/184/2007-TRU]

[F. No. 354/184/2007-TRU]



### Zero Export Duty for Raw Cotton and Cotton Waste Export Duty on Cotton Withdrawn

Ntfn 105  
01.10.2010  
(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 100/89-Customs, dated the 1st March, 1989, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-

section (i) dated the 1st March, 1989 vide number G.S.R.315 (E), dated the 1st March, 1989, namely:-

In the said notification, in the TABLE, after the Sl.No. 15, the following S.Nos. and the entries shall be inserted:-

Sl. No.	Heading No.	Description of goods
15A	16	Raw Cotton.
15B	17	Cotton waste, all sorts.

[F.No.354/54/2010-TRU]

### 3% Export Duty Imposed on Cotton Waste Notification Rescinded

Ntfn 106  
01.10.2010  
(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 rescinds the notification of the Government of India in the Ministry of Finance (De-

partment of Revenue), No. 44/2010-Customs, dated the 9th April,2010, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.308 (E), dated the 9th April,2010, except as respect things done or omitted to be done before such rescission.

[F. No.354/54/2010-TRU]

### Rs. 2500/MT Export Duty on Raw Cotton Notification Rescinded

Ntfn 107  
01.10.2010  
(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 rescinds the notification of the Government of India in the Ministry of Finance (De-

partment of Revenue), No. 59/2010-Customs, dated the 10th May,2010, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.392 (E), dated the 10th May,2010, except as respect things done or omitted to be done before such rescission.

[F. No.354/54/2010-TRU]

### Cotton Export Restriction to be Withdrawn from 01 Nov 2010

06-Ntfn(RE)  
30.09.2010  
(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 1.3 and 2.1 of the Foreign Trade Policy, 2009-14, and also read with Notification No. 26 (RE 2008)/2004-09 dated 22.7.2008 and Notification No. 44/2009-14 dated 21.05.2010, the Central Government hereby makes the following amend-

ments in Notification No. 58/2009-14 dated 17.08.2010 as under:-

2. With immediate effect, existing entries at para 3 of Notification No. 58/2009-14 dated 17.08.2010 shall be substituted as follows:

"3. The above shall come into effect from 1<sup>st</sup> November, 2010."

3. This issues in public interest.

## Exchange Rates for Customs Valuation

### IMPORTS and EXPORTS

The current notification No. 85-Customs(NT) dated 28<sup>th</sup> September 2010 supersedes notification 77-Customs(NT) dated 27<sup>th</sup> August 2010.

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

Revenue) **No.77/2010-CUSTOMS (N.T.), dated the 27th August, 2010** vide number S.O. 2095(E), dated the 27<sup>th</sup> August, 2010, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or vice versa shall, **with effect from 1<sup>st</sup> October, 2010** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo	Currency	Imported Goods		Exported Goods	
		Current	Previous	Current	Previous
<b>Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees</b>					
1	Australian Dollar	43.90	42.15	42.60	40.90
2	Canadian Dollar	44.75	44.85	43.40	43.60
3	Danish Kroner	8.30	8.10	8.00	7.85
4	EURO	61.70	60.35	59.90	58.70
5	Hong Kong Dollar	5.90	6.10	5.75	5.95
6	Norwegian Kroner	7.80	7.60	7.55	7.35
7	Pound Sterling	72.40	73.70	70.55	71.80
8	Swedish Kroner	6.75	6.40	6.50	6.20
9	Swiss Franc	46.55	46.10	45.15	44.85
10	Singapore Dollar	34.65	35.00	33.70	34.05
11	US Dollar	45.60	47.25	44.70	46.30

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

1	Japanese Yen	54.40	55.95	52.80	54.35
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[F.No.468/11/2010-Cus.V]

### Tariff Value on Brass Scrap Hiked by US \$72/MT

86-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)	4026
9	1207 91 00	Poppy seeds	2751 (i.e. no change)

[F. No. 467/4/2010-Cus.V]

**BIG's Weekly Index of Changes No 28/06-12 October 2010**

### Commodity Spot Prices in India – 30 September-05 October 2010

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

(Rs.)					
Commodity	Unit	Market	30-Sep	1-Oct	5-Oct
CER (Carbon Trading)	1 MT	Mumbai	846.5	835	832
Chana	100 KGS	Delhi	2306	2343	2348
Masur	100 KGS	Indore	3450	3450	3405
Potato	100 KGS	Agra	622.8	609.9	605.9
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	1125.2	1111.1	1080
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	13888	14088	13988
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1151.5	1145	1125.5
Wheat	100 KGS	Delhi	1260.8	1266.3	1269.8
Mentha Oil	1 KGS	Chandausi	973.4	982.2	978
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	3766.5	3729	3699.5
Guar Seed	100 KGS	Bikaner	1994	1979	1983
Soya Bean	100 KGS	Indore	1990.5	1980	1950
Mustrdsd JPR	20 KGS	Jaipur	545	543.7	533.55
Sesame Seed	100 KGS	Rajkot	5725	5675	5713
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1208.7	1203	1199
Coconut Oil	100 KGS	Kochi	7384	7384	7384
Refsoy Oil	10 KGS	Indore	481.75	481.15	477.75
CPO	10 KGS	Kandla	413.7	412	408
Mustard Oil	10 KGS	Jaipur	546.7	549	534.7
Gnutoilexp	10 KGS	Rajkot	750	747.1	823.3
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	3497	3592	3615
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	3628	3697	3695
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	NA	2608	2628
Sugarm	100 KGS	Delhi	2780	2785	2783
Natural Gas	1 mmBtu	Hazirabad	178	173.9	165.4
Rubber	100 KGS	Kochi	16858	16970	17248
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	3338.5	3375.5	3433.5
Gold	10 GRMS	Ahmd	19165	19075	19275
Gold Guinea	8 GRMS	Ahmd	15391	15321	15482
Silver	1 KGS	Ahmd	33350	33065	33480
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	25965	26290	26600
Copper	1 KGS	Mumbai	362.6	361.6	358.4
Nickel	1 KGS	Mumbai	1051.4	1061.7	1084.8
Aluminium	1 KGS	Mumbai	103.55	104.75	104.4
Lead	1 KGS	Mumbai	102.25	101.7	101.75
Zinc	1 KGS	Mumbai	98.8	97.95	101
Tin	1 KGS	Mumbai	1094.25	1119	1151

(Source: MCX Spot Prices)

## Sports Goods Import for Competitions

**"Renowned Shooter" to Produce Certificate from National Rifle Association of India to Customs**

Ntfn 101 In exercise of the powers  
01.10.2010 conferred by sub-section (1) of  
(DoR) 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. 146/94-Customs, dated the 13th July, 1994, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.575 (E), dated the 13th July, 1994, namely:-

In the said notification, in the TABLE, against serial number 2, in column (3), after condition (b), the following proviso and Explanation shall be inserted, namely:-

"Provided that in respect of goods listed



under item XV „SHOOTING specified in column (2) of the Table, the said goods are imported into India by a renowned shooter for training purpose and such importer produces a certificate to the Assistant Commissioner of Customs or Deputy Commissioner of Customs as the case may be, from the National Rifle Association of India that the importer is a renowned shooter.

**Explanation.-** For the purpose of this notification, "renowned shooter" means a person who has participated in a National Shooting Championship in an Open Men s Event or Open Women's Event or Open Civilian's Event whether through Qualifying Tournament or Wild Card Entry conducted in accordance with the rules of the International Shooting Union, and has attained the Minimum Qualifying Score prescribed by the National Rifle Association"

[F.No.341/35/2008-TRU]

**Duty Exemption for Relief Goods for Donation to Ladakh Development Council**

Ntfn 100 In exercise of the powers  
30.09.2010 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 all goods falling under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) when imported into India by the Lille Fro Foundation and intended for donation to the Ladakh Autono-

mous Hill Development Council for the purposes of the relief operations in the Ladakh region from,-

(a) the whole of the duty of customs leviable thereon under the First Schedule to the said Customs Tariff Act; and

(b) the whole of additional duty of customs leviable thereon under the section 3 of the said Customs Tariff Act, subject to the following conditions, namely:-

(i) that it is certified by the importer on the relevant clearance documents that the goods are intended to be donated to the Ladakh Autonomous Hill Development Council for the purposes of the relief operations in the Ladakh region without making any charge therefor; and

(ii) that the importer produces before the Deputy Commissioner or the Assistant Commissioner of Customs, as the case maybe, within six months from the date of importation of the said goods or within such extended period as the said officer may allow, but not later than one year from the date of importation, a certificate from the Chief Executive Officer of Ladakh Autonomous Hill Development Council that the said goods have been donated to the Ladakh Autonomous Hill Development Council for use for the aforesaid purpose.

2. This notification shall remain in force upto and inclusive of the 30<sup>th</sup> September, 2011.

[F.No. 354/180/2010-TRU]

**Three New Items Included for Duty Free Import of Consumables for Jewellery, Diamonds**

Ntfn 97 In exercise of the powers  
21.09.2010 conferred by sub-section (1) of  
(DoR) 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. 41/99-Customs, dated the 28<sup>th</sup> April, 1999, which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 289 (E), dated the 28<sup>th</sup> April, 1999, namely:-

In the said notification,-

(i) in the ANNEXURE-I, after serial number 25 and the entry relating thereto, the following serial number and entry shall be added, namely:-

"26. Tags and labels, security censor on card, staple wire and poly bags";

(ii) in the ANNEXURE-II, after serial number 36 and the entry relating thereto, the following serial number and entry shall be added, namely:-

"37. Tags and labels, security censor on card, staple wire and poly bags".

[F.No. DGEP/G&J/34/2010]

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