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US Drags India, China to WTO Over Subsidy Programmes

US Trade Representative Ron Kirk announced that the US has submitted information to the WTO identifying nearly 200 subsidy programmes that China has failed to notify as per WTO rules.

Information was also submitted on 50 subsidy programmes in India not previously notified, he said. Through these actions at the WTO, the United States is seeking the prompt provision of detailed information and data from China and India regarding the operation of these subsidy programmes, the USTR said.

Under WTO rules, every member is obligated to submit information about all of its subsidy programmes on a regular basis. This information is required so that members may assess the nature and extent of the subsidy programmes of others.

The notification obligation is particularly significant for members like China, where inadequate transparency in so many areas places a tremendous burden on other WTO members seeking to better understand China's trade policy measures, the USTR said.

China has submitted only one subsidy notification since becoming a WTO Member in December, 2001. That notification was noticeably incomplete, it said.

In the last ten years, India has submitted only one notification, which was also noticeably incomplete.

Previously, over the course of numerous meetings of the WTO Subsidies Committee, the United States has requested that China and India make full notifications of all of their subsidy programmes, it said.

Kirk said the lack of transparency severely constrains the ability of WTO members to ensure that each government is playing by the rules.

"The United States would have preferred to avoid today's filings, but we have done so to hold China and India accountable and to enforce the rules that all WTO members must follow," the US Trade Representative said.

"It is past time for China and India to be transparent about their subsidy programmes and that includes meeting their notification obligations like other WTO Members. China and India are among the largest exporters in the WTO and it is simply not acceptable that they continue to evade their transparency commitments," Kirk said.

Formal Request Thru WTO for Subsidy Detail

U.S. Trade Representative Ron Kirk announced on 10 October that the United States has submitted information to the World Trade Organization (WTO) identifying nearly 200 subsidy programs that China has failed to notify as required under WTO rules. Information was also submitted on 50 subsidy programs

in India not previously notified. Through these actions at the WTO, the United States is seeking the prompt provision of detailed information and data from China and India regarding the operation of these subsidy programs.

"The situation was simply intolerable," said Ambassador Kirk. "Every member of the WTO is required to come clean on its subsidy programs on a regular basis. China has not notified its subsidy programs in over five years. India only recently filed its first notification in almost ten years, and even then notified only three of the many subsidy programs we know to exist. Because China and India have failed to meet their respective obligations, we had to act – as we are entitled to under the WTO rules – and provide the voluminous information we have developed regarding subsidy programs in these two countries."



Under WTO rules, every Member is obligated to submit information about all of its subsidy programs on a regular basis. This information is required so that Members may assess the nature and extent of the subsidy programs of others. The notification obligation is particularly significant for Members like China, where inadequate transparency in so many areas places a tremendous burden on other WTO Members seeking to better understand China's trade policy measures. China has submitted only one subsidies notification since becoming a WTO Member in December 2001. That notification took place more than five years ago and was noticeably incomplete. In the last ten years, India has submitted only one notification, which was also noticeably incomplete. Previously, over the course of numerous meetings of the WTO Subsidies Committee, the United States has requested that China and India make full notifications of all of their subsidy programs.

"The lack of transparency severely constrains the ability of WTO Members to ensure that each government is playing by the rules. The United States would have preferred to avoid today's filings but we have done so to hold China and India accountable and to enforce the rules that all WTO Members must follow. It is past time for China and India to be transparent about their subsidy programs, and that includes meeting their notification obligations like other WTO Members. China and India are among the largest exporters in the WTO, and it is simply not acceptable that they continue to evade their transparency commitments," Ambassador Kirk said.

Background

The obligations of WTO Members to notify their subsidies are set forth in Article 25 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement). Under Article 25.10 of the SCM Agreement, if a Member has not notified its subsidy programs in a timely fashion, another Member can

raise the issue with the subsidizing Member. If the programs are not subsequently notified, the complaining Member can bring the matter to the attention of the WTO Subsidies Committee. An action taken under Article 25.10 is referred to as a "counter notification."

In 2006, China submitted its only notification since becoming a WTO Member in 2001, covering the years 2001- 2004. Earlier this year, India submitted its first notification in nearly ten years, but it covered only three subsidy programs.

USTR worked closely with the U.S. Department of Commerce in investigating China's and India's subsidies practices and in compiling the Article 25.10 counter notifications. The U.S.

submission on China's subsidy programs includes measures submitted in the context of an investigation initiated under section 302(a) of the Trade Act of 1974, as amended, on 15 October 2010, regarding Chinese policies and practices affecting trade and investment in green technologies. It also includes measures uncovered in the course of three prior WTO dispute settlement proceedings and measures uncovered in the course of countervailing duty investigations conducted by the U.S. Department of Commerce. The U.S. submission on India's subsidy programs includes measures uncovered in the course of U.S. countervailing duty investigations.

export restriction measures in recent years, while others, such as China, may be concerned about possible implications for other WTO issues, such as export restrictions on non-agricultural products.

The action plan from the G-20's June summit stated that the signatories "agree to remove food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by WFP and agree not to impose them in the future." The plan also stated that its sponsors would recommend "consideration of the adoption of a specific resolution by the WTO for the Ministerial Conference in 2011."

Many developing country governments are still keen to conclude the stalled Doha Round of trade talks, the source said, and therefore are wary of anything that could distract from that goal. While the G-20 declaration was valuable as a political statement, members should avoid assuming that this means it would also serve as a useful legal basis for commitments at the WTO, the source added.

G-20 Not So Sure about Resolution on Food Security at WTO Ministerial in Dec 2011

A number of countries are interested in asking the WTO membership as a whole to exempt humanitarian food aid purchases made by the UN's World Food Programme (WFP) from agricultural export restrictions - the commitment made by agriculture ministers from the Group of 20 major economies at their Paris summit in June.

However, the process is complicated by differences of opinion and approach within the WTO membership as a whole, and also within the G-20 (not to be confused with the coalition of developing countries at the WTO with the same name).

In April of this year, the group of net food-importing developing countries (NFIDCs) tabled a more wide-reaching proposal on agricultural export restrictions as part of the Doha Round of trade talks at the WTO: this would effectively have exempted NFIDCs and least-developed countries from export prohibitions or restrictions imposed by other countries.

In contrast, other WTO members are believed to be reluctant to agree to language based on the G-20 agriculture ministers' statement from June - including some developing country members of the G-20 itself. Countries such as Argentina and India have made use of such

China to Terminate Anti-dumping Duty on Nonyl Phenol from India and Taiwan

The Ministry of Commerce of the People's Republic of China, on March 28, 2007, released its Announcement No. 11 of 2007, deciding to levy anti-dumping duties on imported nonyl phenol originated from India and Taiwan from March 29, 2007 to March 29, 2012.

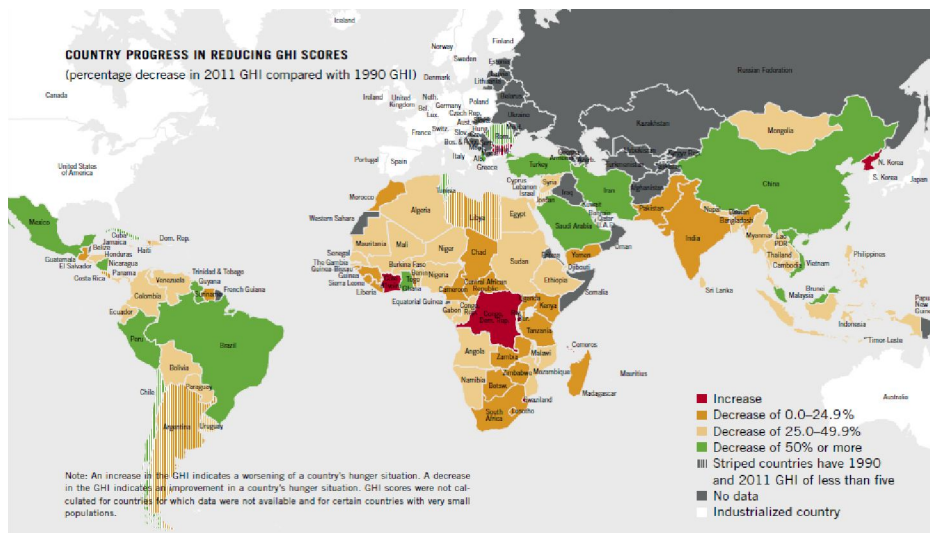
According to Article 48 of the Regulations on Anti-dumping of the People's Republic of China, if a review determines that the termination of the anti-dumping duties may result in the continuation or recurrence of the dumping and injury, the time limit for the levy of anti-dumping duties may be reasonably extended.

Domestic industry or natural person, legal person or relevant organizations that represent domestic industry could submit petition on the final review to the Ministry of Commerce 60 days prior to the termination date. And the petition shall make clear on the demand of final review, and shall contain related evidence that the termination of the anti-dumping duties may result in the continuation or recurrence of the dumping and injury.

If there is no petition from domestic industry or natural person, legal person or relevant organizations that could represent domestic industry, and the Ministry of Commerce does not take initiative in final review on such anti-dumping measures, the said measures will be terminated on March 29, 2012.

[Source: Mofcom Press Release dated 26 September 2011]

Global Hunger Index 2011 by Severity



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
11-Oct-11	49.6500	49.6500	48.9725	49.4650	49.4650	1189971	1971771	970942	49.0333
10-Oct-11	49.2500	49.2800	49.0275	49.1000	49.1000	1210304	1518267	746532	49.0710
07-Oct-11	49.1800	49.3550	48.9500	49.2875	49.2875	1122377	1500470	739012	49.1355
05-Oct-11	49.4025	49.6450	49.2475	49.5075	49.5075	1065160	2103582	1039411	49.1918
04-Oct-11	49.6675	49.6875	49.4000	49.5700	49.5700	1083911	1756450	869705	49.2250

[Source: NSE and RBI Website]

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WEEKLY INDEX OF CHANGES

Caustic Soda Anti-dumping Duty Slashed in Mid Term Review

Ntnf 95
03.10.2011
(DoR)

Whereas, the designated authority vide notification No. 15/2/2010-DGAD, dated the 8th June, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 8th June, 2010, had initiated review, in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), *inter alia* in the matter of continuation of anti-dumping duty on Caustic Soda (hereinafter referred to as the subject goods) falling under Chapter 28 of the First Schedule to the Customs Tariff Act 1975, (51 of 1975), originating in, or exported from, Korea RP (hereinafter referred to as the subject country), imposed *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No.137/2008-Customs, dated the 26th December, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R.889(E), dated the 26th December, 2008;

And whereas, in the matter of Mid-term review of anti-dumping on import of the subject goods, originating in, or exported from, the subject country, the designated authority *vide* its final findings No. 15/2/2010-DGAD dated the 7th July, 2011, published in the Gazette of India,

Extraordinary, Part I, Section 1, dated the 7th July, 2011, had come to the conclusion that-

(i) the subject goods had been exported to India from the subject countries below its normal value;

(ii) the domestic industry had suffered material injury;

(iii) the injury had been caused by the dumped imports from subject countries.

and had recommended imposition of definitive anti-dumping equal to the lesser margin of dumping on imports of the subject goods, originating in, or exported from, the subject country, so as to remove injury to the domestic industry;

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, 1975 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 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 sub-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 corre-

Registration of Cosmetics for Imports Date Pushed Forward by Six Months to 1 April 2012 from 1 October 2011

[Ref: Ministry of Health and Family Welfare (Department of Health and Family Welfare) Corrigendum dated 29th September 2011

In the notification of Government of India, Ministry of Health and Family Welfare (Department of Health and Family Welfare No. G.S.R. 426(E), dated 19th May, 2010 published in Part II, Section 3, Sub-section (i) at pages 1-22 of the Gazette of India, Extraordinary and read with Corrigendum G.S.R. 263(E), dated 30th March, 2011, at page 1, sub-rule (2) of rule 1, shall read as follows, -

“(2) They shall come into force with effect from 1st day of April, 2012.”

[F.No. X-11014/4/2006-DFQC]

sponding 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 a rate which is equivalent to the difference between, the amount specified in the corresponding entry in column (8), in the currency specified in the corresponding entry in column (10) and per unit of measurement specified in the corresponding entry in column (9) of the said Table, and the landed value of such imported goods in like currency per like unit of measurement.

Table

SNo	Sub-heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit of measurement	Currency
1	2	3	4	5	6	7	8	9	10
1.	281511, 281512	Caustic soda (Lye and Solid/Flakes)	Korea RP	Korea RP	M/s Hanwha Chemical Corporation	Tricon Energy Limited, USA through M/s Hanwha Corporation	Not applicable	DMT	USD
2.	281511, 281512	Caustic soda (Lye and Solid/Flakes)	Korea RP	Korea RP	Any combination other than at Sl. No.1 above		366	DMT	USD
3.	281511, 281512	Caustic soda (Lye and Solid/Flakes)	Korea RP	Any country other than Korea RP	Any	Any	366	DMT	USD
4.	281511, 281512	Caustic soda (Lye and Solid/Flakes)	Any country other than Korea RP	Korea RP	Any	Any	366	DMT	USD

2. The anti-dumping duty imposed under this notification shall be effective up to and inclusive of 25th December, 2013 with effect from the date of publication of this notification in the official Gazette and will be paid in Indian currency.

Explanation. – For the purpose 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, 3A, 8B, 9 and 9A of the said Act;

(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.354/92/2011-TRU]

No. 137/2008-Customs, dated the 26th December, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 889 (E), dated the 26th December, 2008, except as respects things done or omitted to be done before such amendment, namely:-

In the said notification, in the **Table**, -

(i) S. No. 1 and the entries relating thereto shall be **omitted**;

(ii) S. No. 2 and the entries relating thereto shall be **omitted**.

(iii) S. No. 3 and the entries relating thereto shall be **omitted**.

(iv) S. No. 4 and the entries relating thereto shall be **omitted**.

(v) S. No. 5 and the entries relating thereto shall be **omitted**.

[F.No.354/92/2011-TRU]

Anti-dumping Duty on Caustic Soda from China and Korea – Entries Relating to Korea in Notification Omitted

Ntnf 94
03.10.2011
(DoR)

In exercise of the powers conferred by sub-section (1) and sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) 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, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue),

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

World Commodity Prices Down in September

Up ↑

Crude and Coal, Arabica Coffee
Barley, Thai Rice; Chicken Meat
Oranges, Sugar EU and US
Logs Malaysia, Plywood, Cotton
TSP Fertiliser, Urea; Gold

Down ↓

Natural Gas; Cocoa, Robusta Coffee, Tea

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

Maize, Sorghum, Wheat, Bananas, Fishmeal, Meat, Shrimp; World Sugar

Logs, Cameroon, Sawntwood and Woodpulp; Rubber

DAP, Potassium Chloride

Aluminium, Copper, Iron ore, Lead, Nickel, Silver, Tin and Zinc

Steady ↔

Groundnut oil, Soybean meal, Rock Phosphate, Steel Products, CR and HR Coil Sheet, Steel rebar and Steel wire rod



	Monthly averages			Quarterly averages					Annual averages		
	2011			2010		2011			2009	2010	2011
	Jul	Aug	Sep	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Sep

Energy

Coal, Australia \$/mt	120	119.27	122.55	↑	93.55	107.63	128.99	120	120.61	71.84	98.97	123.2
Crude oil, average \$/bbl	107.92	100.49	100.82	↑	75.51	85.42	99.75	110.05	103.07	61.76	79.04	104.29
Crude oil, Brent \$/bbl	116.46	110.08	110.88	↑	76.41	86.79	104.9	117.1	112.47	61.86	79.64	111.49
Crude oil, Dubai \$/bbl	109.98	105.06	106	↑	74.04	84.37	100.4	110.56	107.01	61.75	78.06	105.99
Crude oil, West Texas Int. \$/bbl	97.31	86.32	85.58	↓	76.08	85.09	93.95	102.5	89.73	61.65	79.43	95.4
Natural gas Index 2000=100	190.4	184.4	183	↓	155.1	151.6	165.5	179.1	185.9	153.5	156.1	176.8
Natural gas, Europe \$/mmbtu	10.99	10.81	10.85	↑	8.26	8.54	9.45	10.31	10.88	8.71	8.29	10.21
Natural gas, US \$/mmbtu	4.41	4.05	3.9	↓	4.28	3.8	4.18	4.37	4.12	3.95	4.39	4.22
Natural gas LNG, Japan \$/mmbtu	16.22	16.4	16.5	↔	11.22	10.91	11.99	13.71	16.37	8.94	10.85	14.02

Beverages

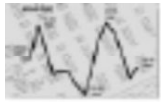
Cocoa ¢/kg	316.7	306.4	287.4	↓	305.9	296.6	334.3	307.4	303.5	288.9	313.3	315.1
Coffee, arabica ¢/kg	590.9	596.2	606	↑	468.5	513.9	620	636.5	597.7	317.1	432	618.1
Coffee, robusta ¢/kg	248.5	247.1	233.8	↓	183.2	199.4	241.5	262.6	243.1	164.4	173.6	249.1
Tea, auctions (3) avg. ¢/kg	310.1	302.2	288.7	↓	295.1	303.5	288.7	299.7	300.3	272.4	288.5	296.2
Tea, Colombo auctions ¢/kg	309.6	315.7	313.8	↓	322.1	342.4	356.3	319.7	313	313.7	329	329.7
Tea, Kolkata auctions ¢/kg	341.2	311.4	285.6	↓	320.6	311.7	229.2	313	312.8	251.5	280.5	285
Tea, Mombasa auctions ¢/kg	279.5	279.5	266.8	↓	242.7	256.3	280.6	266.3	275.3	252	256	274.1

Fats and Oils

Coconut oil \$/mt	1,662	1,454	1,310	↓	1,159	1,546	2,073	1,996	1,475	725	1,124	1,848
Copra \$/mt	1,121	985	867	↓	769	1,038	1,379	1,342	991	480	750	1,237
Groundnut oil \$/mt	2,120	2,110	2,110	↔	1,301	1,604	1,723	1,830	2,113	1,184	1,404	1,889
Palm oil \$/mt	1,089	1,083	1,068	↓	875	1,108	1,251	1,147	1,080	683	901	1,159
Palmkernel oil \$/mt	1,371	1,375	1,275	↓	1,161	1,619	2,131	1,874	1,340	700	1,184	1,782
Soybean meal \$/mt	400	401	401	↔	378	424	437	400	401	408	378	412
Soybean oil \$/mt	1,337	1,330	1,309	↓	984	1,242	1,349	1,311	1,325	849	1,005	1,328
Soybeans \$/mt	559	558	530	↓	452	522	565	557	549	437	450	557

Grains

Barley \$/mt	215.5	206.1	209.6	↑	161.9	181.1	198.1	209.5	210.4	128.3	158.4	206
Maize \$/mt	300.8	310.2	295.3	↓	181.7	241.5	282.8	312.6	302.1	165.5	185.9	299.2
Rice, Thailand, 5% \$/mt	538.3	566	598.8	↑	457	510.8	511.2	493.1	567.7	555	488.9	524
Rice, Thailand, 25% \$/mt	506.8	533.8	555.5	↑	418.5	471.4	465.4	456.8	532	458.1	441.5	484.7
Rice, Thai, A.1 \$/mt	449.3	465.3	514	↑	376.9	423.1	411.3	419.2	476.2	326.4	383.7	435.6
Rice, Vietnam 5% \$/mt	492	546.2	n.a.		411.1	504.7	479.8	479.7	519.1	n.a.	428.8	489.6



	Monthly averages			Quarterly averages					Annual averages			
	2011			2010		2011			2009	2010	2011	
	Jul	Aug	Sep	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Sep	
Sorghum \$/mt	271.2	302.5	288.8	↓	153.6	208.6	255.2	270.5	287.5	151.1	165.4	271.1
Wheat, Canada \$/mt	445.8	434.9	408.7	↓	326.1	383.6	449	474.6	429.8	300.5	312.4	451.1
Wheat, US, HRW \$/mt	303.9	327.1	315.9	↓	237.9	283.6	330.5	339.3	315.6	224.1	223.6	328.5
Wheat, US, SRW \$/mt	266.4	277.6	267.5	↓	253.4	284.9	320.8	301.9	270.5	186	229.7	297.7
Other Food												
Bananas, EU \$/mt	1075.8	1022.5	991.3	↓	932.6	1033.4	1251.4	1250.2	1029.9	1144.9	1002.2	1177.1
Bananas, US \$/mt	961	951	947	↓	922	909	964	1,004	953	847	868	974
Fishmeal \$/mt	1,490	1,435	1,354	↓	1,663	1,613	1,740	1,648	1,426	1,230	1,688	1,605
Meat, beef ¢/kg	395	399	387	↓	331	353	410	406	394	264	335	403
Meat, chicken ¢/kg	192.6	194.3	196.2	↑	193.6	189.3	188.2	191	194.3	188.8	189.2	191.2
Meat, sheep ¢/kg	690.7	699.5	673.2	↓	572.5	618.7	637.1	668.5	687.8	427.6	531.4	664.5
Oranges \$/mt	971.6	948.8	1194.9	↑	1162.9	877.9	824	877.9	1038.4	909	1033.2	913.5
Shrimp, Mexico ¢/kg	1,230	1223.6	1140.9	↓	n.a.	1221.7	1245.6	1243.8	1,198	945	1,004	1,229
Sugar, EU ¢/kg	46.67	46.82	51.51	↑	43.29	44.38	44.69	47.02	48.33	52.44	44.18	46.68
Sugar, US ¢/kg	83.62	88.03	88.53	↑	78.2	84.86	86.56	80.28	86.72	54.88	79.25	84.52
Sugar, world ¢/kg	62.21	61.18	58.78	↓	42.98	58.01	62.7	52.56	60.72	40	46.93	58.66
Timber												
Logs, Cameroon \$/cum	521.6	523.3	500.4	↓	426.3	448.5	451.6	489.6	515.1	421.5	428.6	485.4
Logs, Malaysia \$/cum	430.5	450	453.6	↑	293.5	312.1	326.2	382.1	444.7	287.2	278.2	384.4
Plywood ¢/sheets	612.7	619.2	631.1	↑	572.3	580.5	588.5	603.2	621	564.6	569.1	604.2
Sawnwood, Cameroon \$/cum	832.6	839.5	797.2	↓	811.8	847.8	833.1	872.2	823.1	748.9	812.7	842.8
Sawnwood, Malaysia \$/cum	969.4	973.6	952.7	↓	879.8	892.9	921.6	959.2	965.2	805.5	848.3	948.7
Woodpulp \$/mt	955.1	936.2	915	↓	912.9	897.8	891.5	942	935.4	614.6	866.8	923
Other Raw Materials												
Cotton A Index ¢/kg	269	251.5	257.8	↑	205.2	330.1	456.9	386.7	259.4	138.2	228.3	367.7
Rubber, RSS3 ¢/kg	473.2	467.6	455.2	↓	337.5	432.8	573.2	530.1	465.3	192.1	365.4	522.9
Rubber, TSR20 ¢/kg	456.2	461.8	451.6	↓	314.4	425.9	525.1	467.3	456.5	180	338.1	483
Fertilizers												
DAP \$/mt	650.6	659.4	642.5	↓	494.1	585.6	601.7	617.3	650.8	323.1	500.7	623.3
Phosphate rock \$/mt	197.5	197.5	197.5	↔	125	140	158.3	182.5	197.5	121.7	123	179.4
Potassium chloride \$/mt	461.3	482.5	470	↓	334.2	343.2	374.2	422.7	471.3	630.4	331.9	422.7
TSP \$/mt	555	560	565	↑	389.6	463.8	486.3	544.2	560	257.4	381.9	530.2
Urea \$/mt	474.8	477.5	503.8	↑	279.2	357	353.4	407.9	485.4	249.6	288.6	415.5
Metals and Minerals												
Aluminum \$/mt	2,525	2,379	2,293	↓	2,090	2,343	2,501	2,611	2,399	1,665	2,173	2,504
Copper \$/mt	9,650	9,001	8,300	↓	7,243	8,637	9,642	9,173	8,984	5,150	7,535	9,266
Gold \$/toz	1,572	1,757	1,771	↑	1,227	1,367	1,384	1,507	1,700	973	1,225	1,531
Iron ore, contract, fob Brazil ¢/dmtu	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	101	n.a.	n.a.
Iron ore, spot, cfr China \$/dmt	173	177.5	177.2	↓	137.4	155.9	178.6	175.8	175.9	80	145.9	176.7
Lead ¢/kg	268.1	239.7	231	↓	203.2	239	260.4	255.1	246.3	171.9	214.8	253.9
Nickel \$/mt	23,848	21,845	20,378	↓	21,191	23,609	26,870	24,355	22,024	14,655	21,809	24,416
Silver ¢/toz	3,812	4,030	3,813	↓	1,901	2,647	3,179	3,857	3,885	1,469	2,020	3,640
Steel products index 2000=100	271.4	271.4	271.4	↔	232.4	233.9	250.5	272.8	271.4	227.1	229.7	264.9
Steel cr coilsheet \$/mt	900	900	900	↔	850	850	867	900	900	783	816	889
Steel hr coilsheet \$/mt	800	800	800	↔	750	750	767	800	800	683	716	789
Steel rebar \$/mt	640	640	640	↔	533	550	600	640	640	486	563	627
Steel wire rod \$/mt	790	790	790	↔	678	653	684	782	790	969	712	752
Tin ¢/kg	2,740	2,404	2,273	↓	2,055	2,601	2,986	2,885	2,472	1,357	2,041	2,781
Zinc ¢/kg	239.8	220	210	↓	201.3	231.5	239.3	225.5	223.3	165.5	216.1	229.3

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

Dept of Revenue Issues On-site Audit for Importers and Exporters Liable to Scrutiny on their Premises

Trade Fears Return of Inspector Raj

1. Short title and commencement
2. Definitions
3. Importers and exporters to make available relevant documents
4. Manner of conducting audit
5. Penalty

72-Cus(NT) In exercise of the powers
04.10.2011 conferred by clause (d) of
(DoR) section 157, read with clause
(ii) of sub-section (2) of section
158, of the Customs Act, 1962 (52 of 1962), the
Central Board of Excise and Customs hereby
makes the following regulations, namely:-

1. Short title and commencement

(1) These regulations may be called the 'On-site Post Clearance Audit at the Premises of Importers and Exporters Regulations, 2011'.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions

In these regulations, unless the context otherwise requires,-

(a) 'audit' means examination of bills of entry, shipping bills, invoices, packing lists, import licences, books of account, and other records of transaction relating to imported and export goods, and may include inspection of goods at the premises, if available and where necessary, drawl of samples;

(b) 'books of account' includes ledgers, day-books, cash books, account-books and other accounts whether kept in the written or printed form and data stored on a floppy, disc, tape or any other form in electro-magnetic data storage device;

(c) 'premises' includes the place at which imported or export goods and connected books of account, records of transaction and other documents are ordinarily kept by an importer or exporter, as the case may be, and his registered office or the premises indicated in his Importer Exporter Code (IEC) issued by the Ministry of Commerce and Industry and the places wherever the imported or export goods, as the case may be, are ordinarily kept;

(d) words and expressions used and not defined herein but defined in the Customs Act, 1962 shall have the same meaning respectively, assigned to them in the said Act.

3. Importers and exporters to make available relevant documents

(1) The importer or exporter, as the case may be, shall make available in a timely manner the books of account, records of transaction and other relevant documents maintained by him for a period of five years from the date of import or export, as the case may be, relating to imported or export goods, as the case may be, as required by the proper officer.

(2) The importer or exporter, as the case may be, shall provide true and correct information to

the proper officer.

(3) The importer or exporter, as the case may be, shall render assistance to the proper officer in the discharge of his official duty and shall in no case refuse or obstruct the proper officer in discharge of official duty.

4. Manner of conducting audit

(1) The proper officer shall give not less than fifteen days advance notice to the importer or exporter, as the case may be, to conduct audit.

(2) The proper officer shall, where considered necessary,

(i) obtain from the importer or exporter, as the case may be, prior information relating to imported or export goods, as the case may be, before conducting audit;

(ii) visit the premises to gather relevant information relating to imported or export goods, as the case may be.

(3) The proper officer shall conduct the audit in the premises of the importer or exporter, as the case may be.

(4) The proper officer shall inform the importer or exporter, as the case may be, of the objections, if any, before preparing the draft audit report to provide him an opportunity to offer clarifications with supporting documents.

(5) Where the importer or exporter as the case may be, is in agreement with the audit findings, in part or in full, he may make voluntary payments of duty due, if any, and the proper officer shall record the same in the audit report.

(6) The proper officer may, where necessary, inspect the imported or export goods, where such goods are available during the course of audit.

(7) The proper officer may take samples of imported or export goods in the presence of the importer or exporter as the case may be and copy of relevant documents to verify the correctness of assessment of duty.

5. Penalty

Any importer or exporter, who contravenes any provision of these regulations or abets such contravention or fails to comply with any provision of these regulations with which it was his duty to comply, shall be liable to a penalty which may extend to fifty thousand rupees.

[F.No. 450/1/2010-Dir(Cus)]

Customs Offers Reasons and Solutions for Drawback Delays

The following Public Notice was issued by the Commissioner of Customs (Export) New Custom House, New Delhi on 20th September 2011.

Subject: Drawback - Information for exporters.

- A. Brand Rate Fixation
- B. Claims under Query
- C. Samples drawn
- D. EGM not filed / EGM filed with errors/ EGM Gateway
- E. Short Shipment

25-PN It is brought to the notice of the
20.09.2011 trade of the facilitations made
available by Customs to assist
exporters in obtaining their Drawback amounts. It has been noticed that the trade is not aware of Customs system which will help them to clear up any problem regarding payment of drawback. Normally all drawback claims are being disbursed within 07 working days. However, some cases get delayed and keep pending for years together. It is in the interest of the exporters to check the status of their drawback request after 07 days of the export by going to ICEGATE website and obtaining the status. The website will show the reason for pendency, if any.

2. The major delays in payment of Drawback are in respect of non-receipt of certain replies/documents from the exporters. The major issues are:

- a) Brand Rate Fixation
- b) Replies to Queries raised with exporter
- c) Test reports of Samples drawn
- d) EGM not filed/EGM-error/EGM Gateway

Each matter is taken up separately below:-

A. Brand Rate Fixation

In case an exporter is not satisfied with the All Industry Rate of drawback, he will mention in the Shipping Bill that he is going to claim Brand Rate Fixation. This means that the Customs can take no further action to process the Drawback claims, until Brand Rate Fixation letter is received from the concerned Central Excise Commissionerate. On enquiry by Air Cargo Customs from Central Excise Commissionerates, they generally inform us that there is no brand rate fixation request pending with them. It may be noted that it is the responsibility of the exporter to follow up with the concerned Central Excise Commissionerate and get the Brand Rate Fixed. Under the Drawback Rules an exporter has to apply for brand rate fixation within 60 days of the export. Therefore, the Brand Rate claims which are pending for a long period could be due to not making of an application by the exporter for Brand Rate fixation or non-submission of requisite documents/clarifications to the Central Excise Authorities or rejection of the application by the Central Excise Authorities. Exporters are requested to follow up and submit the Brand Rate letters from concerned Central Excise Commissionerate. They should also furnish the details of such applications pending with the Excise Authorities to the Drawback Section of the Air Cargo (Export), IGI Airport, Delhi. The details of Shipping Bills pending Brand Rate Fixation for Drawback shown in EDI systems are also being uploaded on the website of the Customs Air Cargo (Export), Delhi

www.delhicutoms.gov.in.and the exporters are expected to cooperate with the department to expedite their brand rate claims finalized and disbursed. In case a Brand Rate Fixation letter is issued, but Drawback is not paid, please approach the Dy. Commissioner (DBK) of Customs Air Cargo (Export) with the documents.

B. Claims under Query

A large number of claims are lying pending undisbursed due to "Query raised from exporter" since introduction of EDI System. These claims are technically not pending with the department but are shown pending with exporters for reply as per Rule 13(3) of the Drawback Rules, 1995. After submitting the replies by the exporters under EDI system, the claims are processed online in paperless manner and drawback is disbursed.

With the implementation of ICES 1.5 at Air Cargo Complex (Exports), New Delhi, the exporters can get the status of their drawback Shipping Bills from ICEGATE website i.e. www.icegate.gov.in. Exporters are required to click at "Tracking at ICES" and then at "Tracking at ICES 1.5" to see the status of their pending drawback Shipping Bills. The exporters are required to obtain a printout of the query from the Computer Maintenance Centre (CMC), Air Cargo Complex, IGI Airport, Delhi and approach the Drawback Section with relevant papers who will clear the query for getting the same fed in the system by the CMC. The Shipping Bill will then come into the queue for online processing of the Drawback claim.

The list of "Queries" pending with exporters is uploaded on the website of the Customs Air Cargo (Export), Delhi www.delhicutoms.gov.in. and the exporters should get the queries removed immediately to enable this office to process the Drawback claims. In case of "Query" cases, it may be ensured that query reply is complete in all respects. Where the claim is older than 6 months, a copy of Bank Realization Certificate (BRC) is also required. Exporters are required to submit BRC for earlier shipments in case not already submitted.

C. Samples drawn

Exporters are requested to approach the Assistant Commissioner (Export) of the Air Cargo Complex from where the goods were exported, with records available with them for feeding of test reports in the EDI systems. After verification Drawback will be paid to them.

D. EGM not filed / EGM filed with errors/EGM Gateway

A large number of Export General Manifests (EGMs) have not been filed electronically. The concerned Airlines have been asked to file all such EGMs. Exporters are requested to take up the matter with the concerned Airlines for getting the needful done. Please note that the Airlines keep their records of EGMs only for 3 months, so it is in the exporters interest to approach them immediately. The airline is responsible to file EGM electronically and correctly within 24 hours of the departure of the Aircraft in addition to filing of EGM manually before the departure of the Aircraft. It is further observed that in respect of a substantial number of drawback shipping bills there are „EGM-errors such as rotation number mismatch, mismatch of number of packages mentioned in the Airway Bill and

Commodity Spot Prices in India – 08-11 October 2011

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

			(Rs.)		
Commodity	Unit	Market	08-Oct	10-Oct	11-Oct
CER (Carbon Trading)	1 MT	Mumbai	513.5	513.5	518.5
Chana	100 KGS	Delhi	3191	3195	3205
Masur	100 KGS	Indore	2890	2945	2931
Potato	100 KGS	Agra	410.7	405.4	402
Potato TKR	100 KGS	Tarkeshwar	459.9	460.9	454.3
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	656.2	677	660
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	5550	5950	6250
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1045	1045.5	1043
Wheat	100 KGS	Delhi	1159.2	1156.3	1155
Mentha Oil	1 KGS	Chandausi	1529	1563.5	1558.5
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	4328	4259.5	4179
Guar Seed	100 KGS	Bikaner	4335	4530	4581
Soya Bean	100 KGS	Indore	2062	2073	2080.5
Mustrdsd JPR	20 KGS	Jaipur	577	579.55	577.6
Sesame Seed	100 KGS	Rajkot	5925	5913	5925
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1383.8	1395.4	1434.6
Coconut Oil	100 KGS	Kochi	8736	8112	7904
Refsoy Oil	10 KGS	Indore	625.55	623.15	621.1
CPO	10 KGS	Kandla	462.1	463.3	461.4
Mustard Oil	10 KGS	Jaipur	639.9	644.2	643
Gnutoilexp	10 KGS	Rajkot	893.6	900	900
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	4077	4077	4191
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	5202	5202	5346
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2688	2700	2721
Sugarm	100 KGS	Delhi	2985	2990	2993
Natural Gas	1 mmBtu	Hazirabad	171	171	173.8
Rubber	100 KGS	Kochi	21227	21461	21434
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	2418	2378	2371.5
Gold	10 GRMS	Ahmd	26196	26470	26607
Gold Guinea	8 GRMS	Ahmd	21041	21261	21371
Silver	1 KGS	Ahmd	51958	53049	52543
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	NA	NA	NA
Copper	1 KGS	Mumbai	354.6	354.6	364.35
Nickel	1 KGS	Mumbai	919.2	924.1	923.9
Aluminium	1 KGS	Mumbai	106.95	107.25	107.1
Lead	1 KGS	Mumbai	95.6	96.95	95.9
Zinc	1 KGS	Mumbai	90.65	93.4	92.2
Tin	1 KGS	Mumbai	1116.25	1127.5	1090.75

(Source: MCX Spot Prices)

Customs Valuation Exchange Rates

October 2011	Imports	Exports	
Schedule I			
1 Australian Dollar	49.10	47.80	
2 Canadian Dollar	48.60	47.45	
3 Danish Kroner	9.10	8.80	
4 EURO	67.30	65.75	
5 Hong Kong Dollar	6.35	6.25	
6 Norwegian Kroner	8.65	8.40	
7 Pound Sterling	77.50	75.75	
8 Swedish Kroner	7.35	7.10	
9 Swiss Franc	55.25	53.75	
10 Singapore Dollar	38.60	37.75	
11 U.S. Dollar	49.60	48.80	
Schedule II			
1 Japanese Yen	65.35	63.55	

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 70(NT)/28.09.2011)

shipping bill, mismatch of Airway Bill number in EGM and Shipping Bills, etc. The exporter is required to approach the Assistant Commissioner (Export Processing) with hard copy of the EGM (Cargo Manifest submission report from Airlines) together with relevant documents such as EP copy of the Shipping Bill and Airway Bill for verification and rectification of the EGM error immediately.

E. Short Shipment

Attention is also invited to the 'Notice of Short-Export Rules, 1963' (copy enclosed). As per these rules, the exporter must within one week of LEO inform Customs of short or part shipment with a request to amend the Shipping Bills so as to process the Drawback. Please note that in case the exporter does not file the details of short shipment with Customs, drawback claims pertaining to all the other shipments (House Airway Bills) covered under that Master Airway Bill will get withheld thereby depriving the other exporters of their legitimate export incentives. Exporters whose drawback is held up can check with the airlines whether there has been a short

shipment in the concerned Master Airway Bill and inform Customs accordingly.

6. The Punjab National Bank and some other banks will provide the concerned Shipping Bill number to the exporters when passing the drawback amount into their drawback accounts. In case any bank does not provide the Shipping Bill numbers, please ask for it specifically.

7. Attention is also invited to this office Public Notices No. 10/2010 dated 20.07.2010 and 13/2010 dated 19.08.2010 whereby some specified Shipping Bills were removed from the 'pending' queue. If a particular Shipping Bill is listed in these public notices then it is the duty of the Exporter to file a Supplementary Claim immediately along with all documents so that the drawback can be paid.

8. In case of any difficulties, the Exporters may contact Shri R.C. Sankhla, Additional Commissioner (Export) at 011-25654977 or email r_c_sankhla@indiatimes.com or Shri R.K. Tyagi, Deputy Commissioner (Drawback) at 011-25654390 or email rktyagi24@gmail.com.

be, the bill of export for cancellation or amendment.

3. **Penalty.**- Any exporter who fails to comply with the provisions of rule 2 shall be liable to a penalty not exceeding one hundred rupees.



Structured Obligations for Infrastructure Sectors under ECB Policy

Sub: External Commercial Borrowings (ECB) Policy – Structured Obligations for infrastructure sector

AP(DIR Srs) Cir.28 26.09.2011 (RBI) Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to A.P. (DIR Series) Circular No. 40 dated March 02, 2010 relating

to External Commercial Borrowings (ECB) Policy– Structured Obligations.

2. As per extant guidelines, credit enhancement is permitted to be provided by multilateral / regional financial institutions and Government owned development financial institutions for domestic debt raised through issue of capital market instruments, such as, debentures and bonds, by Indian companies engaged exclusively in the development of infrastructure and by the Infrastructure Finance Companies (IFCs), which have been classified as such by the Reserve Bank under the approval route.

3. On a review, it has been decided to further liberalise the policy relating to structured obligations to permit direct foreign equity holder(s) as per extant ECB guidelines (minimum holding of 25 per cent of the paid up capital) and indirect foreign equity holder, holding atleast 51% of the paid-up capital, to provide credit enhancement to Indian companies engaged exclusively in the development of infrastructure, where "infrastructure" is as defined under the extant guidelines on ECB and by the Infrastructure Finance Companies (IFCs), which have been classified as such by the Reserve Bank.

4. Credit enhancement by all eligible non-resident entities will henceforth be permitted under the automatic route and no prior approval will be required from the Reserve Bank. All the other terms and conditions mentioned in para 4 (ii) to (viii) of A.P. (DIR Series) Circular No. 40 dated March 02, 2010 will remain unchanged.

5. The amended policy will come into force with immediate effect and is subject to review.

6. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.

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

Notice of Short-Export Rules, 1963

Notification No. 56-Cus., dated 1st February, 1963

In exercise of the powers conferred by section 156 of the Customs Act, 1962 (52 of 1962), the Central Government hereby makes the following rules:-

1. **Short title.** – These rules may be called the Notice of Short-Export Rules, 1963.

2. **Exporter to furnish information regarding Short-Export.**- If any goods mentioned in a shipping bill or bill of export and cleared for exportation are not exported, the exporter shall, within seven days, from the dated of departure of the conveyance by which such goods were

intended to be exported, -

(1) Furnish the following information in writing to the proper officer in respect of the goods not so exported, namely:-

- (i) No. of Packages,
- (ii) Description of goods,
- (iii) Quantity,
- (iv) Value,
- (v) Country of destination, or

(2) Present the shipping bill or, as the case may

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