Postal Regn.No. DL(C)-01/1251/12-14
Licence to Post without Prepayment U(C)-30/12-14
RNI No. 42906/84

# WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 $2

**Vol. XXIX No 29** **10-16 October 2012**

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

Annual subscription Rs 750

## IMF Forecasts GDP Fall in India to 4.9% in 2012, Call for High Interest Rates

Indian growth may weaken to a decade-low this year after investment stalled, the International Monetary Fund said, as it called for interest rates to remain unchanged until the nation's high inflation rate eases.

Gross domestic product will rise 4.9 percent in 2012, the Washington-based lender said in its World Economic Outlook report on 9 October, less than a July forecast of 6.1 percent. The expansion will accelerate to 6 percent next year, it said, helped by improving overseas markets and a boost to confidence from a recent government policy revamp.

"The outlook for India is unusually uncertain," the IMF said. "Monetary policy should stay on hold until a sustained decrease in inflation materializes."

The IMF said. "Structural reform also includes tax and spending reforms, in particular, reducing or eliminating subsidies, while protecting the poor."

### Fiscal Deficit Widens to 9.5% of GDP

The government's recent policy changes are "very welcome," the fund also said. Its forecast for economic growth in 2013 compares with an estimate of 6.5 percent in July.

India's overall fiscal deficit may widen to 9.5 percent of gross domestic product in 2012, compared with a projection of 8.3 percent in April, according the IMF's figures. The shortfall will be 9.1 percent next year, higher than April's estimate of 8.2 percent. The gap was 9 percent in 2011, the IMF said.

While such steps are "significant," underperforming tax revenues and demand for more social spending because of a below-average monsoon season are among obstacles to narrowing the fiscal shortfall, according to the fund.

### Rupee Rises

India's rupee has strengthened about 6 percent against the dollar since the nation started the policy revamp, paring its decline in the past year. The currency climbed 0.7 percent to 52.2675 per dollar, while the BSE India Sensitive Index of stocks advanced 0.8 percent.

## G-20 Presents TRQ Proposal at WTO

G-20 members argue that trade could also be facilitated by new international rules on how countries manage tariff rates quotas, or TRQs - which are used by some countries to charge higher tariffs on goods being imported after an initial quota has been filled.

The new proposal effectively extracts existing language on doing so from the latest version of the draft Doha accord - dubbed simply 'rev. 42 by Geneva negotiators, in reference to the document code given by the WTO to the text.

Among other things, the accord would set out new procedures in cases where tariff quotas were consistently underfilled, and set out new requirements for reporting on and monitoring members' commitments in the WTO's Committee on Agriculture.

Negotiators who had attended last Friday's meeting said that some members from the G-10 group of countries with highly-protected farm sectors had expressed concerns about the proposal, while welcoming the move to re-invigorate discussion on Doha. The G-10 group includes Japan, Korea, Norway, and Switzerland, amongst others.

### Export competition: new studies

A separate proposal from the G-20 called on the WTO secretariat to update information on export subsidies, export credits, state trading enterprises, and food aid - four areas addressed collectively under the Doha talks on 'export competition' in agriculture.

Previous studies on export subsidies should be updated, the group said, while new analysis should be conducted on food aid, state trading enterprises, and export credit guarantees.

However, negotiators told that the EU had opposed the move, fearing that the studies would be linked to a push for early progress on these issues under Doha. The 27-member bloc has repeatedly warned that it could only foresee ending export subsidies as part of the broader Doha package.

Negotiators now have just over one year to try and make progress before the next ministerial meeting of the WTO, scheduled to be held in Bali, Indonesia, in December 2013.

## US Subsidies Fall Due to High Prices

High prices for US farm goods meant trade-distorting subsidies remained low in 2010, according to new data that the government has provided to the WTO. However, record payments for 'food stamps' that help the poor buy food has pushed total farm support to a new record, the figures show.

US 'amber box' payments - highly trade-distorting payments, which are capped at US$19.1 billion under WTO rules - totalled just US$4.1 billion in marketing year 2010, according to the new numbers. Weather-related crop shortfalls and continuing high demand for biofuels have pushed prices higher in recent years, meaning government programmes that are activated by low prices have not been triggered.

While the amber payments are at an all-time low, other forms of trade-distorting support have crept upwards. The new figures show the government spent US$5.7 billion in 'de minimis' support - trade-distorting payments that do not count towards the ceiling under WTO rules so long as, in developed countries, they represent less than five percent of the value of production.

In 2010, as much as US$4.7 billion of the de minimis payments came from subsidised crop and revenue insurance - a category where spending could be set to expand significantly under proposals for the new Farm Bill.

Product-specific payments were heavily concentrated in just a few commodities, with sugar and dairy taking the lion's share of support.

Meanwhile, as outlays on food stamps have risen sharply, total farm subsidy spending has reached a new record of US$130.3 billion. Of this, US$120.5 billion has been reported as 'green box' payments, which under WTO rules are not meant to cause more than minimal trade distortion.

According to US government figures, domestic food aid - the category including food stamps - represented almost eight-tenths of total green box spending in 2010, at US$94.9 billion. 'General services', such as support for research and advisory services, accounted for another US$15 billion, with some subsidies also allocated towards decoupled income support payments and environmental programmes.

## Booming Feed Price Push up Milk, Cow Slaughter Rises in US

U.S. milk production is headed for the biggest contraction in 12 years as a drought-fueled surge in feed costs drives more cows to slaughter.

Output will drop 0.5 percent to 198.9 billion pounds (90.2 million metric tons) in 2013 as the herd shrinks to an eight-year low, the U.S. Department of Agriculture estimates. Milk futures rose 45 percent since mid-April and may advance at least another 19 percent to a record $25 per 100 pounds by June, said Shawn Hackett. The president of Boynton Beach, Florida-based Hackett Financial Advisers Inc. correctly predicted the rally in March.

Dairies in California, the top milk-producing state, are filing for bankruptcy, and U.S. cows are being slaughtered at the fastest rate in more than a quarter century. Corn surged to a record in August as the USDA forecast the smallest crop in six years because of drought across the U.S. Global dairy prices tracked by the United Nations rose 6.9 percent last month, the most among the five food groups monitored, and that will probably mean record costs next year, Rabobank estimates.

### Mercantile Exchange

Class III milk, used to make cheese, jumped 22 percent to $21.05 on the Chicago Mercantile Exchange this year. That's more than 21 of the 24 commodities in the Standard & Poor's GSCI Spot Index, which rose 1.8 percent. The MSCI All-Country World Index (MXWD)of equities climbed 12 percent, and Treasuries returned 1.8 percent, a Bank of America Corp. index shows.

Almost 2.04 million dairy cows were slaughtered in the first eight months of the year, 6.7 percent more than in 2011 and the most for that period since 1986, government data show. The U.S. dairy herd will shrink 1.1 percent to 9.11 million head in 2013, the smallest since 2005, according to the USDA.

Food prices measured by the UN index may climb to a record 243 by June 2013, from a six-month high of 215.76 in September, Nick Higgins, an analyst at Rabobank in London, said in a report Sept. 19. The UN's gauge of 55 food items, which gained 7.7 percent since June, peaked at 237.92 in February 2011.

Chinese demand for dairy products and lower production in the U.S. and New Zealand probably will keep prices rising into next year, said Hackett. China is the world's biggest buyer of whole-milk powder and will import four times more this year than a decade ago, USDA data show.

## Trade Facilitation Moves On at WTO

Over the last several months, members had been reviewing whether an agreement on trade facilitation could be put forward as an early Doha deliverable. Yet members had repeatedly disagreed over whether such a deal could stand by itself, or whether it would instead need to be balanced by another deliverable from a different negotiating area.

However, since members' return from the August recess, a series of ideas have been raised as possible elements that could be delivered to balance an outcome on trade facilitation.

For instance, recent proposals have been raised in the agriculture negotiations by the G-20 group of developing countries, and other ideas regarding special and differential treatment and the monitoring mechanism, as well as non-DDA issues such as the expansion of the Information Technology Agreement (ITA), are also being discussed at an informal level.

## Race for WTO DG Kicks Off on 1 Dec, New Zealander Groser Throws in Hat

The upcoming months are also set to see the beginning of the race for electing a new head to the global trade body, with current Director-General Pascal Lamy's term set to end on 31 August of next year.

While New Zealand Trade Minister Tim Groser has already made clear his interest in the post, many have speculated that the new trade chief could potentially come from a developing country, given that the relatively recent appointments of World Bank and International Monetary Fund heads stuck to tradition in choosing candidates from the US and EU, respectively.

In line with WTO procedures, the process for appointing a new Director-General must begin nine months ahead of the current head's leaving office. The process will therefore officially begin on 1 December. Members will then have the month of December to nominate candidates and submit them to the General Council chair, who will conduct the process with the help of the Dispute Settlement Body and Trade Policy Review Body chairs acting as facilitators.

Candidates will then have three months to make themselves known to current members- i.e. until the end of March. A General Council meeting to conclude the process and announce the new trade chief must be held three months before Lamy concludes his term, in other words by 31 May. The race for the Director-General is expected to be watched closely by trade observers and policymakers alike, given that the next ministerial will be held under his or her stewardship.

## CBEC Clarifications on Duty Drawback 2012-13 Amendments – Effective from 10 October 2012

*Subject: All Industry Rates of Duty Drawback 2012-13.*

27-CBEC 05.10.2012 (DoR) The Ministry has notified the All Industry Rates (AIR) of Duty Drawback 2012-13 vide Notification No. 92 / 2012-Customs (N.T.), dated 4.10.2012. The notification shall come into force on 10th October, 2012.

2. As in previous years, the drawback rates have been determined on the basis of certain broad parameters including, inter alia, prevailing prices of inputs, Standard Input Output Norms, share of imports in the total consumption of inputs, FOB value of export goods, the applied rates of central excise and customs duties, the factoring of incidence of service tax paid on taxable services which are used as input services in the manufacturing or processing of export goods, factoring incidence of duty on HSD/Furnace Oil.

3. Some of the broad aspects, from amongst the changes notified with respect to AIR of duty drawback and entries in the Schedule, are –

(a) Most, but not all, of the items that were already covered under the duty drawback schedule prior to 1.10.2011 [that is, before last year's (2011-12) duty drawback schedule was issued] will see an increase from the existing AIR. Some of the items that will see a reduction in AIR include leather trunks and handbags, wool yarn and fabric, gaskets (84.84), lawn tennis balls, cricket balls, felt tipped/porous tipped pens and markers, goods of heading 90.02 to 90.05.

(b) In continuation of a transitory arrangement, most of the items incorporated in last year's (2011-12) duty drawback schedule, from the erstwhile DEPB scheme, will see a reduction in the AIR rates.

(c) The existing residuary rate of 1% ad valorem (all customs) will now be either 1% composite rate with 0.3% customs component, or it will see an increase to 1.5% (customs component) or 2% (customs component).

(d) With certain exceptions, the drawback caps have not been assigned where the higher of the composite rate/customs component of the rate is 3.5% or lower. Where the AIR will be above 3.5%, not every entry has been assigned the drawback caps. Where drawback caps have been assigned, these will by and large see a relative increase.

(e) In certain cases separate tariff entries have been created, as for calcined bauxite, silicon dioxide, gauze swabs, dairies with leather covers, leather insoles, sarees with or without blouse piece under chapters 50, 52 and 54, women's/girl's blouses with tightening at the bottom, footwear with TPR/PU soles and canvas uppers, worked human hair, imitation jewellery made up of iron, motor cars with manual transmission, motor cars with automatic transmission, multi-speed bicycles etc. Under heading 3004 (medicaments), dosage and pack-size specifications for many items have been removed. Composite rates have been assigned in a few cases such as under heading 7321, 7415 and 8535. The unit for the drawback cap has been changed from litre to kilogram for printing inks of heading 3215.

(f) Drawback has been restored for export of Guar Gum (Tariff Item No. 130201) by providing a specific composite rate with a specific customs component.

(g) In order to continue with the existing classification of sports gloves under the drawback schedule, an appropriate exception, to the principle of alignment at four digit level with the First Schedule to the Customs Tariff Act, 1975, has been specified in the Notes and Conditions in the Notification.

4. It is requested to download the notification with the Schedule for 2012-13 from Board's website (www.cbec.gov.in) and carefully peruse it and thereby take note of all the specific changes notified. As before, it may be ensured that exporters do not avail of the refund of service tax paid on taxable services which are used as input services in the manufacturing or processing of export goods through any other mechanism while claiming AIR. Since the changes include specification of composite rates in many cases, it needs recalling that the composite rate (when Cenvat facility has not been availed) is not available, inter alia, when rebate of central excise duty on inputs is availed or inputs are procured without payment of central excise duty, under rule 18 or 19 (2) of Central Excise Rules 2002, respectively. The due diligence is also expected to be exercised to prevent any misuse, inter alia, in the light of not all items having drawback caps and the assigned drawback caps seeing a relative increase.

5. While every effort has been made to avoid errors / omissions, these are not ruled out. If an error is noticed, please immediately inform the Board for appropriate corrective action. Difficulties faced, if any, in implementation of the changes may also be brought to Board's notice. Suitable public notice and standing order may be issued for guidance of the trade and officers. Receipt of this Circular may be acknowledged.

*F. No. 609/110/2012-DBK*

## Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 – General Notes and Conditions

92-Cus(NT) 04.10.2012 (DoR) In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962), sub section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944), and section 93A and sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994) read with rules 3 and 4 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (hereinafter referred to as the said rules) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.68/2011-Customs (N.T.), dated the 22nd September, 2011 published *vide* number G.S.R. 712 (E), dated the 22nd September, 2011, except as respects things done or omitted to be done before such supersession, the Central Government hereby determines the rates of drawback as specified in the Schedule annexed hereto (hereinafter referred to as the said Schedule) subject to the following notes and conditions, namely:-

### Notes and conditions

(1). The tariff items and descriptions of goods in the said Schedule are aligned with the tariff items and descriptions of goods in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) at the four-digit level only. The descriptions of goods given at the six digit or eight digit or modified six or eight or ten digits are in several cases not aligned with the descriptions of goods given in the said First Schedule to the Customs Tariff Act, 1975.

(2). The General Rules for the Interpretation of the First Schedule to the said Customs Tariff Act, 1975 shall *mutatis mutandis* apply for classifying the export goods listed in the said Schedule.

(3). Notwithstanding anything contained in the said Schedule, -

(i) all artware or handicraft items shall be classified under the heading of artware or handicraft (of constituent material) as mentioned in the relevant Chapters;

(ii) any identifiable ready to use machined part or component predominantly made of iron, steel or aluminium, made through casting or forging process, and not specifically mentioned at six digit level or more in Chapter 84 or 85 or 87, may be classified under the relevant tariff item (depending upon material composition and making process) under heading 8487 or 8548 or 8708, as the case may be, irrespective of classification of such part or component at four digit level in Chapter 84 or 85 or 87 of the said Schedule;

(iii) the sports gloves mentioned below heading 4203 shall be classified in that heading and all other sports gloves shall be classified under heading 9506.

(4). The figures shown in columns (4) and (6) in the Schedule refer to the rate of drawback expressed as a percentage of the free on board (f.o.b.) value or the rate per unit quantity of the export goods, as the case may be.

(5). The figures shown in columns (5) and (7) in the said Schedule refer to the maximum amount of drawback that can be availed of per unit specified in column (3).

(6). The figures shown under the drawback rate and drawback cap appearing below the column

"Drawback when Cenvat facility has not been availed" refer to the total drawback (customs, central excise and service tax component put together) allowable and those appearing under the column "Drawback when Cenvat facility has been availed" refer to the drawback allowable under the customs component. The difference between the two columns refers to the central excise and service tax component of drawback. If the rate indicated is the same in both the columns, it shall mean that the same pertains to only customs component and is available irrespective of whether the exporter has availed of Cenvat or not.

(7). Drawback at the rates specified in the said Schedule shall be applicable only if the procedural requirements for claiming drawback as specified in rules 11, 12 and 13 of the said rules, unless otherwise relaxed by the competent authority, are satisfied.

(8). The rates of drawback specified in the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is -

(a) manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962);

(b) manufactured or exported in discharge of export obligation against an Advance Licence or Advance Authorisation or Duty Free Import Authorisation issued under the Duty Exemption Scheme of the relevant Export and Import Policy or the Foreign Trade Policy:

Provided that where exports are made against Advance Licences issued on or after the 1st April, 1997, in discharge of export obligations in terms of notification No. 31/97 - Customs, dated the 1st April, 1997, or against Duty Free Replenishment Certificate Licence issued in terms of notification No. 48/2000-Customs, dated the 25th April, 2000, or against Duty Free Replenishment Certificate Licence issued in terms of notification No. 46/2002-Customs, dated the 22nd April, 2002, or against Duty Free Replenishment Certificate Licence issued in terms of notification No. 90/2004-Customs, dated the 10th September, 2004, drawback at the rate equivalent to Central Excise allocation of rate of drawback specified in the said Schedule shall be admissible subject to the conditions specified therein;

(c) manufactured or exported by a unit licensed as hundred per cent. Export Oriented Unit in terms of the provisions of the relevant Export and Import Policy and the Foreign Trade Policy;

(d) manufactured or exported by any of the units situated in free trade zones or export processing zones or special economic zones;

(e) manufactured or exported availing the benefit of the notification No. 32/1997–Customs, dated 01st April, 1997.

(9). The rates and caps of drawback specified in columns (4) and (5) of the said schedule shall not be applicable to export of a commodity or product if such commodity or product is -

(a) manufactured or exported by availing the rebate of duty paid on materials used in the manufacture or processing of such commodity or product in terms of rule 18 of the Central Excise Rules, 2002;

(b) manufactured or exported in terms of sub-rule (2) of rule 19 of the Central Excise Rules, 2002.

(10). Where the export product is not specifically covered by the description of goods in the said Schedule, the rate of drawback may be fixed, on an application by an individual manufacturer or exporter in accordance with the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.

(11). The rates of drawback specified against the various tariff items in the said Schedule in specific terms or on *ad valorem* basis, unless otherwise specifically provided, are inclusive of drawback for packing materials used, if any.

(12). The term "dyed", wherever used in the said Schedule in relation to textile materials, shall include yarn or piece dyed or predominantly printed or coloured in the body.

(13). In respect of the tariff items in Chapters 60, 61, 62 and 63 of the said Schedule, the blend containing cotton and man made fibre shall mean that content of man made fibre in it shall be more than 15% but less than 85% by weight and the blend containing wool and man made fibre shall mean that content of man made fibre in it shall be more than 15% but less than 85% by weight. The garment or made-up of cotton or wool or man made fibre or silk or noil silk shall mean that the content in it of the respective fibre is 85% or more by weight.

(14). Wherever specific rates have been provided against tariff item in the Schedule, the drawback shall be payable only if the amount is one per cent. or more of free on board value, except where the amount of drawback per shipment exceeds five hundred rupees.

(15). The expressions "when Cenvat facility has not been availed", used in the said Schedule, shall mean that the exporter shall satisfy the following conditions, namely:-

(i) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Assistant Commissioner of Central Excise or Deputy Commissioner of Customs or Deputy Commissioner of Central Excise, as the case may be, that no Cenvat facility has been availed for any of the inputs or input services used in the manufacture of the export product;

(ii) if the goods are exported under bond or claim for rebate of duty of central excise, a certificate from the Superintendent of Customs or Superintendent of Central Excise in-charge of the factory of production, to the effect that no Cenvat facility has been availed for any of the inputs or input services used in the manufacture of the export product, is produced;

Provided that the certificate regarding non-availment of Cenvat facility shall not be required in the case of exports of handloom products or handicrafts (including handicrafts of brass artware) or finished leather and other export products which are unconditionally exempt from the duty of central excise.

## First Half Yearly Return Filing of ST-3 only for a Period for 1 April to 30 June 2012

***[Service Tax Instruction dated 28th September 2012]***

*Subject: Filing of ST-3 only for the period 1st April to 30th June 2012*

In terms of sub-rules (1) and (2) of Rule 7 of the Service Tax Rules, 1994, the half yearly return for the period 1st April to 30th September 2012, is to be filed by 25th October, 2012. In the current financial year, an assessee would have had to give data with respect to specific services and the corresponding legal provisions for the period 1-4-2012 to 30-6-2012. The data for the period 1-7-2012 to 30-9-2012, would have been with respect to different services and the corresponding legal provisions. Combination of all these provisions into one return would have made the return complex for the assessees .

2. I am directed to inform you that it has been decided that assessees have to provide data only for the period 1-4-2012 to 30-6-2012 in the first half yearly return which is due on 25-10-2012. (The data for the period from 1-7-2012 to 30-9-2012 should not be filed. Modifications will be made in the ACES so that any data filed for this period is rejected. Till such time as the modifications are made, ACES will not be accepting returns) Accordingly notification 47/2012 dated 28-9-2012 has been issued today.

3. Data for the period 1-7-2012 to 30-9-2012 will have to be furnished in a return in a revised format. The revised format of the return and the last date for filing it will be indicated separately.

4. The above information may be communicated to departmental officers and assessees. Hindi version to follow.

*F. No. 137/22/2012-Service Tax*

(16). Whenever a composite article is exported for which any specific rate has not been provided in the said Schedule, the rates of drawback applicable to various constituent materials can be extended to the composite article according to net content of such materials on the basis of a self-declaration to be furnished by the exporter to this effect and in cases of doubt or where there is any information contrary to the declarations, the proper officer of customs shall cause a verification of such declarations.

(17). The term 'article of leather' in Chapter 42 of the said Schedule shall mean any article wherein 60% or more of the outer visible surface area (excluding shoulder straps or handles or fur skin trimming, if any) is of leather notwithstanding that such article is made of leather and any other material.

(18). The term "dyed" in relation to fabrics and yarn of cotton, shall include "bleached or mercerized or printed or mélange."

(19). The term "dyed" in relation to textile materials in Chapters 54 and 55 shall include "printed or bleached".

(20). In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for adult shall comprise the following sizes, namely: -

(a) French point or Paris point or Continental Size above 33;

(b) English or UK adult size 1 and above; and

(c) American or USA adult size 1 and above.

(21). In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for children shall comprise the following sizes, namely: -

(a) French point or Paris point or Continental Size upto 33;

(b) English or UK children size upto 13; and

(c) American or USA children size upto 13.

(22). The drawback rates specified in the said Schedule against tariff items 711301 and 711302 shall apply only to goods exported by airfreight, post parcel or authorised courier through the Custom Houses as specified in para 4A.12 of the Hand Book of Procedures (Vol. I), 2009-2014 published vide Public Notice No.1(RE-2012) / 2009-2014 dated 5th June, 2012 of the Government of India in the Ministry of Commerce and Industry, after examination by the Customs Appraiser or Superintendent to ascertain the quality of gold or silver and the quantity of net content of gold or silver in the gold or silver jewellery. The Free on Board (FOB) value of any consignment through authorised courier shall not exceed rupees twenty lakhs.

(23). The drawback rates specified in the said Schedule against tariff items 711301 and 711302 shall not be applicable to goods manufactured or exported in discharge of export obligation against any scheme of the relevant Export and Import Policy or the Foreign Trade Policy of the Government of India which provides for duty free import / replenishment or procurement from local sources of gold or silver.

2. All claims for duty drawback shall be filed with reference to the tariff items and descriptions of goods shown in columns 1 and 2 of the said Schedule respectively.

3. This notification shall come into force on the 10th day of October, 2012.

***<Duty Drawback Schedule available at www.worldtradescanner.com>***

## Anti-dumping Duty Imposed on CR Flat Products of Stainless Steel 400 Series from EU Korea and USA

Ntfn 46-ADD 04.10.2012 (DoR)

Whereas in the matter of imports of Cold Rolled Flat Products of Stainless Steel(400 Series) having width below 600 mm,(hereinafter referred to as the subject goods), classified under Chapter 72 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, European Union, Korea RP, and USA (hereinafter referred to as the subject countries) and imported into India, the designated authority in its final findings vide notification No. 14/19/2010-DGAD, dated the 14th November, 2011, published in the Gazette of India, Extraordinary, Part I, Section 1, the dated 14th November, 2011, had come to the conclusion that –

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

(b) the domestic industry had suffered material injury;

(c) the material injury had been caused by the dumped imports of the subject goods from subject countries;

(d) the injury has been caused cumulatively by imports from the subject countries;

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

Now, therefore, in exercise of the powers conferred by sub-section (1) and 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 findings of the designated authority, hereby imposes on the subject goods, the description and specification 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 subject 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 a rate equal to the amount specified in the currency per unit of measurement specified in corresponding entry in column (8), of the said Table:-

**Table**

| SNo. | Sub-heading | Description of Goods | Specification | Country of Origin | Country of Export | Producer | Exporter | Amount (USD/MT) |
|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| 1. | 7220.20 7220.90 | Cold Rolled Flat Products of Stainless Steel of 400 series having a width of | | Korea R.P. | Korea R.P. | Any | Any | 1491 |
| 2. | | less than 600mm including all Ferritic and Martensitic grades excluding | | -do- | Any country other than Korea R.P | Any | Any | 1491 |
| 3. | | Razor Blade Steel. | | Any country other than subject countries | Korea R.P. | Any | Any | 1491 |
| 4. | 7220.20 7220.90 | Cold Rolled Flat Products of Stainless Steel of 400 series having a width of | | EU | EU | Any | Any | 1491 |
| 5. | | less than 600mm including all Ferritic | | -do- | Any country other than EU | Any | Any | 1491 |
| 6. | | and Martensitic grades excluding Razor Blade Steel. | | Any country other than subject countries | EU | Any | Any | 1491 |
| 7. | 7220.20 7220.90 | Cold Rolled Flat Products of Stainless Steel of 400 series having a width of | | USA | USA | Any | Any | 1491 |
| 8. | | less than 600mm including all Ferritic | | -do- | Any country other than USA | Any | Any | 1491 |
| 9. | | and Martensitic grades excluding Razor Blade Steel. | | Any country other than subject countries | USA | Any | Any | 1491 |

Landed value of imports for the purpose shall be the assessable value as determined under the Customs Act, 1962 and includes all duties of customs except duties under Sections 3, 3A, 8B, 9 and 9A of the Customs Tariff Act, 1975.

2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

Explanation. – For the purpose of this notification, “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.354/197/2011 –TRU]*

## Safeguard Duty of 30% Imposed on Carbon Black from China

Ntfn 04-SG 05.10.2012 (DoR) Whereas, in the matter of import of Carbon Black (for rubber application) (hereinafter referred to as the subject goods), falling under tariff item 2803 00 10 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Act), from People's Republic of China, the Director General (Safeguard), in the final findings, *vide* number G.S.R. 602 (E), dated the 31st July, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 31st July, 2012, had come to the conclusion that increased imports of Carbon Black (for rubber application) into India from the People's Republic of China had caused and threatened to cause market disruption to the domestic producers of Carbon Black and it had necessitated the imposition of definitive safeguard duty on imports of Carbon Black (for rubber application) into India;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 8C of the said Act, and in accordance with the rules 12, 14 and 17 of the Customs Tariff (Transitional Product Specific Safeguard Duty) Rules, 2002, the Central Government after considering the said findings of the Director General (Safeguards), hereby imposes a safeguard duty on Carbon Black (for rubber application) , falling under tariff item 2803 00 10 of the First Schedule to the said Act, when imported into India from the People's Republic of China at the rate of-

(a) Thirty per cent *ad valorem* minus anti-dumping duty payable, if any, when imported during the period from 5th October, 2012 to 4th October, 2013(both days inclusive); and

(b) Twenty five per cent *ad valorem*, minus anti-dumping duty payable, if any, when imported during the period from 5th October, 2013 to 31st December, 2013(both days inclusive).

*[F.No.354/180/2012TRU]*

## Cotton Exports Registration Continued in New Notification w.e.f. 1 October 2012

*Subject: Procedure and conditions for registration of contracts for export of cotton (Tariff Codes 5201 and 5203) w.ef 1st October 2012.*

17-Ntfn(RE) 01.10.2012 (DoR) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby notifies the procedure and conditions for registration of contracts for export of cotton under Tariff Item HS code 5201 & 5203 [Sl. Nos. 197 & 199 of ITC(HS) Classification of Export & Import Items] w.e f 1st October 2012.

2. The registration will be subject to the following conditions:

(i) Registration Certificates (RCs) will be issued by the 7 designated Regional Authorities of DGFT at Ahmedabad, Bengaluru, Chennai, CLA New Delhi, Hyderabad, Kolkata and Mumbai.

(ii) Procedure of obtaining Registration Certificate (RC) as stipulated in Notification No. 63 (RE-2010)/2009-14 dated 04.08.2011 and modified by Notification No. 74 (RE-2010)/2009-14 dated 12.09.2011 will continue to apply.

(iii) An exporter can apply for one RC at a time for a maximum quantity of 10,000 bales (1 bale=170kg) or actual quantity exported in the previous cotton season, **whichever is less.** Exporters who have exported upto 1500 bales during previous cotton season and new comers (a new comer is an exporter who has not exported cotton in the previous cotton season) can apply "upto 1500 bales". Eligibility to apply for a subsequent RC will be on completion of at least 50% of the exports against the RC obtained now under this notification (exporters would be required to submit the documentary proof of such exports to the concerned RAs alongwith the application for issue of new RC).

(iv) For ease of calculation, RC holders are encouraged to apply in next higher multiples of 10. (For example an exporter who has exported 1387 bales during previous cotton season is encouraged to apply for 1390 bales).

(v) Revalidation of Registration Certificates will not be permitted.

**3. Effect of this notification**

The Procedure and conditions for export of cotton w.e.f 1st October 2012 have been notified. This is similar to Notification number 113 of 4th May 2012, except appropriate changes in para 2(iii).

## Assam Comilla Cotton Exempted from Export Restriction upto 5000 Bales

### RC will be Valid for 30 Days

*Subject: Exemption of Assam Comilla Cotton [ITC(HS) Code 5201 00 12] from export restriction on cotton.*

18-Ntfn(RE) 01.10.2012 (DGFT) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby makes the following amendments with immediate effect in respect of Sl. No. 197 {ITC(HS) Classification}.

2. Export of Assam Comilla Cotton [ITC(HS) Code 5201 00 12] with a limit of 5,000 Bales was exempted from the cap on export of cotton during the previous cotton seasons 2010-11 and 2011-12. Export of Assam Comilla Cotton [ITC(HS) Code 5201 00 12] with a limit of 5,000 Bales will be exempted from any restriction on export of cotton**.** As prescribed in the previous cotton seasons, such export would require to be registered with DGFT.

3. Procedure of obtaining Registration Certificate (RC) for export of Assam Comilla Cotton [ITC(HS) Code 5201 00 12] was notified in Policy Circular No. 29(RE-2010)/2009-14 dated 19.04.2011. The same will continue to apply except that the export against Registration Certificates shall be completed within a period of 30 days (In para 3 of Policy Circular No. 29 dated 19.04.2011, such period was 45 days).

**4. Effect of this notification**

Export of 5,000 bales of Assam Comilla Cotton will be exempted from any export restrictions subject to registration with DGFT. Registration Certificate for such exports will be valid for 30 days only.

## Poppy Seeds Imports Allowed from 6 More Countries

### No Certificate from International Narcotics Control Bureau Required

19-Ntfn(RE) 05.10.2012 (DoR) In exercise of powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992, as amended, read with paragraph 1.3 and paragraph 2.1 of the Foreign Trade Policy – 2009-14, the Central Government hereby amends the Import Policy Conditions (3) of Chapter 12, Schedule – I (Imports) of the ITC(HS) Classifications of Export and Import Items, 2009-14, which at present reads as under:

2. "(3) Import of Poppy Seeds (HS Code: 120791 00) shall be allowed subject to the following conditions:

a) Import permitted only from Australia, Austria, France, China, Hungry, the Netherlands, Poland, Slovenia, Spain, Turkey and Czech Republic;

b) The importer shall produce an appropriate certificate from the competent authority of the exporting country that Opium Poppy have been grown licitly /legally in that country as per requirements of International Narcotics Control Bureau (website: http://www.incb.org); and

c) …………………"

3. Amended Policy condition 3 of Chapter 12, ITC(HS) Classifications of Export and Import Items, 2009-14 will be:

"(3) Import of Poppy Seeds (HS Code: 120791 00) shall be allowed subject to the following conditions:

*a) Import permitted only from Australia, Austria, France, China, Hungary, the Netherlands, Poland,* ***Slovakia,*** *Spain, Turkey and Czech Republic,* ***United Kingdom, Democratic Peoples Republic of Korea, Macedonia, Germany and Ukraine;***

*b) The importer shall produce an appropriate certificate from the competent authority of the exporting country that Opium Poppy have been grown licitly /legally in that country; and*

*c) …………………"*

4. Effects of this Amendment: The number of countries from which import of poppy seeds is allowed is increased from 11 to 16 and "Slovenia" has been replaced by "Slovakia" in 3(a). The last part of 3(b) i.e., "as per requirements of International Narcotics Control Bureau (website: http://www.incb.org)" has been deleted. There has been no change in 3(c).

## 14 Pre-Shipment Inspection Agencies Enlisted as PSIA

20-PN(RE) 01.10.2012 (DGFT) In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in Appendix 5 of the Handbook of Procedures (Vol. I) with immediate effect:-

The following agencies are approved as Pre Shipment Inspection Agencies (PSIA) and enlisted in Appendix 5 of the Handbook of Procedures (Vol-I), Appendices and Aayaat Niryaat Forms:

| SNo. | Name of the Inspection Agency | Area / Region of Operation |
|---|---|---|
| **1** | Alex Stewart (International) Corporation Ltd.,<br>Locu iela 1, Ventspills, LV-3601, Latvija,<br>PVN reg. nr. LV40003252415<br>Telefakss: +371 6362 1209, M: +371 2921 2554,<br>E: jakovs@fix.lv | **Latvia** |
| 2 | M/s Ravi Energie,<br>**Head Office**<br>202,Manubhai Towers-B,Sayajigung,<br>Baroda-395005 India<br>Telefax: +91-265-2226069, + 91,265-2361740<br>Email:info@ravienergie.in | **India** |
| 2(a) | **Branch Office**<br>Ravi Energie Inc.,<br>1, Teakwood Court, Warran, NJ 07059, USA<br>Tel: +1-908-531-8605, Fax: +1-908-502 030<br>E Mail: Info@ravienergie.com | **North America** |
| 2(b) | Ravi Energie Gulf FZC<br>Mail address: P.O. Box 16241, Ras Al Khaimah, UAE<br>Office Address<br>321B, III Floor, Business Centre-4, Ras Al Khaimah, UAE,<br>Tel: + 971-504-328-605, E Mail: gulf@ravienergie.com | **UAE** |
| 2(c) | Ravi Energie Europe Ltd.,<br>22 Ross Parade, Wallington, Surrey SM6 8QF, UK,<br>Tel: +44-203-002-3617, E Mail: Europe@ravienergie.com | **UK** |
| 2(d) | Global Multitrade Services Inc.,<br>Regd. Office: 17, Kimble Court, Hillsborough,<br>NJ 08844, USA<br>Administrative Office: 3056 N 83rd Pl, Scottsdale,<br>Arizona 85251, USA, Tel: +1-908-432-0310,<br>E Mail: global@ravienergie.com | **North America** |
| 3. | Alex Stewart International (Aust) Pty. Ltd.,<br>**Head Office:**<br>21 Sefton Business Park Netherton Liverpool<br>L 30 1 RD, England | **UK** |
| 3(a) | **Branch Office**<br>Suit 402, Level 4, 51 Rawson Street, Epping<br>NSW 2121, Australia | **Australia** |
| 4 | ELBI Consultancy (India) Pvt. Ltd.,<br>Room No. 1/1 & ½ (1st Floor)<br>Phears Lane Commercial Complex,<br>Near Bowbazar, Ganguram Sweet Shop,<br>81/2/7 Phears Lane, Kolkata – 700012<br>Ph: 033-2225-2023, 40077989, Fax: 033-40074753<br>Mob. 9433147244, 9433759015<br>E-mail: elbikol@rediffmail.com | **India** |
| 5 | Caylay Aerospace Inc.,<br>18830 38th Ave W, Lynnwood, WA, 98037, USA<br>Tel: +1-425-233-0440<br>E Mail: bishnujee.singh@cayleyaerospace.com | **USA** |
| 6 | NQAQSR North America,<br>1365, Palmyrita, Riverside, CA 92507, USA<br>Phone (951) 680-0826, Fax: (951) 680-0827<br>E-Mail: info@nqaqsr.us | **USA** |
| 7 | SGNCO (UK) Limited,<br>Aston House, Cornwall Avenue, London N3 1LF,<br>Tel: +44 7438189175, Mob. 9958200584<br>E Mail: sandeep@sgnco.com | **UK** |
| 8 | Sandeep Garg & Company,<br>1311, Westheimer Rd., Ste 120, Houston TX 77077, USA<br>Tel: 281 596 7010 / Fax: 281 596 7427<br>Mob: 281 743 9754, E Mail: sandeep@sgnco.com | **USA** |
| 9 | Sandeep Garg & Company SARL,<br>B.P. No.4786, Commune-1, Behind Kledu Pressing<br>Sotuba Aci, Bamako- Mali<br>Tel: +223-78296617, Mail: sandeep@sgnco.com | **Mali** |
| 10 | Sandeep Garg & Company Canaca INC.<br>59, Giraffe Ave, Brampton Ontario, Canada L6RIZI<br>Tel: (+) 1 905 792 0459; E Mail: sandeep@sgnco.com | **Canada** |
| 11 | Nippon Kaiji Kentei Kyokai,<br>9-7-1 Chome, Hatchobori, Chuo-ku, Tokyo, Japan<br>Tel: +81-3-3454-5721<br>E. Mail: honbu-kns-3-sg@nkkk.or.jp | **Japan** |
| 12 | A/S Baltic Control Ltd., Aarhus,<br>P.O. Box 2199, Sindalsvej 42B, 8240 Risskov,<br>Denmark, Tel: +92 21 244 1211, 1212, 2121<br>E. Mail: office@balticcontrol.pk | **E.U.** |
| 13 | Nectar Inspection Services LLC,<br>P.O. Box 90468, Dubai, United Arab Emirates,<br>Tel: +971509182496, E Mail: nectardxb@gmail.com | **UAE** |
| 14 | Sandeep Garg & Company<br>584, Sector-15, Part-I, Gurgaon, Haryana 122001, India<br>Tel: 91-0124-222 0584 / Mob: 91-9810028993<br>Fax: 91-0124-5033584, E Mail: Sandeep@sgnco.com | **India** |

**Effects of this public notice**

2. Fourteen new PSIA have been approved as Pre Shipment Inspection Agencies (PSIA).

# Exchange Rates for Customs Valuation

## Rupee Rate for Customs Valuation Gains to Rs. 52.85 on Imports w.e.f. 5 October 2012

91-Cus(NT) 04.10.2012 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 84/2012-CUSTOMS (N.T.), dated the 20th September, 2012 *vide* number S.O. 2262(E), dated the 20th September, 2012, except as respects things done or omitted to be done before such super session, 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 5th October, 2012** 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.

| | | **Imprted Goods** | | **Exported Goods** | |
|---|---|---|---|---|---|
| SNo. | Currency | Current | Previous | Current | Previous |
| **Schedule I** – Rate of exchange of one unit of foreign currency equivalent to Indian rupees | | | | | |
| 1. | Australian Dollar | 54.30 | 57.20 | 52.80 | 55.95 |
| 2. | Bahrain Dinar | 143.05 | 148.15 | 134.85 | 140.20 |
| 3. | Canadian Dollar | 53.90 | 56.30 | 52.55 | 54.85 |
| 4. | Danish Kroner | 9.20 | 9.60 | 8.90 | 9.35 |
| 5. | EURO | 68.45 | 71.40 | 66.65 | 69.80 |
| 6. | Hong Kong Dollar | 6.80 | 7.05 | 6.70 | 6.95 |
| 7. | Kenya Shilling | 63.50 | 65.95 | 59.55 | 62.20 |
| 8. | Kuwait Dinar | 192.00 | 199.10 | 180.60 | 188.20 |
| 9. | Newzeland Dollar | 43.75 | 45.45 | 42.40 | 44.35 |
| 10. | Norwegian Kroner | 9.30 | 9.65 | 9.00 | 9.35 |
| 11. | Pound Sterling | 85.45 | 88.95 | 83.40 | 87.05 |
| 12. | Singapore Dollar | 43.05 | 44.85 | 41.90 | 43.85 |
| 13. | South African Rand | 6.45 (6.10)* | 6.75 | 6.05 | 6.35 |
| 14. | Saudi Arabian Riyal | 14.40 | 14.90 | 13.55 | 14.10 |
| 15. | Swedish Kroner | 8.00 | 8.45 | 7.75 | 8.20 |
| 16. | Swiss Franc | 56.65 | 59.15 | 55.05 | 57.65 |
| 17. | UAE Dirham | 14.70 | 15.20 | 13.85 | 14.40 |
| 18. | US Dollar | 52.85 | 54.75 | 51.85 | 53.90 |
| **Schedule II** – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees | | | | | |
| 1. | Japanese Yen | 67.95 | 70.30 | 66.00 | 68.50 |

*[F.No.468/15/2012-Cus.V]*

*w.e.f. 10.10.2012 *(Ref: 93-Cus(NT)/09.10.2012)*

**DGFT Public Notice and RBI Circular –** *See full text at www.worldtradescanner.com*

**New Contact Details of IEEMA**

*[Ref: 19-PN(RE)/28.09.2012]*

**Rupee Value under Indo-USSR Deferred Payment Protocol Revised to Rs. 75.037184 w.e.f. 27 September 2012**

*[Ref: RBI Circular No. 38 dated 04.10.2012]*

## News Brief

**Cooking-Oil Imports by India Set to Climb as Palm Oil Slumps**: Cooking-oil imports by India, the world's largest consumer after China, probably jumped for a second month in September as the biggest monthly slump in palm oil prices in four years spurred demand from refiners.

**Oil Declines from One-Week High as Crude Stockpiles Seen Rising**: Oil declined from the highest price in a week in New York on speculation that crude stockpiles climbed in the U.S., the world's biggest user of the commodity.

### WORLD TRADE SCANNER



### BIG's WEEKLY INDEX OF CHANGES

#### Foreign Trade Policy



#### Customs



#### CBEC Circular



#### Service Tax






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