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Banks to Monitor Import Payment on Bills of Entry from 10 Oct

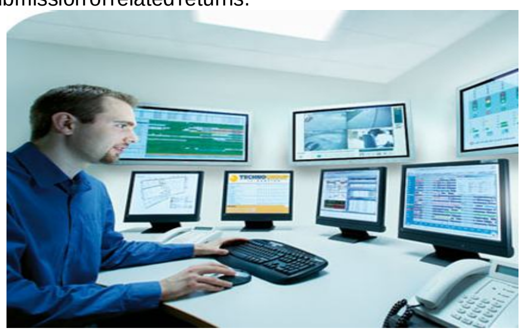
4 IDPMS (Import Data Processing and Monitoring) Goes Live

[Ref: RBI Circular No. 05 dated 6th October 2016]

Sub: Import Data Processing and Monitoring System (IDPMS)

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No.65 dated April 28, 2016 read with Section 5 of the Foreign Exchange Management Act 1999 (42 of 1999), Government of India Notification No. G.S.R. 381(E) dated May 3, 2000 viz., Foreign Exchange Management (Current Account Transaction) Rules, 2000 on import of goods and A.P. (DIR Series) Circular No. 9 dated August 24, 2000 which outlines the procedure, mode/ manner of payment for imports and submission of related returns.

2. In order to enhance ease of doing business and facilitate efficient data processing for payment of import transactions and effective monitoring thereof, Import Data Processing and Monitoring System (IDPMS) has been developed in consultation with the Customs authorities and other stakeholders. The details of IDPMS were advised to the AD Category-I banks vide above mentioned A.P. (DIR Series) Circular No.65 dated April 28, 2016 and banks were requested to be ready with the required IT changes in their system to generate/submit the data under IDPMS as per specified message format and technical specification.



3. As announced in the fourth Bi-monthly Monetary Policy Statement 2016-17 dated October 4, 2016, all AD Category-I banks are advised that IDPMS will go live with effect from October 10, 2016 and are directed to use IDPMS for reporting and monitoring of the import transactions.

4. Customs department has modified the Bill of Entry (BoE) format to display the AD Code of bank with effect from April 1, 2016 and SEZ from June 1, 2016 respectively. Primary import transaction data (from Customs/SEZ) with effect from the above mentioned dates will be made available to respective AD banks in the IDPMS database for further processing. Starting October 10, 2016 all transactions will flow to IDPMS on daily basis for AD banks, to log all subsequent activities and monitor the import transactions.

5. The User Acceptance Test (UAT) of IDPMS was launched on August 19, 2016 and banks were requested to login and familiarise themselves. AD banks were also advised to be ready with data related to all the outstanding import remittances as per the message "outward remittances against Import" to facilitate uploading of the same in IDPMS.

6. The detailed operational procedures are available at Help Menu on EDPMS Portal under "Import process" tag. The operational directions/guidelines are as below:

i. AD banks are required to create Outward Remittance Message (ORM) for all such outward remittance/s for import payments on behalf of their importer customer for which the prescribed documents for evidence of import have not been submitted.

ii. Creation of ORM for all outstanding outward remittance/s for import payments needs to be completed on or before October 31, 2016.

Settlement of ORM with BoE

iii. Based on the AD code declared by the importer, the banks shall download the Bill of Entry (BoE) issued by EDI ports from "BOE Master" in IDPMS. For non-EDI ports, AD bank of the importer shall upload the BoE data in IDPMS as per message format "Manual BOE reporting" on daily basis on receipt of BoE from the customer/Customs office.

iv. AD banks will enter BoE details (BoE number, port code and date) for ORM associated with the advance payments for import transactions as per the message format "BOE settlement".

v. In case of payment after receipt of BoE, the AD bank shall generate ORM for import payments made by its importer customer as per the message format "BOE settlement".

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(DINDEX = Daily Index of Changes Ref)

vi. Multiple ORMs can be settled against single BoE and also multiple BoE can be settled against one ORM.

Extension and Write Off

vii. AD Category I banks shall give extension for submission of BoE beyond the prescribed period in terms of the extant guidelines on the matter, and the same will be reported in IDPMS as per the message "Bill of Entry Extension" and the date up to which extension is granted will be indicated in "Extension Date" column.

viii. AD Category I banks can consider closure of BoE/ORM in IDPMS that involves write off to the extent of 5% of invoice value in cases where the amount declared in BoE varies from the actual remittance due to operational reasons and the AD bank is satisfied with the reason/s submitted by the importer.

ix. AD Category I banks may close the BoE for such import transactions where write off of import payable is on account of quality issues; short shipment or destruction of goods by the port / Customs / health authorities in terms of extant guidelines on the matter subject to submission of satisfactory documentation by the importer irrespective of the amount involved. AD Bank shall settle and close ORM/BoE with appropriate "Adjustment Indicator" in IDPMS.

x. The above operational guidelines for extension and write off are meant to facilitate closure of bills in IDPMS and will be subject to extant guidelines on the matter and shall not absolve the importer from remitting / receiving the amount in case of change in circumstances.

xi. Extension and write off cases not covered by the extant guidelines may be referred to the concerned Regional Office of Reserve Bank of India for necessary approvals.

Follow-up for Evidence of Import

xii. AD Category – I banks are required to follow up for submission of prescribed documents for evidence of import in terms of extant guidelines on the subject.

7. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

8. **Master Direction No. 17/2015-16** dated January 1, 2016 is being updated to reflect the changes.

9. The directions contained in this circular have been issued under Section 10(4) and 11(1) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

GST Scanner

Electronics Ministry to Adopt HS Frame for GST

After the passage of the Constitution (One Hundred and Twenty Second Amendment) Bill, 2014 for facilitating the introduction of Goods and Services Tax in the country, the target date for the introduction of GST has been set as 01.04.2017. GST Rates will be specified by the Inter State and GST Council, CGST and IGST Bills are being drafted by the Central Government for Presentation to the winter session of Parliament summoned for early November as a special case.

Framework regarding GST rates in the electronics sector: A suggested system based on HS Coding and the related industry segment classifications under Alpha Code with Electronics Sector has been developed. The highlights of the coding system and GST rates are given in the following example:

HS Code		Item Description	Covered in Agreement	Class Code	CVD	Kerala VAT	KVAT Ref
(1)		(2)	(3)	(4)	(5)	(6)	(7)
	-	*Telephone sets, including telephones for cellular networks or for other wireless networks:*					
8517 12	--	*Telephones for cellular networks or for other wireless networks:*					
8517 12 10	----	Push button type	NITA	C1 -Push Button Type Mobile Handsets	12.5	5	III(69)(29)(b)
8517 12 90	----	Other	NITA	C2 - Smart Phones	12.5	5	III(69)(29)(b)
8517 70	-	Parts:	ITA-I/ ITA-II	C3 - Mobile Handset Parts	12.5	5	III(69)(30)

Col.1 - Gives the HS Codes at 8 digit level

Col.2 - Gives the Item Description as notified in ITC(HS) based on HS2012

Col.3 - Gives coverage of item under the following abbreviations:

4 ITA I – IT Agreement concluded in Singapore 1996

4 ITA II – IT Agreement concluded in Nairobi in 2015

4 NITA – Electronic items such as consumer goods not covered in ITA I or ITA II

Col. 4 – This gives the Alpha codes for electronics sector.

Col.5 CVD – This is the Excise duty (generally 12.5%) as notified. The rate has to be adjusted for retail mark up. Thus 12.5% with 20% retail abatement will means 10.42% (12.5÷1.2). Thus the CGST rate at existing level will be 10.42.

Col.6 – Kerala VAT Schedule has been coded for HS2012. Database has been created and sorted by HS lines. Thus the SGST rate of 5% for IT items and 14.5% for others electronic items.

Col.7 - Kerala VAT Reference gives the schedule number, Serial No. and Sub-Serial Number in the respective VAT Act.

The department has sought regarding the CGST, SGST and IGST rates for Electronics sector. It also wants industry views regarding continuation of differential Excise Duty dispensation in the GST Regime.

Vehicles are not Luxury, Hi GST only for Luxury Vehicles

4 Tax Electronic Vehicles in Merit Goods

"While for a long time there were only two rates of excise duties on passenger cars, in recent years, the bigger car rates have fragmented and today we have four rates for passenger cars excluding electric vehicles and hybrid electric for which lower rates are applicable. In view of the current scenario, there is a need to look at GST rate for automobiles sensitively," SIAM said in a statement.

There should be only two rates for conventional vehicles. Standard GST rate should be applicable on small cars, MUVs, two-wheelers, three-wheelers and commercial vehicles. Cars other than small cars should attract a GST rate which is 8 per cent more than the standard rate, it added.

It further said there must "also a lower GST rate for electric vehicles, hybrid electric vehicles and other alternative fuel vehicles, which should be at least 8 per cent less than the standard rate."

Stating that the Automobile industry operates 'at the frontier of technology' improving the overall level of technology of a nation leading to better job opportunities, SIAM said its "members have committed to building the nation responsibly and as such no automotive product should be clubbed with goods that are health hazard, like cigarettes, pan masala, liquor, etc.

Area Based Exemptions

Commenting implications of GST on incentives given to companies to set up units, SIAM said many of its members have made huge investments in locations falling under Area Based Exemption scheme in places like Uttarakhand and Himachal and the period of the scheme is still not over and "as such there is a need to protect the benefits to those units under GST regime till the end of the scheme".

Include Road Tax and Vehicle Registration

In addition, road tax and registration tax still remain outside the GST framework. "This will further burden the consumer and road taxes needs to be subsumed in GST," it said.

No Comment on Fuel

SIAM has chosen not to comment on the five Petroleum Products which remain outside the GST ambit. These items can be included under GST but from a date decided by the GST Council.

Ofloxacin from China under Anti-dumping Investigation on Aarti Drugs Mumbai Complaint

4 Related Intermediary O-Acid from China is already on Investigation on Complaint from Same Party

[Anti-dumping Initiation Notification No. 14/06/2016-DGAD dated 4th October 2016]

Subject: Anti Dumping investigation concerning imports of Ofloxacin originating in or exported from China.

M/s Aarti Drugs Ltd. has filed an application for initiation of anti-dumping investigation and imposition of anti-dumping duty concerning imports of Ofloxacin, originating in or exported from China.

Domestic Industry & Standing

The Application has been filed by M/s Aarti Drugs Ltd., as domestic industry of the product under consideration. Apart from the applicant, there are some other producers of subject goods in India. The total production of Ofloxacin in India has been estimated on the basis of consumption of O-Acid in the Country.

As per the evidence available on record, the production of the applicant accounts for a major proportion in the gross domestic production of the like article. The Authority, therefore, determines that the applicant constitutes eligible domestic industry within the meaning of Rule 2 (b) of the Anti-Dumping Rules and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

Product under consideration

The product under consideration for the purpose of present investigation is "Ofloxacin".

Ofloxacin is a synthetic chemotherapeutic antibiotic of the fluoroquinolone drug class considered to be a second-generation fluoroquinolone. Ofloxacin is a racemic mixture, which consists of 50% levofloxacin (the biologically active component) and 50% of its "mirror image" or enantiomer dextrofloxacin. Ofloxacin is used to treat certain infections including bronchitis, pneumonia, and infections of the skin, bladder, urinary tract, reproductive organs, and prostate gland. It works by killing bacteria that cause infections.

Normal Value Constructed

Applicant has claimed that China should be treated as a non-market economy and normal value in case of China should be determined in accordance with para-7 and 8 of Annexure I of the Rules. The applicant has claimed normal value for China PR on the basis of cost of production in India, duly adjusted. In terms of Para 8 in Annexure 1 to the Rules it is presumed that the producers of the subject goods in China PR are operating under non market economy conditions.

In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters from China PR, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules.

Dumping Margin

The normal value has been compared with the export price at ex-factory level. There is sufficient prima facie evidence that the normal value of the subject goods in the subject country are higher than the ex-factory export price, indicating, that the subject goods are being dumped into the Indian market by the exporters from the subject country. The dumping margin is estimated to be above de minimis.

Injury and Causal Link

Information furnished by the applicant has been considered for assessment of injury to the domestic industry. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to production and consumption in India, price suppression, price underselling and consequent significant adverse impact in terms of profits, return on capital employed, and cash flow to the domestic industry. There is sufficient prima facie evidence of the 'injury' being suffered by the domestic industry caused by dumped imports from subject country to justify initiation of an antidumping investigation.

Period of Investigation (POI)

The proposed period of investigation (POI) is 1st July2015 to 30th June 2016. However, the injury investigation period has been considered and proposed to cover the periods April 13-March14, April 14-March15, April 15-March 16 and the proposed period of investigation.

[Full text available at worldtradescanner.com]

TDI from China, Japan and Korea under Anti-dumping Investigation on GNVF Complaint

4 Sole Producers of PU Foam Intermediate Claims Injury

[Anti-dumping Initiation Notification No.14/36/2016-DGAD dated 5th October 2016]

Subject: Initiation of Anti-dumping investigation concerning imports of '' originating in or exported from China PR, Japan and Korea RP.

M/s Gujarat Narmada Valley Fertilizers & Chemicals Limited have filed an application for initiation of anti-dumping investigation and imposition of anti-dumping duty concerning imports of Toluene Di- Iso cyanate- TDI, originating in or exported from China PR, Japan and Korea RP.

Domestic Industry & Standing

The Application has been filed by M/s Gujarat Narmada Valley Fertilizers & Chemicals Limited as the domestic industry.

The applicant company has claimed that they are the sole producer of subject good in India. Thus, as per the evidence available on record, the production of the applicant company constitutes "a major proportion" of the domestic production; in fact 100% share of domestic production.

Product under consideration

The product under consideration (PUC) in the present investigation is Toluene Di- Isocyanate-TDI originating in or exported from China PR, Japan and Korea RP.

Toluene di-isocyanate (TDI) is an organic compound with the formula $CH_3C_6H_3(NCO)_2$. Two of the six possible isomers are commercially important: 2,4-TDI (CAS: 584-84-9) and 2,6-TDI (CAS: 91-08-7). 2,4-TDI is produced in the pure state, but TDI is often marketed as 80/20 and 65/35 mixtures of the 2,4 and 2,6 isomers respectively. The PUC in the present investigation concerns TDI having isomer content in the ratio of (80:20) and any other grades are beyond the scope of product under consideration.

TDI is a clear liquid and is used for production of Flexible Polyurethane Foam, Furniture cushion, Industrial Gaskets, Protective pads for Sports & Medical use, Automobiles: Seats, Furniture, Lining, Sun visors etc, Packing: Electronic items, Frozen Foods, Medicines, Audio-video Computer CD's etc.

TDI being an organic chemical is categorised under Chapter 29 of the Customs Tariff Act, 1975 and further under subheading 29291020 which pertains to Toluene di-isocyanate. However, as submitted by the applicant, this heading includes certain grades other than isomers (80:20) hence the classification is indicative only. It has also been claimed by the applicant that the imports of the subject goods have been reported under some other subheadings also such as 29094300, 29291090, 29291010, 38249090 and 39095000. The Customs classification is, however, indicative only and in no way binding on the scope of the proposed investigation and any measures to be recommended to be imposed.

Normal Value on China Constructed

The Applicant has claimed that China PR should be treated as a non-market economy country it is presumed that the producers of the subject goods in China PR are operating under non market economy conditions. In view of the above non-market economy presumption and subject to rebuttal of the same by the responding exporters from China PR, normal value of the subject goods in China PR has been estimated.

Dumping Margin

The normal value and the export price have been compared at ex-factory level, which show significant dumping margin in respect of all the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries is significantly higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject countries.

Initiation of anti-dumping investigation

The Designated Authority, in view of the foregoing paragraphs, initiates antidumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.

Period of Investigation (POI)

The period of investigation for the purpose of present investigation is from 1st April 2015 to 31st March 2016 (12 months). The injury investigation period will however, cover the periods 2012-13, 2013-14, 2014-15 and the POI.

[Full text of Notification available at worldtradescanner.com]

World Bank Pink Sheet – October 2016

Metals and Grains Down in September, Gold and Silver Fall

- Coal, Edible Oil, Sugar, Rubber and Urea Rise
- Crude, Groundnuts and Woodpulp, Steady

In September, energy prices rose 0.9%, while non-energy commodities slipped 0.8%. Food prices dropped by 1.0%. Beverages increased 0.9%. Raw materials fell 0.1%, and fertilizers rose 0.7%. Metals and minerals fell 1.6%, and precious metals by 1.2%.

Up↑

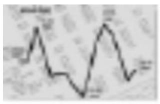
Coal; Natural Gas; Coffee and Tea; Coconut oil; Copra
Palm oil; Palmkernel oil; Soybean oil; Sheep Meat; Oranges
World Sugar; Sawnwood; Rubber; Urea
Lead, Tin and Zinc

Down↓

Cocoa; Fishmeal; Groundnut oil; Soybean meal and Soybeans
Barley; Maize; Rice; Wheat SRW; Bananas; Beef; Chicken Meat
Logs, Malaysia; Plywood; Cotton,
DAP, Rock phosphate, Potassium chloride and TSP
Aluminium, Copper, Iron Orea and Nickel;
Gold, Silver and Platinum

Steady ↔

Crude; Groundnuts; Sorghum; Shrimp
Logs, Cameroom; Woodpulp



	Monthly averages				Quarterly averages					Annual averages		
	2016				2015		2016			2013	2014	2015
	July	Aug	Sept		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Dec
Energy												
Coal, Australia $/mt	62.3	67.4	72.9	↑	57.5	52.3	50.9	51.9	67.5	84.6	70.1	57.5
Coal, Colombia $/mt	54.2	57.9	61.0	↑	50.4	48.0	42.7	44.8	57.7	71.9	65.9	52.5
Coal, South Africa $/mt	62.5	66.0	67.4	↑	54.3	51.1	51.5	54.8	65.3	80.2	72.3	57.0
Crude oil, average $/bbl	44.1	44.9	45.0	↔	48.8	42.2	32.7	44.8	44.7	104.1	96.2	50.8
Crude oil, Brent $/bbl	45.1	46.1	46.2	↔	50.0	43.4	34.4	46.0	45.8	108.9	98.9	52.4
Crude oil, Dubai $/bbl	42.6	43.7	43.7	↔	49.9	41.2	30.6	42.9	43.4	105.4	96.7	51.2
Crude oil, WTI $/bbl	44.7	44.8	45.2	↔	46.4	42.0	33.2	45.5	44.9	97.9	93.1	48.7
Natural gas, Index 2010=100	59.6	59.6	60.5	↑	72.2	61.4	52.2	49.5	59.9	112.1	111.7	73.3
Natural gas, Europe $/mmbtu	4.51	4.47	4.21	↓	6.86	6.26	4.84	4.10	4.40	11.79	10.05	7.26
Natural gas, US $/mmbtu	2.79	2.79	2.97	↑	2.75	2.11	1.98	2.13	2.85	3.73	4.37	2.61
Natural gas, LNG Japan $/mmbtu	6.32	6.60	6.60	↔	9.23	8.94	7.70	6.08	6.51	15.96	16.04	10.40
Beverages												
Cocoa $/kg	3.05	3.03	2.89	↓	3.25	3.30	2.98	3.10	2.99	2.44	3.06	3.14
Coffee, arabica $/kg	3.79	3.69	3.89	↑	3.36	3.31	3.31	3.49	3.79	3.08	4.42	3.53
Coffee, robusta $/kg	2.00	2.02	2.13	↑	1.87	1.79	1.65	1.84	2.05	2.08	2.22	1.94
Tea, average $/kg	2.73	2.69	2.74	↑	2.85	2.76	2.36	2.57	2.72	2.86	2.72	2.71
Tea, Colombo auctions $/kg	3.10	3.27	3.52	↑	2.83	2.85	2.82	2.98	3.29	3.45	3.54	2.96
Tea, Kolkata auctions $/kg	2.80	2.63	2.49	↓	2.78	2.52	1.89	2.59	2.64	2.73	2.58	2.42
Tea, Mombasa auctions $/kg	2.31	2.18	2.22	↑	2.95	2.91	2.38	2.14	2.24	2.40	2.05	2.74
Food												
Oils and Meals												
Coconut oil $/mt	1,507	1,529	1,547	↑	1,067	1,109	1,273	1,531	1,528	941	1,280	1,110
Copra $/mt	1,008	1,018	1,025	↑	708	737	855	1,019	1,017	627	854	735
Fishmeal $/mt	1,550	1,574	1,535	↓	1,472	1,524	1,465	1,526	1,553	1,747	1,709	1,558
Groundnuts $/mt	1,400	1,550	1,550	↔	1,193	1,175	1,158	1,208	1,500	1,378	1,296	1,248
Groundnut oil $/mt	1,673	1,650	1,620	↓	1,332	1,298	1,277	1,550	1,648	1,773	1,313	1,337
Palm oil $/mt	652	736	756	↑	574	570	631	704	715	857	821	623
Palmkernel oil $/mt	1,277	1,360	1,436	↑	802	831	1,032	1,283	1,358	897	1,121	909
Soybean meal $/mt	441	403	373	↓	398	358	328	419	406	545	528	395
Soybean oil $/mt	788	814	829	↑	736	743	749	795	810	1,057	909	757
Soybeans $/mt	432	413	405	↓	385	372	370	424	417	538	492	390
Grains												
Barley $/mt	155.0	138.0	135.5	↓	199.9	186.8	183.1	172.0	142.8	202.2	138.2	194.3
Maize $/mt	161.8	150.2	148.4	↓	169.3	167.2	159.9	171.1	153.4	259.4	192.9	169.8

	Monthly averages				Quarterly averages					Annual averages		
	2016				2015		2016			2013	2014	2015
	July	Aug	Sept		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Dec
Rice, Thailand 5% $/mt	442.0	415.0	384.0	↓	374.0	368.0	379.0	423.0	413.7	505.9	422.8	386.0
Rice, Thailand 25% $/mt	424.0	403.0	378.0	↓	361.7	359.0	370.0	407.7	401.7	473.0	382.2	372.6
Rice, Thailand A1 $/mt	417.9	393.8	365.6	↓	375.8	365.3	372.8	408.2	392.4	474.0	425.1	386.0
Rice, Vietnam 5% $/mt	361.6	347.5	342.7	↓	337.4	355.7	361.7	373.6	350.6	392.4	407.2	351.8
Sorghum $/mt	173.9	140.8	140.9	↔	190.0	176.3	173.9	173.9	151.9	243.3	207.2	204.7
Wheat, US HRW $/mt	151.6	149.2	150.8	↑	183.3	179.6	190.5	177.4	150.5	312.2	284.9	204.5
Wheat, US SRW $/mt	166.5	159.3	157.6	↓	196.4	200.6	190.0	189.9	161.1	276.7	245.2	206.4
Other Food												
Bananas, EU $/kg	0.93	0.90	0.91	↓	0.90	0.88	0.91	0.94	0.91	1.02	1.04	0.90
Bananas, US $/kg	1.01	1.05	1.00	↓	0.95	0.93	1.03	0.99	1.02	0.92	0.93	0.96
Meat, beef $/kg	4.14	4.09	4.03	↓	4.55	3.91	3.72	3.95	4.09	4.07	4.95	4.42
Meat, chicken $/kg	2.46	2.45	2.43	↓	2.55	2.50	2.47	2.46	2.45	2.29	2.43	2.53
Meat, sheep $/kg	4.41	4.67	4.83	↑	5.07	4.82	4.51	4.64	4.64	5.17	6.39	5.22
Oranges $/kg	0.97	0.96	1.05	↑	0.65	0.73	0.69	0.78	0.99	0.97	0.78	0.68
Shrimp, Mexico $/kg	10.69	10.69	10.69	↔	15.43	10.50	10.83	10.80	10.69	13.84	17.25	14.36
Sugar, EU domestic $/kg	0.36	0.37	0.37	↔	0.36	0.36	0.36	0.37	0.36	0.43	0.43	0.36
Sugar, US domestic $/kg	0.62	0.63	0.62	↔	0.54	0.56	0.57	0.61	0.62	0.45	0.53	0.55
Sugar, World $/kg	0.43	0.44	0.47	↑	0.27	0.32	0.31	0.38	0.45	0.39	0.37	0.30
Timber												
Logs, Cameroon $/cum	387.3	392.3	392.4	↔	389.3	383.2	385.8	395.2	390.7	463.5	465.2	388.6
Logs, Malaysia $/cum	286.0	294.0	292.2	↓	243.6	245.2	258.2	275.7	290.7	305.4	282.0	246.0
Plywood ¢/sheets	524.5	539.3	535.9	↓	446.8	449.8	473.7	505.8	533.2	560.2	517.3	451.2
Sawnwood, Cameroon $/cum	630.4	628.5	630.0	↑	742.8	727.2	686.0	687.7	629.6	749.2	789.5	732.6
Sawnwood, Malaysia $/cum	717.1	714.8	716.6	↑	844.9	827.1	780.3	782.3	716.2	852.8	897.9	833.3
Woodpulp $/mt	875.0	875.0	875.0	↔	875.0	875.0	875.0	875.0	875.0	823.1	876.9	875.0
Other Raw Materials												
Cotton, A Index $/kg	1.79	1.77	1.72	↓	1.56	1.53	1.48	1.57	1.76	1.99	1.83	1.55
Rubber, RSS3 $/kg	1.59	1.55	1.57	↑	1.48	1.28	1.32	1.61	1.57	2.79	1.95	1.57
Rubber, TSR20 $/kg	1.28	1.30	1.36	↑	1.34	1.19	1.15	1.37	1.31	2.52	1.71	1.37
Fertilizers												
DAP $/mt	341.0	340.0	339.0	↓	464.3	419.3	366.7	351.0	340.0	444.9	472.5	458.9
Phosphate rock $/mt	115.0	111.0	110.0	↓	117.0	122.8	116.0	115.0	112.0	148.1	110.2	117.5
Potassium chloride $/mt	228.0	220.0	215.0	↓	302.7	297.0	283.0	263.0	221.0	379.2	297.2	302.9
TSP $/mt	285.0	283.0	277.0	↓	380.0	380.0	328.0	282.3	281.7	382.1	388.3	385.0
Urea, E. Europe $/mt	177.0	182.0	191.0	↑	268.3	250.6	208.7	198.3	183.3	340.1	316.2	272.9
Metals and Minerals												
Aluminum $/mt	1,629	1,639	1,589	↓	1,592	1,494	1,514	1,572	1,619	1,847	1,867	1,665
Copper $/mt	4,865	4,752	4,716	↓	5,267	4,885	4,675	4,736	4,778	7,332	6,863	5,510
Iron ore $/dmt	57	61	58	↓	55	47	48	56	59	135	97	56
Lead $/mt	1,835	1,836	1,939	↑	1,717	1,682	1,738	1,718	1,870	2,140	2,095	1,788
Nickel $/mt	10,263	10,336	10,176	↓	10,579	9,423	8,508	8,823	10,258	15,032	16,893	11,863
Tin $/mt	17,826	18,427	19,468	↑	15,230	15,077	15,439	16,902	18,574	22,283	21,899	16,067
Zinc $/mt	2,183	2,279	2,288	↑	1,843	1,612	1,677	1,917	2,250	1,910	2,161	1,932
Precious Metals												
Gold $/toz	1337.0	1340.0	1327.0	↓	1124.0	1107.0	1181.0	1260.0	1334.0	1411.0	1266.0	1161.0
Platinum $/toz	1088.0	1122.0	1047.0	↓	986.0	907.0	914.0	1005.0	1085.0	1487.0	1384.0	1053.0
Silver $/toz	20.0	19.6	19.4	↓	14.9	14.8	14.9	16.9	19.6	23.8	19.1	15.7

$ = 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

Anti-dumping on Narrow Woven Fabrics from China Slashed in Review

4 Taiwan Out of Net

[Ref: Anti-dumping Notification No. 50 dated 06.10.2016]

The designated authority, vide notification No. 15/14/2015-DGAD, dated the 22th September, 2016 has, inter alia, concluded that –

(a) dumping of the subject goods continued from the subject country;

(b) there is a clear likelihood of continuation or intensification of dumping from the subject country, in case of cessation of anti-dumping duties,

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) read with rules 18 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government after considering the aforesaid findings of the designated authority, hereby imposes on the goods the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the said Customs Tariff Act, as specified in the corresponding entry in column (2), originating in the country specified in the corresponding entry in column (4), exported from the country specified in the corresponding entry in column (5), produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and as per unit of measurement as specified in the corresponding entry in column (9), of the said Table, namely :-

Table

SNo.	Sub-heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Duty amount	Unit of measure	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	580610	Narrow woven Fabrics Hook and Loop Velcro Tapes **	China PR	Any	Any	Any	1.87	Kg	US Dollar
2	580610	Narrow woven Fabrics Hook and Loop Velcro Tapes **	Any	China PR	Any	Any	1.87	Kg	US Dollar

** Including fully processed but uncut hook and loop tape fasteners. This will however, not include unprocessed, un-bonded, uncut and un-brushed narrow woven fabrics.

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

Explanation. - For the purposes 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, under section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F. No. 354/242/2015-TRU]

ATA Carnet System Reformed

4 Sponsorship of the Govt or ITPO for Exhibitions and Meetings not required, Only Carnet Guaranteed by FICCI Sufficient

4 FICCI Liability Restricted to 10% Customs Duty, Importer Liable for Balance in the Events of Failure to Re-export within Six Months of Import

Makes further amendments to Notification no. 157/90-Customs dated 28th March, 1990 regarding temporary admission under the ATA Carnet.

Ntfn 58
05.10.2016
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 157/1990-Customs, dated the 28th March, 1990 published in the Gazette of India, Extraordinary, vide number G.S.R. 405 (E), dated the 28th March, 1990 (hereinafter referred to as the said notification), namely:-

2. In the said notification, in the first paragraph, -

(a) in the opening portion, the words "or Schedule III" shall be omitted;

(b) condition (1) shall be omitted;

(c) condition (5) shall be omitted.

3. After the first paragraph, the following shall be inserted, namely:-

"1A. In the event of failure to export the goods within the period specified in condition (4) of paragraph 1, the Federation and the importer shall, jointly and severally be liable to pay the duties of customs leviable on the goods as on the date of import, along with applicable interest:

Provided that the liability of the Federation shall not exceed the amount of the duties of customs by more than ten per cent:

Provided further that the Federation shall not be liable to pay the customs duty in cases where the said goods are sold in exhibitions or fairs or otherwise disposed of in India in accordance with any law for the time being in force applicable to such goods and on payment of the duties of customs which are payable as on the date of import in respect of such goods, along with applicable interest."

4. In Schedule II, -

(a) in serial number 5, for the words, "an official of", the words "an official or" shall be substituted;

(b) after serial number 5, the following serial numbers shall be inserted:-

"6. Display or demonstration before any Department of the Central Government or a State Government or a Union territory Administration.

7. Meeting, conference or congress, by whatever name called, organised by any company or organisation."

5. In the said notification, Schedule III and the entries relating thereto shall be omitted.

[F. No.18000/1/2015- OSD (ICD)]

BTA Gains to India Elusive in Japan Trade Deal

Narendra Modi visited Japan in 2014 to elevate the bilateral partnership between the two countries to the status of special strategic and global partnership.

Comprehensive Economic Partnership Agreement i.e. CEPA between India and Japan came into force on 1st August, 2011 and is one of the most comprehensive agreements concluded by India. Bilateral trade between India and Japan pre-CEPA in 2010 was 10.4 USD billion and currently in 2016 stands at 14.5 USD billion. However, trade deficit of India with respect to Japan has also increased from 3.1 USD billion pre CEPA to 5.2 USD billion post CEPA

Japanese pharmaceutical market offers a huge untapped potential for Indian pharma industry. India's strength in Pharma sector is well established. Government of Japan wants a 80 % share of generic medicines by 2018, which provides an opportunity for the generic drug industry of India. However, the share of India in the Japanese drug market continues to be below par and limited mostly to API's.

Implementation issues of CEPA

Japan accorded a preferential tariff of 1.9 % as against an MFN rate of 3.5 % to Fish Surimi from India. However, as per the requirement to preserve the protein content during storage, a negligible amount of Cryo-protectant called TSPP is applied to the fish. Though the value of the TSPP is less than half a per cent of the overall cost of the product, the interpretation under rules of origin provides the excuse for denial of CEPA benefits on the grounds that the 'Product is not of Indian origin'.

Radiation Inspection of MS Scrap only at Entry Port in India from April Next Year

4 Goods under Radiation will Enter India First?

Effect of this Public Notice: *The procedure for designating ports for imports of un-shredded metallic scrap and handling of un-shredded scrap by ICDs is prescribed.*

38-PN 06.10.2016 (DGFT) In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy, (2015-2020), the Director General of Foreign Trade hereby inserts a new para (v) detailing the conditions governing clearance of imports of un-shredded scrap (HMS- I & HMS- II) by sea ports under Para 2.54 - Import of Metallic Waste and Scrap in the Handbook of Procedures, 2015-2020 as under:

2.54 (d) (v): Henceforth, only entry sea ports will be designated and notified for import of un-shredded metallic scrap subject to the following:

Any sea port to be designated for import of un-shredded metallic scrap will be required to install Radiation Portal Monitors and Container Scanner with adequate security. The sea port having completed the above shall approach jurisdictional Customs for inspection and certification. Customs may give necessary clearance on receipt of certification from AERB. On getting clearance from Customs, DGFT will notify such a port as designated port for import of un-shredded scrap.

The existing designated sea ports namely Chennai, Cochin, Ennore, JNPT, Kandla, Mormugao, Mumbai, New Mangalore, Paradip, Tuticorin, Vishakhapatnam, Pipava, Mundra and Kolkata will be allowed to import un-shredded scrap till 31st March, 2017 by which time they are required to install and operationalize Radiation Portal Monitors and Container Scanner. Such sea ports which fail to meet the deadline will be derecognised for the purpose of import of un-shredded metallic scrap w.e.f 1.4.2017.

Further, any ICD can handle clearance of un-shredded metallic scrap provided the same passes through any of the designated sea ports as mentioned above or any new ports to be notified/designated from time to time, where Radiation Portal Monitors and Container Scanner are in operation and the consignment is subjected to risk based scanning/ monitoring as per the protocol laid down by Customs.

Notwithstanding the above, import consignments shall be subject to pre-inspection certificate from the country of origin in supersession of the provision in Public Notice No. 23/2015-20 dated 30th June, 2015. However, requirement of Pre-Shipment Inspection Certification (PSIC) will be reviewed with the operationalisation of the above mechanism governing the clearance of imports of un- shredded metal scrap, based on assessment of risk associated with un-shredded metal scrap imports.

Theresa Starts Off Brexit

UK Prime Minister Theresa May announced on Sunday that she will formally request the start of negotiations for exiting the European Union by late March of next year, confirming again that the island nation will indeed proceed with a so-called "Brexit" despite some pending domestic legal challenges.

In a speech to the Conservative Conference, May also gave a broad outline of what the UK will be seeking as part of its exit package when it triggers "Article 50," the provision in the Treaty of Lisbon which allows for an existing EU member to negotiate their way out of the bloc.

The news comes as leaders from the remaining "EU 27" begin work on charting their own path as a group, without the UK – a process that is due for completion in March, the same month that May has set as a deadline for submitting the Article 50 notification.

Under the Treaty of Lisbon, any EU member who wishes to exit the bloc must formally notify the European Council of its intent to do so. This then starts a two-year window for negotiations between that country and the rest of the European Union, represented by the Council. A final agreement will require a "qualified majority" on the Council side, as well as the signoff from the European Parliament.

Should a deal not be reached within two years, the UK will be forced to leave the EU, unless all parties agree to extend the negotiations.

No Parliament Sanction on this

She also attempted to counter the suggestion that both the House of Lords and the House of Commons would need to agree on triggering Article 50 – as some critics have suggested.

"When it legislated to establish the referendum, Parliament put the decision to leave or remain inside the EU in the hands of the people. And the people gave their answer with emphatic clarity," she said, pledging to fight against domestic legal challenges on the subject.

The UK premier also said that while the government will consult with "devolved administrations" in Northern Ireland, Scotland, and Wales, it will ultimately be up to the UK government itself to conduct the negotiations.

Scotland and Northern Ireland had voted in favour to stay in the EU, and a legal challenge is underway in the latter to determine whether a parliamentary vote is needed to proceed with "Brexit."

The International Monetary Fund (IMF) said this week that investor confidence has taken a hit in the wake of the UK referendum, with the Washington-based institution predicting that the UK will see growth slow from 2.2 percent in 2015 to 1.8 percent in 2016 and 1.7 percent in 2017.

She also ruled out using a so-called "Norway" or "Switzerland" model in establishing a new UK-EU relationship, as some experts have suggested. May said instead that London will pursue its own approach, suitable to its own needs.

An ideal arrangement, she said, would be one featuring free trade and goods and services. "I want [the deal] to give British companies the maximum freedom to trade with and operate in the single market – and let European businesses do the same here."

However, she pledged that the UK would not yield control of immigration in the process, nor would it subject itself to the jurisdiction of the European Court of Justice.

"As ever with international talks, it will be a negotiation… But make no mistake: this is going to be a deal that works for Britain," she said.

From EU to British law

One of the many questions prompted by the "Brexit" vote has been how the UK will extricate itself from the vast body of EU laws and regulations that has been developed over the last several decades.

May sought to clarify how this process would work during her speech on Sunday, confirming that the repeal of the European Communities Act would also include language that would convert existing EU law into British law.

Indeed, while the UK relationship with the EU single market has been one of the dominant questions in the overall "Brexit" debate, how the UK will navigate its relationship with the WTO as well as with those countries who have existing or planned trade deals with the European Union will also be key issues going forward.

Customs Exchange Rates

[As on 12 Oct 2016]

Currency	Imports	Exports
1 FC = IC		
US Dollar	67.50	65.80
EURO	75.90	73.35
Pound Sterling	86.20	83.40
Australian Dollar	51.60	49.70
Bahrain Dinar	183.00	170.75
Canadian Dollar	51.30	49.75
Danish Kroner	10.20	9.85
Hong Kong Dollar	8.70	8.45
Kuwait Dinar	228.35	213.65
Newzeland Dollar	48.60	46.90
Norwegian Kroner	8.45	8.15
Singapore Dollar	49.45	47.85
South African Rand	5.00	4.70
Saudi Arabian Riyal	18.35	17.20
Swedish Kroner	7.90	7.60
Swiss Franc	69.55	67.15
UAE Dirham	18.75	17.55
Chinese Yuan	10.15	9.80
100 FC = IC		
Japanese Yen	65.55	63.30
Kenya Shilling	68.05	63.60

[F.No.468/01/2016-Cus.V]

[Ref: 124-Cus (NT) dated 06th Oct 2016]

Crude Rises to $50.14

Crude Oil (Indian Basket) from 03 - 07 Oct 2016

	03 Oct	04 Oct	05 Oct	06 Oct	07 Oct
($/bbl)	48.10	48.28	49.15	49.27	50.14
(Rs/bbl)	3200.41	3213.55	3271.76	3282.71	3348.40
(Rs/$)	66.53	66.56	66.57	66.63	66.79

(Previous Trading Day Price)

Source: Ministry of Petroleum & Natural Gas

COP17 of CITIES Calls for Closure of Domestic Ivory Markets

In force since 1975, CITES is a multilateral agreement that aims at protecting endangered animal and plant species by ensuring trade does not put their survival in jeopardy, while also ensuring opportunities for sustainable use where appropriate. As such, the Convention has become a key player in worldwide efforts to protect biodiversity and advance sustainable development opportunities.

In effect, the convention fulfils this role by classifying species in three different categories– Appendix I, II, and III, all of which have specific trade rules – according to the respective need for protection from over-exploitation.

As indicated in a press release issued on Tuesday by CITES, the conference, which represented the largest event of its kind ever held, took decisions on more than 60 specific proposals related to a total of 491 different species of wild animals and plants. More than 3500 participants attended the meeting.

"CoP17 adopted decisions that saw wildlife firmly embedded in the agendas of global enforcement, development and financing agencies that have the capacity and technical expertise to help ensure implementation of the Convention on the front lines, where it matters most – with the CITES management and scientific authorities, as well as customs officials, rural communities, businesses, police, prosecutors and park rangers," continued Scanlon.

One of the most notable decisions taken at the COP17 was the adoption of a resolution calling for closing domestic ivory markets which contribute to poaching or illegal trade. Despite the non-binding nature of the resolution, various environmental and conservationist organisations have praised it as a landmark shift in the efforts to fight trafficking in raw and carved ivory.

Since 1989, international trade in ivory has been banned under CITES, except for a temporarily lift of the ban in 2008-2009, to allow for a one-off sale of stockpiles of seized ivory that had accumulated in some African countries. However, there has been growing concern among many stakeholders and experts that trade within legal domestic markets for ivory products has fuelled poaching and illicit trafficking.

The original proposal on the closure of domestic ivory markets, which was amended and finally adopted after long discussions within specific working groups, was submitted to the COP17 by a group of 10 African countries – Angola, Burkina Faso, Central African Republic, Chad, Côte d'Ivoire, Ethiopia, Gabon, Kenya, Niger and Senegal.

The adopted text "recommends that all Parties and non-Parties in whose jurisdiction there is a legal domestic market for ivory that is contributing to poaching or illegal trade, take all necessary legislative, regulatory and enforcement measures to close their domestic markets for commercial trade in raw and worked ivory as a matter of urgency."

It also includes a recognition that narrow exemptions could be justified in some particular cases for specific ivory items, provided that they do not fuel poaching or illicit trafficking.

"Countries have said loud and clear that legal ivory markets should no longer provide a cover for the massive illegal trade driving the decline of Africa's elephants," underlined Ginette Hemley, the head of the World Wildlife Fund's (WWF) delegation at CITES.

According to the International Union for Conservation of Nature (IUCN), the total population of African elephants has experienced its worst decline in 25 years, dropping by about 111,000 specimens since 2006. The organisation seized the opportunity offered by the COP17 to launch the new edition of its African Elephant Status Report (AESR), which contains those alarming numbers.

"The surge in poaching for ivory that began approximately a decade ago – the worst that Africa has experienced since the 1970s and 1980s – has been the main driver of the decline, while habitat loss poses an increasingly serious, long-term threat to the species," indicates the IUCN in a press release.

Namibia and Zimbabwe for Opening of Elephant Trade

In other important decisions taken during the CITES conference, all three proposals aimed at changing the appendix listing of some African elephant populations were rejected by the parties. This means that the ban on international trade in ivory will be maintained and keep its current legal form.

Currently, most populations of African elephants and all elephant ivory are classified under Appendix I, which forbids trade in specimens taken from the wild. However, a few other populations, namely those of Botswana, Namibia, South Africa and Zimbabwe, are currently listed under Appendix II – which allows for trade, provided the necessary permits have been obtained – with specific annotations indicating that elephant ivory from these populations are actually considered as Appendix I.

In two separate proposals, Namibia and Zimbabwe both sought a removal of these annotations in Appendix II in relation to their own population of elephants, which would have allowed them to resume international in ivory. In a press release issued after the COP17, the WCS welcomed the rejection of these two proposals.

World governments also refused, however, a proposal put forward by a coalition of 29 countries aiming in the opposite direction. If accepted, the resolution would have included all elephant's populations under Appendix I.

Environmental Goods Agreement Goes Plurilateral

A group of 17 WTO members negotiating a tariff-liberalising Environmental Goods Agreement (EGA) are ramping up efforts to finalise the deal later this year, following another round of talks last week that reportedly saw good progress. However, many sources also acknowledge that the pace would need to intensify in order to deliver in the coming months.

EGA participants continued to focus on the types of products that should be included in the deal, holding numerous bilateral meetings during the 19-23 September round in Geneva, Switzerland.

These discussions used a so-called "L-list," short for "landing zone list," reflecting efforts through the G-20 process to identify a "landing zone" for the agreement this year. Non-G20 EGA participants have also endorsed the end of year goal.

The list includes some 300 tariff lines and related "ex-outs" put together by the chair of these talks, Andrew Martin of Australia, based on extensive consultations. Items on the list relate to a variety of environmental objectives, including clean energy deployment and energy efficiency, air pollution control, environmental monitoring and analysis, among others.

Approximately 15 groups of products remain particularly challenging, either from a commercial perspective or due to the perception among some participants of limited environmental credibility.

Some EGA ministers will meet informally at an event, chaired by the US and the EU, on the sidelines of a "mini-ministerial" gathering being held in Oslo, Norway, on 21-22 October. That occasion will immediately follow the next EGA round, which is planned for 16-20 October.

More formally, a meeting of all EGA ministers is scheduled for 3-4 December, with a negotiating round due to be held directly before.

"Snap" Back and Free Riders

Like the ITA, the EGA is envisaged as an "open plurilateral" deal within the framework of the WTO, which means that the benefits of tariff reductions by the participants will apply to all of the global trade body's members on a most-favoured nation (MFN) basis.

This feature, however, has raised concerns among some EGA participants. Sources reported that challenging areas still to resolve through the text include "critical mass" participation and associated free-rider concerns.

China, for example, in previous rounds has proposed several options to manage a situation where the critical mass in world trade in products covered by EGA participants drops below a significant threshold.

These proposals included the idea of a "snap-black" clause – where participants could restore tariffs under certain circumstances – or a WTO waiver to exclude clear free riders from receiving MFN treatment.

During last week's talks, China suggested that it was open to proposed solutions from other participants, following earlier pushback on its own suggestions. Other participants have floated options such as conducting additional outreach to new potential participants.

The text will also likely include a work programme covering related environmental services, along with non-tariff barriers (NTBs) to environmental goods trade. The move has been backed by the EU, among others, and has also been identified as part of the deal's "landing zone." Discussions remain ongoing, however, as to what this might involve and the level of detail.

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