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Americans Cut Spending on Consumer Goods by 40% in Last 20 Years

<u>But</u> Quantity Rises 65% as Prices Drop

2011: 66 garments, 7.3 pairs of shoes

1991: 40 garments, 5.4 pairs of shoes

These numbers are given by Washington based Think Tank Global Works Foundation. It says that the most recent *C.E.S. (Consumer Expenditure Survey),* covering spending in 2011 reports that the two-parent family's bill for clothes and shoes is now 3.6 percent of the annual budget. Spending on bed sheets, towels, and rugs has dropped by half compared to 1991, to 0.3 percent of spending; furniture and appliances are at 2.7 percent. The household goods total therefore was 6.6 percent in 2011. This is a fall of 3.6 percent from 1991 when the spending was a good 10.2 percent.

According to the American Apparel and Footwear Association, the 253 million Americans of 1991 bought 10.8 billion articles of clothes and 1.3 billion pairs of shoes, or roughly 40 garments and 5 pairs of shoes per person. The 310 million Americans of 2011 bought 19.4 million pieces of clothing and 2.2 billion pairs of shoes, for an average of 66 garments and 7 pairs of shoes per person.

Americans are using less money to buy more things. Over the past two decades productivity rose; the world's container shipping fleet grew from 1.5 million 20-foot containers to 14 million containers; big-box stores and on-line shopping joined malls and outlets; the textile quotas which managed clothing trade from the 1970s to 2004 were abolished; and Asian integration, satellites and Internet links built up global supply chains. Thus home goods got much cheaper. Americans spend barely half as much as they used to on shirts, blouses, socks, and sneakers, but get 50 percent more of them. Converting this to dollar terms, two observations:

Where does the extra money go? To health insurance and energy bills.

With extra money, are today's families wrong to feel financial pressure? Not really. As an extra $2,510 comes in from savings on home goods, a lot of it goes back out to health insurance and energy - health insurance costs have risen from 1.8 percent to 3.3 percent of family spending, and gasoline costs from 3.6 percent to 5.5 percent. On the other hand there are a few bits of happier bits of spending news:

Education spending is up from 1.7 percent to 2.7 percent;

Charitable giving is up from 2.4 percent to 2.6 percent;

Fresh fruit and vegetables is up from 0.9 to 1.0 percent.

The Consumer Expenditure Survey is one of the oldest continuous surveys in the world, first carried out shortly after the Bureau's creation in 1884. Their long look back finds that in times remembered as sunny and calm - the Gilded Age, the post-war boom, etc. - Americans lived pretty close to the bone. Over time, Americans have been steadily spending less of their income to feed and clothe themselves, but more on somewhat more shelter, and likewise more on education and entertainment. Only within the last decade did the three big life necessities - food, clothing, a roof over the head - fall below half of a typical family's budget. A summary of life-necessities spending (for all households rather than two-parent families only, expressed as a share of spending) over a century of American life:

Headlines of Daily Index of Changes, see Contents column at the back. Details in www.worldtradescanner.com. ***New***

Rangarajan Recommends Decontrol of Sugar

[PIB Press (PMO) Release dated 12 October 2012]

The Committee on deregulation of the sugar sector with stakeholders, and discussion with Chief Ministers of major sugar-producing states. The report was submitted to the Prime Minster on 10-10-2012.

Farmers to get a share of sugar price at factory gate instead of the SAP(State Advised Price)

A major recommendation of the committee relates to revising the existing arrangement for the price to be paid to sugarcane farmers, which suffers from problems of accumulation of arrears of cane dues in years of high price and low price for farmers in other years. The existing arrangement comprises a Fair and Remunerative Price (FRP) announced each year by the Centre, under the Sugarcane Control Order and on the advice of CACP, as the minimum price of sugarcane. However, many states in north India also announce a State Advised Price (SAP) under state legislation. Generally, the SAP is substantially higher than the FRP, and wherever SAP is declared, it is the ruling price. Instead of the present arrangement, the committee has proposed that at the

Obituary of Dr. P. L. Sanjeev Reddy >>>>

Former DGFT Dr. P. L. Sanjeev Reddy No More

Dr. P. L. Sanjeev Reddy IAS (Retd) left for the heavenly abode in Hydera-bad on 15 October, 2012 at the age of 72. He had a rich life with over 35 years in the Civil Service followed by a five year term at IIPA in Delhi. He finally left the Capital seven years ago to settle down at Hyderabad where he served as an independent director on many boards.

He came from a traditional Congress family, his father was an MLA. He named Dr Reddy after late President Neelam Sanjeev Reddy.

Dr Reddy was the Director General of Foreign Trade in the mid 1990s during the first phase of the IMF-WTO backed liberalisation. He took up the cause of policy reform and HS Coding of the Import Policy with his typical flair to push change. He revived the relationship with ABS for this task. The DGFT stint was followed by a long innings as DG of IIFT where he promoted the launch of the World Trade Scanner with IIFT, World Trade Centre and ABS in partnership.

He later rose to become Secretary in Dept of Company Affairs, Rural Development and was also Principal Advisor in Planning Commission. Before coming to Delhi, he was Principal Secretary to Chief Minister Chandra Babu Naidu.

An economist by training with University of Cambridge Diploma in Development Studies, he did his Ph.D. in Industrial Management.

We in the Academy of Business Studies (ABS) knew him very well as our friend and benefactor who always extended the helping hand to us. We owe a lot to him and are proud to say that he was one of the engines who pulled us to the current position.

Dr Reddy was a man in a hurry. He was expansive, dynamic and knew how to move with the ball. He often get into trouble due to his “over enthusiasm” as some termed his behaviour. But the remarkable part was that he also got out of the hot water on the strength of the same ebullience! He lost his way but found ways to extricate himself from many a mess. Thus he moved up and up, much to the chagrin of his detractors.

The innings of a controversial and successful go getter has ended. Rest in peace Dr Reddy, We Pray.

- Arun Goyal, Editor -

Rupee May Rise to 50

Economic affairs Secretary Arvind Mayaram expects the rupee to strengthen to 50 to 51 per dollar in a couple of months, compared with 52.82 last week. It has surged more than 5 percent against the dollar in the past three months, the most among major Asian currencies, buoyed by the biggest opening of the economy to overseas companies in a decade.

The pace of Indian price increases is the fastest in majoremerging markets and above the central bank’s comfort level of about 5 percent. Inflation hasn’t been tamed yet and supply constraints are adding to price pressures, Chidambaram said.

A further advance in the rupee will help to curb the increase in costs, he said. The central bank can’t be expected to bear the burden of containing inflation by itself, the finance minister said.

time of cane supply, farmers be paid FRP as the minimum price, as at present.

Further, subsequently, on a half-yearly basis, the state government concerned would announce the *ex*-mill prices of sugar and its by-products, and farmers would be entitled to a 70% share in the value of the sugar and by-products produced from the quantity of cane supplied by each farmer. Based on the share so computed, additional payment, net of FRP already paid, would then be made to the farmer. Since the sugar value estimate includes return on capital employed, this implies that farmers would also get a share of the profits. With such a system in operation, states should not declare an SAP.

No more PDS Sugar at below market price

The committee has also recommended dismantling of the levy obligation for sourcing PDS sugar at a price below the market price. States should be allowed henceforth to fix the issue price of PDS sugar, while the existing subsidy to states for PDS sugar transport and the difference between the levy price and the issue price would continue at the existing level, augmented by the current level of implicit subsidy on account of the difference between the levy price and the open market price. This will free the industry from the burden of a government welfare programme, and indirectly benefit both the farmer and the general consumer since the industry passes on the cost of levy mechanism to farmers and consumers.

No Regulation for Non Levy Sugar Release

The committee has recommended dispensing with the present mechanism of regulated release of non-levy sugar, as it imposes additional costs on factories on account of inventory accumulation.

Area Reservation for Mills to Go

The committee has recommended that cane area reservation ultimately be phased out and contracting between farmers and mills allowed for enabling the emergence of a competitive market for assured supply of cane, in the interest of farmers and economic efficiency. However, in case some states want to continue it for the time being, they should do so while ensuring that area reservation is done for at least three to five years at a time, so that industry has a stake in its development. Further, wherever and whenever a state discontinues area reservation, the Centre should remove the stipulation of a minimum distance between two mills.

No Trade QRs, Regulation by Tariff

On external trade, the committee has favoured a stable policy regime with modest tariff levels of 5% to 10% ordinarily, and dispensing with outright bans and quantitative restrictions. The committee has also recommended dispensing with the mandatory requirement of jute packaging. In respect of molasses, the committee favours free movement and dismantling of end-use based allocation quotas that are in vogue in several states, to enable creation of a national market and better prices for this valuable by-product as well as improved efficiency in its use.

Iran Blinks on Uranium, Nov Oil Drops to $90

Oil fell for a second day in New York after Iran reiterated an offer to suspend domestic production of medium-enriched uranium before European officials meet to discuss tighter sanctions on the Persian Gulf country.

Futures slid as much as 1.1 percent to the lowest level in almost a week. Iran is ready to enter talks about its nuclear program in exchange for guaranteed supplies of 20 percent-enriched uranium for its Tehran Research Reactor, said Ramin Mehmanparast, a Foreign Ministry spokesman, according to a Press TV report on 14 October. The European Union has reached a preliminary agreement to intensify sanctions to increase pressure on OPEC’s third-largest oil exporter to curb its nuclear program, EU diplomats with knowledge of the matter said.

Crude for November delivery fell as much as $1.04 to $90.82 a barrel in electronic trading on the New York Mercantile Exchange and was at $91.11. The contract declined 0.2 percent on Oct. 12 to $91.86. Prices are down 7.8 percent this year.

Brent oil for November settlement on the London-based ICE Futures Europe exchange lost as much as 77 cents, or 0.7 percent, to $113.85 a barrel. The more actively traded December future was down 56 cents at $113.05. The European benchmark was at a $22.94 premium to New York-traded West Texas Intermediate grade, up from $22.76 on Oct. 12.

Oil Demand

Shipments have been “stable” in recent months, said Mohammad Ali Khatibi, Iran’s governor to the Organization of Petroleum Exporting Countries, according to the Tehran-based Donya-e-Eqtesad newspaper on 14 October. He denied that overseas sales dropped last month.

China Purchases

Crude imports by China, the world’s second-biggest oil consumer, slid 1.8 percent in September from a year earlier to 20.08 million metric tons, according to data from the Beijing-based General Administration of Customs on Oct. 13. Purchases were up 9.1 percent from August, its website showed.

WEEKLY INDEX OF CHANGES

Another Five Years of Anti-dumping Duty on Bias Tyres from China and Thailand

Ntfn 47-ADD
08.10.2012
(DoR)

Whereas, the designated authority vide notification No. 15/35/2010-DGAD, dated the 3rd August, 2011, published in the Gazette of India, Extraordinary, Part I, Section 1, had initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act) read with rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of new/unused pneumatic non radial bias tyres, tubes and flaps with or without tubes or flap of rubber, having nominal rim dia code above 16" used in buses and lorries or trucks falling under tariff items 40112090, 40131020 and 40129049 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in or exported from People's Republic of China and Thailand, imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 88/2007-Customs, dated the 24th July, 2007, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R.502(E), dated the 24th July, 2007, as superseded by notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 117/2010-Customs, dated the 18th November, 2010, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R.917(E), dated the 18th November, 2010, which was extended for a further period of one year by notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 17/2012-Customs, dated the 30th March, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R.272(E), dated the 30th March, 2012 and had recommended continuation of the anti-dumping duty *vide* notification No. 15/35/2010-DGAD, dated the 2nd August, 2012, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 2nd August, 2012.

Now, therefore, in exercise of the powers conferred by sub-section (1) read with sub-section (5) of section 9A of the said Customs Tariff Act, 1975 read with rules 18 and 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, on the basis of the aforesaid findings of the designated authority, hereby imposes anti- dumping duty on the goods, the description of which is specified in column (3) of the Table below, falling under tariff item 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), and exported from the country specified in the corresponding entry in column (5) and produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table:-

Table

SNo	Heading/Sub-headings	Description of goods	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	40112090, 40131020 and 40129049	'new/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks'	Thailand	Thailand	Any	Any	0.86	Kg	US $
2.	-do-	-do-	Thailand	Any country other than Thailand	Any	Any	0.86	Kg	US $
3.	-do-	-do-	Any country other than countries attracting Anti-dumping duty	Thailand	Any	Any	0.86	Kg	US $
4.	-do-	-do-	People's Republic of China	People's Republic of China	M/s Hangzhou Zhongce Rubber Co., Ltd.	M/s Hangzhou Zhongce Rubber Co., Ltd.	1.12	Kg	US $
5.	-do-	-do-	People's Republic of China	People's Republic of China	Any, except as in Sr. no 4 above	Any	1.31	Kg	US $
6.	-do-	-do-	People's Republic of China	People's Republic of China	Any	Any, except as in Sr. no 4 above	1.31	Kg	US $
7.	-do-	-do-	People's Republic of China	People's Republic of China	Any	Any	1.31	Kg	US $
8.	-do-	-do-	People's Republic of China	Any country other than People's Republic of China	Any	Any	1.31	Kg	US $
9.	-do-	-do-	Any country other than countries attracting Anti-dumping duty	People's Republic of China	Any	Any	1.31	Kg	US $

Zero Excise on DVD-ROMs Containing Books and Periodicals

37-CE
11.10.2012
(DoR)

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), **No. 12/2012-Central Excise, dated the 17th March, 2012,** published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 163(E), dated the 17th March, 2012, namely:-

In the said Notification, in the Table, against **Sl. No. 265**, in the entry in column (3), for "CD-ROMs", "CD-ROMs or DVD-ROMs" shall be substituted.

[F.No.332/15/2012 -TRU]

2. The anti-dumping duty imposed under this notification shall be effective 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.354/107/2006-TRU (Pt. II)]

Corrigendum dated 11 October 2012 to Ntfn 46(ADD)/04.10.2012

Anti-dumping Duty on CR Flat Products of Stainless Steel Corrected to State Minimum Price Instead of Specific Duty

[Corrigendum dated 11th October 2012]

In the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. **46/2012- Customs (ADD), dated the 4th October, 2012** published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 741(E), dated the 4th October, 2012,-

for

"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"

read

"an anti-dumping duty which shall be equal to the difference between the amount specified in the corresponding entry in column (8), and the landed value of such imported goods in the currency and unit of measurement specified in the said column."

[F. No. 354/197/2011- TRU]

Anti-dumping Duty Imposed on Melamine from EU, Iran, Indonesia and Japan

Ntfn 48-ADD 08.10.2012 (DoR)

Whereas in the matter of import of Melamine (hereinafter referred to as the subject goods), falling under Chapter 29 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as Customs Tariff Act), originating in, or exported from, European Union, Iran, Indonesia and Japan (hereinafter referred to as the subject countries),and imported into India, the designated authority *vide* its final findings notification No. 14/35/2010-DGAD, dated the 1st June, 2012, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 1st June, 2012, had come to the conclusion that –

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

(ii) the domestic industry has suffered material injury in respect of such goods;

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

and had recommended imposition of definitive anti-dumping duty on imports of the subject goods, originating in or exported from the European Union, Iran ,Indonesia and Japan and imported into India, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act 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, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods**,** the description of which is specified in column (3) of the Table below, falling under tariff item of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), and produced by the producer as specified in the corresponding entry in column (6), when exported from the country as specified in the corresponding entry in column (5), by the exporter as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at a rate which is equivalent to difference between the amount mentioned in the corresponding entry in column (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 and the landed value of imported goods in like currency as per like unit of measurement.

Table

SNo	Tariff item	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	29336100	Melamine	European Union	European Union	Any	Any	1537	MT	US dollar
2	29336100	Melamine	European Union	Any country other than EU	Any	Any	1537	MT	US dollar
3	29336100	Melamine	Any country other than European Union	European Union	Any	Any	1537	MT	US dollar
4	29336100	Melamine	Iran	Iran	Any	Any	1446	MT	US dollar
5	29336100	Melamine	Iran	Any country other than Iran	Any	Any	1446	MT	US dollar
6	29336100	Melamine	Any country other than Iran	Iran	Any	Any	1446	MT	US dollar
7	29336100	Melamine	Indonesia	Indonesia	Any	Any	1537	MT	US dollar
8	29336100	Melamine	Indonesia	Any country other than Indonesia	Any	Any	1537	MT	US dollar
9	29336100	Melamine	Any country other than Indonesia	Indonesia	Any	Any	1537	MT	US dollar
10	29336100	Melamine	Japan	Japan	Any	Any	1537	MT	US dollar
11	29336100	Melamine	Japan	Any country other than Japan	Any	Any	1537	MT	US dollar
12	29336100	Melamine	Any country other than Japan	Japan	Any	Any	1537	MT	US dollar

2. The anti-dumping duty imposed under this notification shall be levied 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. The anti-dumping duty shall be paid in Indian currency.

Explanation. - For the purposes of this notification,-

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

(b) rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for 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.354/319/2011 –TRU]

China Red Phosphorous Anti-dumping Initiated after Safeguard Investigation Falls

[F.No.14/12/2012-DGAD dated 28th September 2012]

Subject: Initiation of Anti Dumping investigation concerning imports of 'Red Phosphorous' originating in or exported from China PR.

M/s Metal Powder Company Ltd. (MEPCO), Tamil Nadu and United Phosphorus Limited, Mumbai (UPL) (hereinafter referred to as 'petitioners' or applicants) have filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of Anti-Dumping Duty investigation concerning imports of Red Phosphorous (hereinafter also referred to as the subject goods) originating in or exported from China PR (hereinafter also referred to as the subject country.

Product under consideration

2. The product under consideration for the purpose of present investigation is 'Red Phosphorous, excluding red phosphorus used in electronic applications'. Red Phosphorus is an allotrope of elemental Phosphorus, and is one of the major forms of the same. The other major form of phosphorus is White Phosphorus. The product under consideration is produced and sold in a number of different grades. However, costs and prices of different grades do not vary significantly, barring red phosphorus used in electronic applications. Red phosphorus is used to manufacture phosphoric acid and other phosphorous compounds, phosphorous bronzes and metallic phosphides and as an additive to semiconductors, electroluminescent coatings, safety matches and fertilizers. Red Phosphorous is an organic compound and is classified under Chapter 28 (2804 70 20) of the Customs Tariff Act, 1975. Only the product under consideration is dispositive, and the customs classification is indicative and is in no way binding on the scope of the present investigation.

Like Article

3. The petitioners have claimed that the subject goods, which are exported from subject country into India, are identical to the goods produced by the domestic industry. Red Phosphorous produced by the domestic industry and imported from subject country is comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably.

The two are technically and commercially substitutable and hence should be treated as 'like article' under the AD Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the petitioners in India are being treated as 'Like Article' to the subject goods being imported from the subject country.

Domestic Industry & Standing

4. The petition has been filed by M/s Metal Powder Company Ltd. (MEPCO) and M/s United Phosphorus Limited (UPL) who are the major manufacturers of the product under consideration. There are two more producers of the product in the country – Sri Magenta Chemicals and Kalpataru Chemicals. It has been claimed by the petitioners that their production commands a major share in the total Indian production. As per information available on record, the petitioners account for 69% of the total domestic production. Thus, the Authority has determined that the petition satisfies the requirements of Rule 2(b) and Rule 5(3) of the AD Rules. Further, M/s. Metal Powder Company Ltd. (MEPCO) and M/s. United Phosphorus Limited (UPL) are being treated as 'domestic industry' within the meaning of Rule 2(b).

Subject Country

5. The country involved in the present investigation is China PR.

Normal value

6. The petitioners have claimed that China PR should be treated as a non-market economy and the normal value should be determined in accordance with para-7 of Annexure-I to the Rules. The petitioners have claimed normal value on the basis of cost of production in India, duly adjusted including selling, general and administration expenses and profits. It has been submitted by the domestic industry that sufficient information regarding cost or price in a market economy third country for determination of Normal value in case of China PR is not available. Thus, The Normal value claims by the applicants have been considered for the purposes of initiation.

Export Price

7. The petitioners have determined export prices based on transaction-wise import data compiled by IBIS. The export prices have been adjusted for ocean freight, marine insurance, commission, port expenses, bank charges, handling charges and adjustment for VAT refund to arrive at net export price at ex-factory level. Evidence in support of price adjustments has been provided in respect of Ocean Freight, Marine Insurance, Commission, Inland Freight, Port Expenses and Bank Commission.

Dumping Margin

8. The petitioners have provided sufficient evidence that the normal value of the subject goods in the subject country are significantly higher than the net export price, prima-facie indicating that the subject goods originating in or exported from the subject country are being dumped, to justify initiation of an antidumping investigation.

Injury and Causal Link

9. The petitioners have claimed that they have suffered material injury with regard to profits, return on investment and cash profits. It has further been claimed that profitability has deteriorated significantly to such an extent that the domestic industry suffered financial losses, negative return on investment and negative cash profits. The petitioners have also claimed adverse price effects as evidenced by price depression, price undercutting and price underselling. The petitioners have claimed that the material injury has been caused due to the dumped imports from the subject country. The Authority considers that there is sufficient evidence of 'injury' being suffered by the petitioners caused by dumped imports from the subject country to justify initiation of an anti-dumping investigation. ***

[See full text at www.worldtradescanner.com]

DGFT Issues Guidelines for e-BRC System

Subject: Introduction of electronic Bank Realization Certificate (e-BRC) system.

06-Pol.Cir 06.10.2012 (DGFT) Attention is invited to Public Notice No. 08 dated 6.7.2012 that dispensed with the Issuance of physical copy of BRCs by banks for the purpose of DGFT use and made e-BRC mandatory w.e.f. 17.8.2012.

2. Following guidelines are issued for uniformity in approach and guidance of stakeholders:

A. Guidelines for Banks

A1. Issuance of physical copy of BRCs by banks has been dispensed with for the purpose of DGFT use. Banks will, now, transmit BRC data electronically to DGFT server.

A2. Banks will convert BRC issued manually during 01.04.2012 and 16.08.2012 in the digital (XML) format and upload these onto the DGFT server. This will ensure availability of complete BRC data in electronic form for the entire financial year.

A3. Conversion and transmission of 'eBRC' to DGFT

Whether the Currency in which Foreign Exchange is realised is notified by Central Board of Excise and Customs (CBEC), Ministry of Finance?	Guidelines to bank on conversion and transmission
Yes	Banks will transmit foreign exchange realised value without converting it into INR to DGFT server.
No	Banks shall, in addition to foreign exchange realised value, **also** upload the INR of the realised foreign exchange value. This conversion should be carried out based on rates notified by RBI. In case exchange rate is not available from RBI, bank may carry out currency conversion as per its standard practice.

A4. BRCs transmitted by bank should reflect total value of foreign exchange realised. Banks should not deduct any amount from this value under any head (Commission, Insurance and Freight).

B. Guidelines for Exporters

B1. Exporters should verify the Shipping Bill Number, Date and Port Code in case of 'e-BRC' as reported by banks. In case of discrepancy, exporters need to approach bank to get such 'e-BRC' details corrected first and then link the same with Shipping Bills.

B2. In case the need for modification is felt, exporters have the option to delete Shipping Bills and/or 'e-BRC' data from the Application and/or Repository. However, once the Shipping Bill/ BRC is utilized in any of the schemes, no modifications are permitted.

B3. 'e-BRC' details available in the DGFT server do not contain values of Commission, Insurance and Freight. These are to be entered by the exporters while making applications under various DGFT schemes. Exporters must ensure that the 'e-BRC' value reported by bank reflects full value and get it corrected from the banks in case of any discrepancy.

B5. Exporter will enter values of Commission, Insurance and Freight against each BRC. Without this entry net FOB Value displayed will be indicated as zero.

B6. Exporter will have to furnish a declaration of correctness of the data and also furnish relevant documents, if called for.

B7. In case of shortfall in foreign exchange realization with respect to the shipping bill FOB value, pro rata distribution of realized foreign exchange against each export item will be made by the system itself. To explain in detail, three illustrations are given below:

- **Illustration 1 (Single Export Product) –**If foreign exchange realization as per e-BRC is US $ 100/- and FOB value as per Shipping Bill is US$ 80/- , then benefit would be granted on US $ 80/-.
- **Illustration 2 (Single Export Product) -**If foreign exchange realization as per e-BRC isUS $ 100/- and FOB value as per Shipping Bill is US $ 120/- , then FTP benefits would be granted on US $ 100/-.
- **Illustration 3 (Multiple Export Items On Single Shipping Bill) -**In case of multiple items on a shipping bill, the FOB value will be proportionately distributed and **multiplication factor** applied on it. For example, If a Shipping Bill contains 3 export items A,B and C with FOBs US $40, US $60 and US $80 respectively (total FOB US $180/-). If the total NFE realised as per e-BRC is US$90/-, then by pro-rata calculation the benefits on 3 items i.e. A, B and C will be calculated on 20 US$, 30 US$ and 40 US$ respectively.(Multiples)

B8. Calculation of commission for the purpose of granting DEPB and Chapter 3 benefit:

Commission for an item = Total commission paid on a shipping bill X (FOB value of item in INR as mentioned in SB / Total SB FOB value in INR)

For the purpose of calculation of entitlement, commission for an item will be limited to 12.5% of the Net Realised value (as per S.N. VI above) of Item.

B9. Shipping Bill repository:

a. DGFT will maintain a Repository of Shipping Bills which would be available for on-line linkage with any application, for example, DEPB, Chapter 3 Incentive Schemes, and EODC. When requested by exporters, 'e-Shipping Bill' and 'e-BRC' data will be captured and linked automatically.

b. In case of Manual Shipping Bills/ BRCs, data will be entered by exporters on DGFT website

c. Shipping Bills from the repository can be utilised in any applicable scheme.

C- Guidelines for RAs

RAs will not ask for physical copies of BRCs for BRCs issued wef 17.08.2012

3. This replaces the Policy Circular No.01 dated 18.6.2012.

4. This issues with the approval of Director General of Foreign Trade.

Amendments for Value Declarations of Freight, Insurance and Commission in Aayat Niryat Forms for e-BRC Facilitation

Subject: Amendments in Handbook of Procedure, Vol.I Appendices and Aayat Niryat forms.

21-PN(RE) 09.10.2012 (DGFT) In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy, 2009-2014, the Director General of Foreign Trade hereby amends the Handbook of Procedures Vol.1 (Appendices and Aayat Niryat Forms) 2009-2014.

2. The following additional declarations/undertaking will be furnished by applicants filing applications in ANF 3C and ANF 4G at the end of the existing declarations:

I/We hereby declare that Freight, Insurance and Commission values as mentioned in the application are based on actual transaction values.

For the purpose of calculating entitlement, commission amount has been included as per actual value or 12.5% of net FOB value realised whichever is less.

3. The following additional declarations/undertaking will be furnished by applicants filing applications in ANF 4D, ANF 4F, ANF 4H and ANF 5B at the end of the existing declarations :

I/We hereby declare that Freight, Insurance and Commission values as mentioned in the application are based on actual transaction values.

For the purpose of calculating entitlement, commission amount has been excluded.

4. Effect of this Public Notice

In order to integrate e-BRC with the schemes under Foreign Trade Policy, the above declarations are being mandated.

One Lakh MT Marble Quota Allocation for Indian Companies Investing in Mining Abroad

Sub.: Policy for allocation of quota for import of Rough Marble Blocks for Indian companies investing abroad in marble mining, for the year 2012-13.

20-Ntfn(RE) 09.10.2012 (DGFT) In exercise of powers conferred under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 as amended, read with paragraph 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby makes the following amendments in Schedule-I (Imports) to the ITC (HS) Classifications of Export and Import Items:

2. Import Licensing Note No. (5) is inserted at the end of Chapter 25, to read as :

"5. Facility for Indian companies who have invested in Mining abroad.

This will be subject to conditions laid down as under:

5(a) Eligibility;

(i) Mining company where such investment is made must be a 100% subsidiary of the Indian company.

(ii) Minimum investment should be Rupees 10 crores as on 31.3.2012 and is subsisting.

(iii) Such investment should only be in plant and machinery. No plant and machinery on leased basis will be considered.

(iv) The overseas mining company should be operational and have the operating license in its own name.

(b) Quantity to be permitted;

(i) Only marble blocks produced from its own quarries overseas shall be allowed for import.

(ii) The total annual import quantity will be limited to 1 lakh MT.

(iii) The quantity to be allocated for import per applicant shall not exceed 30,000 MT or the total quantity of marble mined and sold from its overseas mines in the previous financial year, whichever is less. (Reference to financial year would be Indian financial year i.e 1^{st} April 2011-31^{st} March 2012)

(iv) If the quantity to be imported by the eligible applicants exceeds 1 lakh MT, then allocation will be on a pro rata basis. Distribution of pro rata allocation will be on the basis of total sale of quantity produced in the previous financial year from its mines overseas. Quantum of sale shall be certified by an independent Chartered Accountant and will be accompanied with annual accounts of foreign mines (subsidiary of Indian Company).

(c) Filing of Application;

Applications should reach DGFT(HQ) office at Udyog Bhavan, New Delhi before 5 pm on 25th October 2012.

(d) Floor Price;

Such imports shall be subject to a floor price of US$ 325 per Metric Tonne (MT) .

(e) ITC HS Codes;

Such imports shall be permissible under ITC HS Codes 25151100 and 25151210.

(f) Actual User Condition;

All authorisations shall be subject to actual user condition.

(g) Monthly Return;

Authorisation holders shall file monthly returns regarding imports made by them, to the concerned Regional Authority of DGFT by the 15th of each succeeding month in which authorisation is obtained (for example if a authorisation is obtained on 13th September, the authorisation holder will file monthly return by 15th of October and for each month thereafter). This is a mandatory requirement.

(h) Validity of Import authorisation;

Authorisation for Import of marble will have a validity of 12 months from date of issue.

3. Effect of this notification

Import Policy for allocation of quota for import of Rough Marble Blocks by Indian companies investing abroad in marble mining has been notified with an annual quota of 1 lakh MT.

New ITC(HS) Book Updated for Amendments Already Issued

Subject: - Amendment in ITC (HS) 2012 Schedule 1 – Import Policy with Customs Tariff Schedule-2012.

22-Ntfn(RE) 11.10.2012 (DGFT) In exercise of powers conferred by Section 5, read along with Section 3(2) of the Foreign Trade (Development and Regulation) Act, 1992, read with paragraph 2.1 of Foreign Trade Policy, 2009-14, the Central Government hereby makes the following amendments in the Schedule 1 – Import Policy of the ITC (HS), 2012 in line with Customs Tariff schedule-2012.

2. The following tariff lines at 8 digit in Chapter 44, 50, 51, 52, 57, 58, 62 & 63, which were omitted, are included as new entries to the ITC (HS) 2012 published vide Notification No. 111 dated 18.4.2012. These are to be added to the respective Sub-headings (at 6 digit):

SNo.	HS Code	Description	Policy	Policy Condition
1.	4410 90 40	of Coir	free	
2.	4411 94 22	of Coir	free	
3	5007 90 10	of Handloom woven	free	
4	5112 90 50	of Handloom	free	
5	5208 31 21	of Handloom	free	
6.	5208 41 21	of Handloom	free	
7.	5208 49 21	of Handloom	free	
8.	5208 59 20	of Handloom	free	
9.	5209 51 11	of Handloom	free	
10.	5702 42 30	Carpets, rugs and mats of Handloom	free	
11.	5705 00 24	Cotton Durries of Handloom (including Chindi Durries, Cotton, Chenille Durries, Rag Rug Durries, Printed Durries, Druggets)	free	
12.	5705 00 42	Mats and mattings including Bath Mats, where cotton predominates by weight, of Handloom, Cotton Rugs of Handloom	free	
13.	5802 19 50	of Handloom	free	
14.	6214 10 30	of Handloom	free	
15.	6216 00 20	of Handloom	free	
16.	6302 21 10	Handloom	free	
17.	6302 51 10	Handloom		free
18.	6302 60 10	Handloom		free
19.	6302 91 10	Handloom	free	
20.	6304 19 40	Bedsheets and Bed Covers of cotton, Handloom	free	
21.	6304 92 11	Counterpanes - of Handloom	free	
22.	6304 92 21	Napkins - of Handloom	free	
23.	6304 92 31	Pillow cases and pillow slips - of Handloom	free	
24.	6304 92 41	Table cloth and Table Covers - of Handloom	free	
25.	6304 92 81	Cushion covers - of Handloom	free	
26.	6304 92 91	Other furnishing articles - of Handloom	free	
27.	6304 99 91	of silk, Handloom	free	
28.	6304 99 92	of wool, Handloom	free	
29.	6307 10 30	of Cotton, Handloom	free	

3. The following tariff lines were notified in the ITC(HS) vide Notification No 51/2009-14 dated 8 July, 2010 but were **omitted** in the latest publication of ITC (HS) 2012 vide Notification No. 111 dated 18.4.2012. These tariff lines (at 8 digit) are being included now in chapter 53, 56, 57 & 94 to the respective Sub-headings (at 6 digits):

SNo.	HS Code	Description	Policy	Policy Condition
1.	5308 10 20	Spooled hanks	free	
2.	5311 00 15	of coir including log form and geotextiles</x></x>	free	
3.	5602 90 10	of Rubberized Coir, needled felt	free	
4.	5701 90 20	of Coir including geotextile	free	
5.	5703 90 20	Carpets and floor coverings of coir	free	
6.	9404 29 20	of rubberized coir with or without combination or other materials whether or not with metallic springs.	free	

5. In Chapter 53, the description of the following two items at 8 digit were modified vide Notification No 51/2009-14 dated 8 July, 2010, but were **omitted** in the latest publication of ITC (HS) 2012 vide Notification No. 111 dated 18.4.2012. These are now included as under:

SNo.	HS Code	Existing Description	Amended Description
1.	5305 00 10	Coir Bristle Fibre	Coir bristle fibre, coir mattress fibre, coir short fibre, coir bit fibre, decorticated coir fibre
2.	5305 00 40	Coir pith	Coir pith, processed in value added forms like briquettes, coins, neo discs, grow bags, organic manure and in loose form for use in horticulture or agriculture

5. Effect of this Notification

Certain items with their attendant ITC (HS) codes were omitted in the ITC(HS) published vide Notification No. 111 dated 18.4.2012.These have been incorporated with a view to align with Customs Tariff Schedule 2012.

ITC(HS) Amendments to Come into Retrospective Effect from 17 March 2012

Subject: - Effect of Notification No. 7 (RE – 2012)/2009-2014 dated 23.7.2012

21-Ntfn(RE) 11.10.2012 (DGFT) In exercise of powers conferred by Section 5, read along with Section 3(2) of the Foreign Trade (Development and Regulation) Act, 1992, read with paragraph 2.1 of Foreign Trade Policy, 2009-14, the Central Government hereby makes an amendment in the Schedule 1 – Import Policy of the ITC (HS), 2012.

2. The Notification No. 7 (RE – 2012)/2009-2014 issued on 23.7.2012 incorporated the changes in the descriptions of tariff lines in Chapters 24,26,74,75,76,78 and 79 in accordance with the changes in the Finance Bill 2012-13. This notification was silent on the date on which these changes were to take effect. Accordingly, some interpreted the changes to take effect from the date of notification i.e., 23/07/2012 and some others from the date on which Finance Bill 2012 was passed i.e., 17/03/2012. Therefore, this amendment is being made to impart greater clarity.

3. Accordingly, para 10 of the Notification No. 7 (RE – 2012)/2009-2014 dated 23.7.2012 is amended to add the phrase "*and will take effect from 17.03.2012 (the date on which the Finance Bill was passed)" after the existing provision.* Therefore, the amended para 10 would read as under:

"Amendments carried out in the Budget have been incorporated in the ITC(HS) 2012 and will take effect from 17.03.2012(the date on which the Finance Bill was passed)".

4. Effect of this Notification

It is clarified that the Notification No. 7 (RE – 2012)/2009-2014 dated 23.7.2012 takes effect from 17.03.2012.

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Cost Accountants can also Certify Export Documents

Subject: Certification of various documents by Cost Accountants under Handbook of Procedure Vol.I and Appendices under Foreign Trade Policy.

22-PN(RE)
11.10.2012
(DGFT)

In exercise of powers conferred under Para 2.4 of the Foreign Trade Policy, 2009-14, the Director of General of Foreign Trade hereby makes the following amendments in the Handbook of Procedure Vol.I and Appendices 2009-2014 in public interest:

1. Wherever the term "Chartered Accountant" appears, it would deem to mean and include "Cost Accountant" also. Similarly, wherever the term "FCA" has been used in respect of a Chartered Accountant, it would deem to mean and include the term "FCMA" in respect of a Cost Accountant.

2. The words "CA Number" shall be substituted to read as "Membership Number".

3. The words "Cost and Works Accountant" shall be substituted to read as "Cost Accountant".

Effect of this Public Notice: Under the EXIM Policy and Procedure, wherever certification by a Chartered Accountant was required, the exporters would be able to get certification done by a Cost Accountant also.

Customs Valuation Exchange Rates

05 October 2012		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	54.30	52.80
2	Bahraini Dinar	143.05	134.85
3	Canadian Dollar	53.90	52.55
4	Danish Kroner	9.20	8.90
5	EURO	68.45	66.65
6	Hong Kong Dollar	6.80	6.70
7	Kenyan Shilling	63.50	59.55
8	Kuwaiti Dinar	192.00	180.60
9	New Zealand Dollar	43.75	42.40
10	Norwegian Kroner	9.30	9.00
11	Pound Sterling	85.45	83.40
12	Singapore Dollar	43.05	41.90
13	South African Rand	6.10	5.75
14	South Arabian Riyal	14.40	13.55
15	Swedish Kroner	8.00	7.75
16	Swiss Franc	56.65	55.05
17	UAE Dirham	14.70	13.85
18	U.S. Dollar	52.85	51.85
Schedule II – [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees **]**			
1	Japanese Yen	67.95	66.00

(Source: Customs Notification 91(NT)/04.10.2012)

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