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# WORLD TRADE SCANNER

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## US in Focus at IMF DC Meet, US Default Fraud with \$16.7tn Debt Limit

China, the U.S.'s largest creditor abroad, urged American lawmakers opposed to raising the debt limit by 16 October to get out of the way.

China holds almost a quarter of foreign-owned Treasuries - \$1.28 trillion as of July.

The U.S. must "shoulder its responsibility" as the world's biggest economy and holder of the main reserve currency and "take concrete measures before Oct. 17 to avoid a default," Deputy Finance Minister Zhu Guangyao said at a briefing with reporters in Beijing in which he referred to "the attitude of the Tea Party."

The appeal from China, the world's second-largest economy, underscores the importance of U.S. Treasuries to global financial markets. Treasuries are viewed as a safe haven for countries trying to reduce risk, and any doubt about U.S. ability to pay its debt could rattle investors.

Lawmakers who identify with the Tea Party support decentralized government and less spending and debt. They pushed Republican House Speaker John Boehner last month to fight for major changes to the health-care law known as Obamacare as part of the budget debate.

The stalemate led to the first government shutdown since 1996 and has merged into a debate over the nation's \$16.7 trillion debt limit. Treasury Secretary Jacob J. Lew has said that if Congress doesn't raise the debt cap, the U.S. will exhaust its borrowing authority by tomorrow, leaving the government with about \$30 billion cash.

### Japan, Chile

During International Monetary Fund meetings in Washington last weekend, officials from Japan to Chile emphasized the need to raise the debt ceiling.

### Currency Basket – Dollar Alternative

"It's no secret: There are discussions around the world where

others would like there to be a basket of currencies that might be used as an alternative to the dollar," Lew told the Senate Finance Committee last week. "The world actually counts on us being responsible."

Tea Party members have accused the Obama administration of exaggerating the importance of the debt ceiling and say the Treasury could avoid a default by paying interest on debt before other bills.

China has been studying reducing its reliance on U.S. bonds in reserve management for years but has found few solutions, Li said in a phone interview.

### China Holdings Grow

China's holdings of U.S. government debt totaled 22.8 percent of all Treasuries held abroad, and have risen from \$550 billion, or 21 percent, five years ago,

according to Treasury Department data.

"Euro bonds may have the potential, but not for now," Li said. "Diversifying into commodities can work in theory, but isn't possible in reality because these markets are too small for China's foreign-exchange reserves."

China has \$3.66 trillion in reserves, up from \$3.2 trillion two years ago.

"China has no alternative to replace U.S. Treasuries in its foreign-exchange reserve management," Yuan Gangming, a researcher with the government's Chinese Academy of Social Sciences in Beijing, said in a telephone interview.

Dollar, who is now a senior fellow with the Brookings Institution in Washington, said China's concerns are genuine and officials there "would like to see the U.S. resolve this as quickly and as smoothly as possible so that the world economy can continue to develop, and the dollar can continue to play its role."



## Yuan Walks the Globe



The U.K. joined Hong Kong and Taiwan in being allowed by China to take part in a program allowing offshore yuan to be invested in Chinese securities, a move that bolsters efforts to internationalize the currency.

China approved an 80 billion yuan (\$13 billion) quota for investors in London to buy onshore assets under the Renminbi Qualified Foreign Institutional Investor scheme, Chancellor of the Exchequer George Osborne said at a briefing in Beijing.

People's Bank of China Governor Zhou Xiaochuan is opening up the nation's capital markets as he seeks a greater role for

the yuan in global trade and investment. Shanghai inaugurated a pilot free-trade zone last month that will allow trials of yuan convertibility under the capital account and permit overseas companies to sell debt denominated in the local currency.

China started the program in 2011 as a way to encourage greater worldwide usage of yuan, allowing investors holding the currency overseas to buy domestic bonds, stocks and money-market instruments. Regulators said in July they would expand it beyond Hong Kong and Taiwan to the U.K. and Singapore.

Yesterday's agreements make the pound the fourth major currency to have direct trading links with the yuan, after the

dollar, Japan's yen and Australia's dollar, putting London ahead of Frankfurt and Paris in a bid to become Europe's hub for the Chinese currency.

In June, the Bank of England became the first among European central banks to establish a currency-swap facility with China, supporting yuan users by providing liquidity when needed.

#### 'Western Hub'

Osborne said yesterday that further agreements on yuan settlement and clearing are planned. Talks will begin to enable Chinese banks to establish wholesale branches in the U.K. for the first time, allowing them to scale-up their business activities, Osborne said.

#### 36% Rally in Yuan

The yuan touched 6.1007 per dollar yesterday in Shanghai, the strongest since the government unified official and market exchange rates

at the end of 1993. The currency has strengthened 36 percent against the dollar and 47 percent versus the pound since a peg to the U.S. currency was scrapped in July 2005.

The daily value of yuan trading in London now stands at about \$5 billion a day, double the daily volume in 2012, Osborne said, citing data by HSBC Holdings Plc. HSBC forecast in March that the currency will be fully convertible within five years and that a third of China's total trade will be settled in yuan by 2015, making it one of the top three global trade settlement currencies by volume.

The nation's 25.4 trillion yuan onshore bond market offers more choice, better liquidity and higher yields than are available in Hong Kong, where there is 253 billion yuan of Dim Sum debt outstanding, according to data compiled by Bank of China. Ten-year government bonds yielded 4.07 percent in Shanghai yesterday, compared with 3.67 percent in Hong Kong.

multilateral trading system, a positive conclusion of negotiations at Bali is essential.

On the issue of food security proposal spearheaded by Indonesia and India among other nations of the G33, both the Ministers agreed that a favourable decision was required to serve the needs of developing countries in fulfilling their food security commitments. Both Ministers recognised the positive forward movement on issues of trade facilitation and food security and hoped that a satisfactory decision would be taken by the WTO membership in Bali.

While discussing bilateral issues, Mr. Sharma and Mr. Wirjawan felt the need for initiating negotiations on bilateral free trade agreement to implement the decision taken by leaders of both countries two years ago. Both Ministers decided to meet in December 2013 for the Bilateral Trade and Industry Ministers' Forum.

The Minister also raised the issue of restrictive regime on imports of pharmaceuticals, bovine meat and textiles. The Indonesian Minister assured a constructive review of its policy. On a suggestion by Mr. Sharma, Mr. Wirjawan welcomed Indian investment in pharmaceutical sector in Indonesia.

Referring to the potential opportunities and historical trade and cultural relations between India and Indonesia, Sharma said that India is committed to the consolidation of its partnership with Association of Southeast Asian Nations (ASEAN) states. Sharma also mentioned the economic turbulence that had impacted all economies and felt the need to make a realistic assessment and find solutions to help inclusive growth. The Indian Minister called for more cooperation in the areas of renewable energy, health and pharmaceuticals between the two countries.

Earlier, yesterday, a delegation of Indian CEOs visited Jakarta and met Indonesian industry leaders at the first meeting of the India-Indonesia CEOs Forum. Both sides had fruitful discussions on various ways to enhance economic engagement between the two countries. As the two large emerging economies in the Asian region, the CEOs from both the sides agreed to promote business to business contacts in sectors like Information Technology, mining and infrastructure, power and clean energy, manufacturing, construction, services sector, agro based industry and renewable energy. The Indonesian side expressed that it would welcome more investments by way of smart capital which will promote transfer of knowledge, technology and innovation.

The CEOs Forum was also addressed by Indonesia's Vice Minister for Trade Mr. Bayu Krisnamurti, Chairman of KADIN, Indonesia and the Deputy Chairman of Investment Coordinating Board (BKPM), Indonesia. The Forum was co-chaired by Mr. Venu Srinivisan of TVS Motors on the Indian side and by Mr. Chris Kanter, Vice Chairman for Trade and International Relations, KADIN, Indonesia.

[Source: PIB (MoC&I) Press Release dated 11<sup>th</sup> October 2013]

### Dollar Exports Up by 11.5% in Sept 2013, Import Fall – 18.10%

#### Exports (including re-exports)

Exports during September, 2013 were valued at US \$ 27679.33 million (Rs. 176461.53 crore) which was 11.15 per cent higher in Dollar terms (29.77 per cent higher in Rupee terms) than the level of US \$ 24902.00 million (Rs. 135978.63 crore) during September, 2012. Cumulative value of exports for the period April-September 2013-14 was US \$ 152105.40 million (Rs 901194.97 crore) as against US \$ 144673.91 million (Rs. 790838.40 crore) registering a growth of 5.14 per cent in Dollar terms and growth of 13.95 per cent in Rupee terms over the same period last year.

#### Imports

Imports during September, 2013 were valued at US \$ 34439.50 million (Rs.219559.04 crore) representing a negative growth of 18.10 per cent in Dollar terms and a negative growth of 4.38 per cent in Rupee terms over the level of imports valued at US \$ 42051.45 million (Rs. 229624.04 crore) in September, 2012. Cumulative value of imports for the period April-September, 2013-14 was US \$ 232231.64 million (Rs. 1365699.30 crore) as against US \$ 236493.90 million (Rs. 1292490.99 crore) registering a negative growth of 1.80 per cent in Dollar terms and growth of 5.66 per cent in Rupee terms over the same period last year.

#### Crude Oil and Non-Oil Imports

Oil imports during September, 2013 were valued at US \$ 13196.5 million which was 5.94 per cent lower than oil imports valued at US \$ 14029.5 million in the corresponding period last year. Oil imports during April-September, 2013-14 were valued at US \$ 82876.1 million

which was 3.58 per cent higher than the oil imports of US \$ 80011.6 million in the corresponding period last year.

Non-oil imports during September, 2013 were estimated at US \$ 21243.0 million which was 24.19 per cent lower than non-oil imports of US \$ 28022.0 million in September, 2012. Non-oil imports during April-September, 2013-14 were valued at US \$ 149355.5 million which was 4.55 per cent lower than the level of such imports valued at US \$ 156482.3 million in April-September, 2012-13.

#### Trade Balance

The trade deficit for April-September, 2013-14 was estimated at US \$ 80126.24 million which was lower than the deficit of US \$ 91819.99 million during April-September, 2012-13.

#### Exports & Imports: (US \$ Million)

	(Provisional)	
	September	April-September
<b>Exports (including re-exports)</b>		
2012-13	24902.00	144673.91
2013-14	27679.33	152105.40
%Growth2013-14/ 2012-2013	11.15	5.14
<b>Imports</b>		
2012-13	42051.45	236493.90
2013-14	34439.50	232231.64
%Growth2013-14/ 2012-2013	-18.10	-1.80
<b>Trade Balance</b>		
2012-13	-17149.45	-91819.99
2013-14	-6760.17	-80126.24

[Source: PIB (MoC&I) Press Release dated 9<sup>th</sup> October 2013]

### India-Indonesia Minister in WTO Pow-Wow over Bali Ministerial



The Union Minister of Commerce and Industry Anand Sharma on 11 October met the Indonesian Trade Minister Mr. Gita Wirjawan while accompanying Prime Minister Dr. Manmohan

Singh on his two-day visit to Indonesia. Mr. Sharma and Mr. Wirjawan discussed the state of negotiations on an early harvest agreement in the World Trade Organisation expected to be concluded in Bali Ministerial Meeting of WTO in early December 2013. Both Ministers agreed that in order to maintain the importance of the

## WEEKLY INDEX OF CHANGES

### Zero Duty for 745 Items in Indo-Malaysia PTA

- Cuts by 2.5% to 5% on Major Items
- Sensitive Lists in Veg Oil, Petrochem, Plastics in Status Quo List

Ntfn 47  
10.10.2013  
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue),

No.53/2011-Customs, dated the 1<sup>st</sup> July, 2011 published in the Gazette of India, vide number G.S.R. 499 (E), dated the 1<sup>st</sup> July, 2011, namely:-  
In the said notification, for the Table, the following shall be substituted, namely:-

**[Table is available in our website  
[www.worldtradesscanner.com](http://www.worldtradesscanner.com)  
[F. No. 354/43/2009-TRU]**

### Anti-dumping Duty on Bulk Drug Cefadroxil Monohydrate from EU Slapped

Ntfn 22-ADD  
10.10.2013  
(DoR)

WHEREAS in the matter of import of Bulk Drug Cefadroxil Monohydrate (hereinafter referred to as subject goods), falling under Chapter 29 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), (hereinafter referred to as the said Act), originating in or exported from the European Union (hereinafter referred to as subject country), and imported into India, the designated authority in its final findings published in the Gazette of India, Extraordinary, Part I, Section 1, vide notification No. 14/8/2011-DGAD dated 19th

July, 2013, has come to the conclusion, inter alia, that –

(i) the subject goods have entered the Indian market from the subject country below associated normal value, thus, resulting in dumping of the subject goods;

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

(iii) the injury to the domestic industry has been caused due to the dumped imports of subject goods from the subject country ;

AND WHEREAS, the designated authority

has recommended imposition of definitive anti-dumping duty on imports of the subject goods, originating in or exported from the European Union 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 said 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 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 producers 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 exporters as specified in the corresponding entry in column (7) and, imported into India, an anti-dumping duty at a rate which is equal to the amount as indicated in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table.

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	2942 00 11	Bulk Drug Cefadroxil Monohydrate	European Union	European Union	M/s DSM Sinochem Pharmaceuticals Netherlands B.V, Netherlands	M/s DSM Sinochem Pharmaceuticals Netherlands B.V, Netherlands	7.88	Kg	US Dollar
2	2942 00 11	-do-	European Union	European Union	M/s DSM Sinochem Pharmaceuticals Netherlands B.V, Netherlands	M/s DSM Anti-Infectives Egypt SAE	7.88	Kg	US Dollar
3	2942 00 11	-do-	European Union	European Union	Any combination except at Sl. Nos. 1 and 2 above		9.03	Kg	US Dollar
4	2942 00 11	-do-	European Union	Any except European Union	Any	Any	9.03	Kg	US Dollar
5	2942 00 11	-do-	Any except European Union	European Union	Any	Any	9.03	Kg	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 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, 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.354/19/2013 –TRU]

### Five More Years of Anti-dumping on Ductile Iron Pipes from China in Review

Ntfn 23-ADD  
10.10.2013  
(DoR)

Whereas, the designated authority, vide its notification No. 15/1006/2012-DGAD, dated the 7th September,

2012, published in Part I, Section 1 of the Gazette of India, Extraordinary, dated the 7th September, 2012, had initiated a review in the matter of continuation of anti-dumping on imports of Ductile iron pipes (hereinafter referred to as the subject goods) falling under tariff items 7303 00 30 or 7303 00 90 of the First Schedule to the Customs Tariff Act 1975, (51 of 1975) (hereinafter referred to as the said Act),

originating in, or exported from, People's Republic of China (hereinafter referred to as the subject country), imposed vide notification of Government of India, in the Ministry of Finance (Department of Revenue), No. 103/2007-Customs, dated the 14th September, 2007, published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary, vide G.S.R. No. 599 (E), dated the 14th September, 2007.



And whereas, the Central Government had extended the anti-dumping duty on the subject goods, originating in, or exported from, the subject country up to and inclusive

of the 12th of September, 2013 *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 41/2012 –Customs (ADD) dated the 13th September, 2012, published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary, vide G.S.R No. 685(E), dated the 13th September, 2012.

And whereas, in the matter of review of anti-dumping on import of the subject goods, originating in, or exported from the subject country, the designated authority *vide* its final findings, No. 15/1006/2012-DGAD, dated the 4th September, 2013, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 4th September, 2013, has come to the conclusion that –

(i) There is clear evidence that if the existing duties are allowed to be revoked, the volume of dumped and injurious exports of the subject

goods from the subject country to India is likely to increase and likely to cause injury to the domestic industry. The volume of such dumped and injurious exports is significant considering the demand for the product under consideration in India;

(ii) there is every likelihood of dumping and consequential injury to the domestic industry from subject country, if the existing duties are allowed to be revoked.

and has recommended continued imposition of the anti-dumping duty against the subject goods, originating in, or exported from, the subject country;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said Act 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 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 against tariff items to the said 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 producers as specified in the corresponding entry in column (5), and exported from the countries specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty at a rate which is equal to the amount 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.	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	7303 00 30 or 7303 00 90	D I Pipes	People's Republic of China	People's Republic of China	M/s Xinxing Ductile Iron Pipes Co. Ltd.	Any	127.40	MT	US\$
2	-do-	-do-	People's Republic of China	People's Republic of China	Any other than above	Any	139.79	MT	US\$
3	-do-	-do-	People's Republic of China	Any other than subject country	Any	Any	139.79	MT	US\$
4	-do-	-do-	Any other than subject country	People's Republic of China	Any	Any	139.79	MT	US\$

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

**Explanation.** - For the purposes of this notification, - "rate of exchange" applicable for the purposes of calculation of anti-dumping duty shall be the rate which is specified in the notifi-

cation of the Government of India in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers under sub-clause (i) of clause (a) of sub-section (3) of 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. 354/3/2007/TRU (Pt-I)*

and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

### **Domestic Industry & Standing**

3. The Application has been filed by M/s MCC PTA India Corp. Pvt. Ltd and M/s Reliance Industries Limited on behalf of the domestic industry. Apart from the above domestic producers there is one more producer of PTA in India, namely Indian Oil Corporation Limited. However, the said domestic producer of PTA has neither supported nor opposed the application.

4. As per the information furnished in the application, the production of M/s MCC PTA India Corp. Pvt. Ltd and M/s Reliance Industries Limited accounts for more than 50% of Indian production of the like article. The applicants have declared that they have neither imported the product under consideration, nor any of their related parties in India have imported the PUC. It has been further declared that the applicants are not related to any of the importers of the subject goods in India or exporters of the subject goods from the subject countries. In view of the above, the applicants have claimed that they satisfy the criteria for considering them as Domestic Industry within the meaning of the Rules. However, it is noted from the information submitted by M/s MCC PTA India Corp. Pvt. Ltd that it is a subsidiary of Mitsubishi Chemical Corpn., Japan, which holds a major share in a producer company in Korea RP. It has been stated by the applicants that this Korean company had exported the subject goods to India

## **Reliance Complaint of PTA Dumping from China, EU, Korea and Thai under Investigation**

- Attack on PTA Imports Revised after Five Year Lull
- China EU Added to Hit List
- Indonesia, Malaysia, Japan, Spain and Taiwan Spared as of Now

### **[Anti-dumping Initiation Notification No.14/7/2013-DGAD dated 8<sup>th</sup> October 2013]**

*Subject: Initiation of anti-dumping investigation concerning imports of 'Purified Terephthalic Acid' (PTA), originating in or exported from China PR, European Union, Korea RP and Thailand.*

Whereas M/s MCC PTA India Corp. Pvt. Ltd., and M/s Reliance Industries Limited (hereinafter referred to as the applicants) have jointly filed an application before the Designated Authority (hereinafter also referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also 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 also referred to as the Rules) for initiation of anti-dumping investigation concerning imports of Purified Terephthalic Acid (hereinafter also re-

ferred to as the subject goods or PTA), originating in or exported from China PR, European Union, Korea RP and Thailand (hereinafter also referred to as the subject countries).

2. And whereas, the Authority finds existence of prima facie evidence of dumping of the subject goods, originating in or exported from the subject countries, 'injury' to the domestic industry and causal link between the alleged dumping and 'injury' to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of any alleged dumping



during the POI for the purpose of product testing by a customer and the same company is not a regular exporter of the product under consideration. The Authority further notes that M/s MCC PTA India Corp. Pvt. Ltd are holding the largest share of the PUC in the domestic market (excluding captive consumption) and the volume of exports made by the said Korean company is miniscule as compared to their production as well as sales. In view of the above, the Authority considers M/s MCC PTA India Corp. Pvt. Ltd as an eligible domestic producer under rule 2(b) and accordingly treats them as constituting domestic industry. After examining the information on record, the Authority holds that the applicants constitute domestic industry within the meaning of Rule 2 (b) and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

#### Product under Consideration

5. The Product under Consideration (PUC) in the present investigation is Purified Terephthalic Acid (PTA), including its variants - Medium Quality Terephthalic Acid (MTA) and Qualified Terephthalic Acid (QTA). The PUC is a white, free flowing crystalline powder, free from any visual contamination. Terephthalic Acid is an organic compound whose chemical formula is  $C_6H_4(COOH)_2$ . It sublimates at 402°C and is poorly soluble in water and alcohol. PTA is primary raw material in the manufacture of polyester chips which in turn is used in a number of applications in textile, packaging, furnishings, consumer goods, resins and coatings. Since QTA, MTA and PTA are chemically the same product and further since they are interchangeably used, the scope of the product under consideration covers QTA and MTA as well. The applicants have further claimed that Di-Methyl Terephthalate (DMT) is chemically a different product and therefore not covered in the scope of the product under consideration. The product under consideration is classified under subheading 29173600 of the Customs Tariff Act. However, the customs classification is indicative only and in no way it is binding on the scope of the present investigation.

#### Like Article

6. The applicants have claimed that there is no known difference between the subject goods exported from subject countries and that produced by the applicants. As submitted by the applicants, the Purified Terephthalic Acid (PTA) produced by the domestic industry and imported from subject countries are 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 applicants have further claimed that two are technically and commercially substitutable and, hence, should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the Authority treats the subject goods produced by the applicant in India as 'Like Article' to the subject goods being imported

from the subject countries/territories.

#### Subject Countries/Territories

7. The countries involved in the present investigation are China PR, European Union, Korea RP and Thailand. These are being referred to as the subject countries/territories in the present investigation.

#### Normal value

8. The applicants have constructed the normal values in respect of the subject countries stating that they were unable to get any documentary evidence or reliable information with regard to the domestic prices of the subject goods in the subject countries. The applicants have claimed the normal value on the basis of cost of production in India after due adjustments for the international price of the major raw material. The Normal values claimed by the applicants have been considered for the purpose of initiation of this investigation.

#### Export Price

9. The export price has been claimed by the applicants as the weighted average import price from subject countries based on the import data obtained from the DGCIS. Price adjustments have been made on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges to arrive at the net export price.

#### Dumping Margin

10. 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 countries 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 countries. The dumping margins are estimated to be above de minimis.

#### Injury and Causal Link

11. Information of the applicant companies has been considered for assessment of injury to the domestic industry. The applicants have 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 countries to justify initiation of an antidumping investigation.

#### Period of Investigation (POI)

12. The Period of Investigation for the purpose of the present investigation is from 1st April 2012 to 31st March 2013 (12 Months). The injury investigation period has however, been considered as the period from 1st April 2009 to the end of the POI, i.e., 2009-10, 2010-11, 2011-12 and POI.

#### Submission of Information

13. The known exporters in the subject countries/territories, the Government of the subject

## Consumer Pack Edible Oil MEP Cut by \$100

*Subject: Amendment in Notification No 22(RE-2012)/2009-14 dated 18<sup>th</sup> June, 2013 relating to export of edible oils.*

45-Ntfn(RE) In exercise of the powers 09.10.2013 conferred by Section 5 of (DGFT) the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 1.3 of the Foreign Trade Policy, 2009-2014 (as



amended from time to time), the Central Government hereby amends with immediate effect serial no 4 of Notification No 22(RE-2012)/2009-14 dated 18<sup>th</sup> June 2013 relating to Sl. No. 92 of Schedule 2 of ITC(HS) Classification of Export & Import Items.

2. Export of edible oils in branded consumer packs of upto 5 Kgs is permitted with a Minimum Export Price of USD 1400 per MT.

#### 3. Effect of this notification

MEP on export of edible oils in branded consumer packs of upto 5 Kgs has been reduced to USD 1400 per MT. Earlier it was USD 1500 per MT.

countries through their embassy in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address:

The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties, Ministry of Commerce & Industry,  
Department of Commerce  
Room No.240, Udyog Bhawan,  
New Delhi -110011.

14. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

#### Time Limit

15. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of publication of this Notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Anti-dumping Rules.

16. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses and offer their comments to the domestic industry's application regarding the need to continue or otherwise the Anti-dumping measures within 40 days from the date of initiation of this investigation.

## Submission of information on confidential basis

17. In case confidentiality is claimed on any part of the questionnaire response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.

18. Information supplied without any confidential marking shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies of the confidential version and five (05) copies of the non-confidential version must be submitted by all the interested parties.

19. For information claimed as confidential; the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed and/or why summarization of such information is not possible.

20. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out /summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, parties submitting the confidential information may indicate that such information is not susceptible to summariza-

tion; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.

21. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

22. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

### Inspection of public file

23. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

### Non-cooperation

24. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

## Customs Centralises Monitoring of EO Default Regularisation Cases in Delhi Zone

*Subject: Option to close cases of default in Export Obligation (EO) - Notification No. 46/2013-Customs dated 26.9.2013*

40-CBEC The Ministry has issued  
09.10.2013 Notification No. 46/2013-  
(DoR) Customs dated 26.9.2013 to  
amend 36 Customs  
notifications pertaining to Advance License/  
DEEC/ Advance Authorization/DFIA/ EPCG relating to the Policy periods from 1992-1997 to 2004-2009. This is to implement the Public Notice No. 22 (RE-2013)/2009-2014 dated 12.8.13 notified by DGFT that has provided a procedure, under category of regularization of *bona fide* defaults, in which all pending cases of the default in meeting EO may be regularized by the authorization holder on payment of applicable customs duty, corresponding to the shortfall in export obligation, along with interest on such customs duty, but the interest to be so paid, under this option, shall not exceed the amount of customs duty payable for the default. The authorization holder choosing to avail this procedure must complete the process of payment on or before 31.3.2014.

2. The amendments made by the Notification No. 46/2013-Customs provide that in a case of

default in export obligation, when the duty on the goods is paid to regularize the default, the amount of interest paid by the importer shall not exceed the amount of duty if such regularization has been dealt in terms of said Public Notice of DGFT. No other change is involved.

3. It may be noted that the cases where export obligation period is yet to be over, are not covered under the Option. Also, normally no refund is envisaged to arise on account of choosing the Option. However, there may be cases of calculation mistakes to be dealt on merits. Also, the DGFT PN No. 22 (RE-2013)/2009-2014 dated 12.8.13 specifies that necessary procedures would be indicated separately.

4. The Commissioners are to ensure that the cases under the Option are monitored and tracked from the initial stages of exporter approaching for paying the duty, etc. so that there is efficient handling and the subsequent actions, for expeditious closure of these older cases of *bona fide* EO default, take place seamlessly, if infringement of other conditions is not involved. Suitable mechanism for this

## Date of Deposit is Crucial Date for the Interest Meter on Bonded Warehoused Goods Starts Interest Accruing beyond a Period of 90 Days

*Subject: Clarification on the commencement of the interest free period of 90 days under Section 61 of the Customs Act, 1962.*

39-CBEC A reference is invited to Sub-  
01.10.2013 section 2 (ii) of Section 61  
(DoR) of the Customs Act, 1962,  
which provides that where

any warehoused goods specified in sub-clause (b) of sub-section (1) of Section 61 remain in a warehouse beyond a period of ninety days, interest shall be payable at such rate, as may be fixed by the Board, on the amount of duty payable at the time of clearance of the goods in accordance with the provisions of section 15 on the warehoused goods, for the period from the expiry of the said ninety days till the date of payment of duty on the warehoused goods. A doubt has been raised as to when the period of ninety days would commence.

2. In this regard, the term 'warehoused goods' is defined under Section 2 (44) of the Customs Act, 1962 as 'goods deposited in a warehouse'. Section 61 further indicates that the warehoused goods have to remain in the warehouse beyond a period of ninety days, for the interest to be chargeable.

3. Thus, a harmonious reading of the wording of Sub-section 2 (ii) of Section 61 and the definition of the term 'warehoused goods' indicates that when the goods deposited in a warehouse remain warehoused beyond a period of ninety days, then the interest starts accruing. In other words, the relevant date when the period of 90 days would commence would be the date of depositing the goods in the warehouse.

4. It is thus clarified that the period of 90 days, under Section 61 (2) (ii) of the Customs Act, 1962, would commence from the date of deposit of goods in the warehouse.

5. Any difficulty faced in the implementation of this circular may be brought to the notice of the Board.

F. No. 473/1/2012-LC

should be put in place and closely supervised by the Commissioners.

5. Each Chief Commissioner of Customs / Customs (Prev) / Central Excise & Customs shall provide by 3<sup>rd</sup> of the succeeding month (beginning with report for October 2013 and ending with report for March 2014) a report to the office of Chief Commissioner of Customs Delhi Zone enabling Delhi Customs Zone to prepare and provide a Zone-wise, all-India monthly report to the Board by 5<sup>th</sup> of every month in the following format:

## All-India report on Option to close cases of default in EO upto MM/YYYY

Sr	Zone Name	No. of cases	Oct 2013		Interest exempted	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Total upto the month				
			Duty paid	Interest paid							No. of cases	Duty paid	Interest paid	Interest exempted	
1															
2															
and so on															
Sum															

Note – Every report to contain the previous months' figures order/instruction/trade notice. Difficulties faced, if any, may please immediately be brought to the notice of the Board.

6. This Circular may be brought to the notice of all concerned by way of issuance of standing F.No.605/32/2013-DBK

## CBEC Clarification on Service Tax Leviable on Restaurant Services

Subject: Restaurant Service- clarification

173-ST As part of the Budget exercise 2013, the exemption for services provided by specified restaurants extended (DoR) vide serial number 19 of Notification 25/2012-ST was modified vide para 1 (iii) of Notification 3/2013-ST. This has become operational on the 1<sup>st</sup> of April, 2013.

2. In this context, representations have been received. On the doubts and questions raised therein clarifications are as follows:

Doubts	Clarifications
1. In a complex where air conditioned as well as non-air conditioned restaurants are operational but food is sourced from the common kitchen, will service tax arise in the non-air conditioned restaurant?	Services provided in relation to serving of food or beverages by a restaurant, eating joint or mess, having the facility of air conditioning or central air heating in any part of the establishment, at any time during the year (hereinafter referred as 'specified restaurant') attracts service tax. In a complex, if there is more than one restaurant, which are clearly demarcated and separately named but food is sourced from a common kitchen, only the service provided in the specified restaurant is liable to service tax and service provided in a non air-conditioned or non centrally air- heated restaurant will not be liable to service tax. In such cases, service provided in the non air-conditioned / non-centrally air-heated restaurant will be treated as exempted service and credit entitlement will be as per the Cenvat Credit Rules.
2. In a hotel, if services are provided by a specified restaurant in other areas e.g. swimming pool or an open area attached to the restaurant, will service tax arise?	Yes. Services provided by specified restaurant in other areas of the hotel are liable to service tax.
3. Whether service tax is leviable on goods sold on MRP basis across the counter as part of the Bill/ invoice.	If goods are sold on MRP basis (fixed under the Legal Metrology Act) they have to be excluded from total amount for the determination of value of service portion.

3. Trade Notice/Public Notice may be issued to the field formations and taxpayers.

F.No.334/3/2013-TRU

## RBI Raises Ceiling for FC Borrowing to \$10mn with Concessional Swap

Sub: Overseas Foreign Currency Borrowings by Authorised Dealer Banks

AP(DIR Srs) Attention of Authorised Dealer Cir.61 Category I banks is invited to 10.10.2013 Regulation no. (4)(2)(i) of (RBI) Notification No. FEMA 3/RB-2000 dated May 3, 2000 as amended from time to time and A.P.(DIR Series) circular no. 23 dated October 15, 2008 in terms of which, inter alia, AD Category - I banks may borrow funds from their Head Office, overseas branches and correspondents and avail overdraft in the nostro accounts up to a limit of hundred per cent of their unimpaired Tier I capital as at the close of the previous quarter or USD 10 million (or its equivalent), whichever is higher (excluding borrowings for financing of export credit in foreign currency and capital instruments).

2. With a view to providing greater flexibility to AD Category - I banks in seeking access to

overseas funds, Reserve Bank has amended Regulation no. (4)(2)(i) vide Notification No.FEMA.288/2013-RB dated September 26, 2013 published in the Official Gazette vide G.S.R.No.668 (E) on October 1, 2013. Henceforth, authorised dealers may borrow from their Head Office or overseas branches or correspondents outside India or any other entity as permitted by Reserve Bank up to hundred per cent of its unimpaired Tier I capital or USD 10 million, whichever is higher, subject to such conditions as the Reserve Bank may direct. A copy of the amendment notification is placed as annex to this circular.

3. Accordingly, permission is hereby granted to AD Category I banks to borrow from international / multilateral financial institutions for a limited period up to November 30, 2013. Such

## Soda Ash, Phosphorous Trichloride, Glass Vials, Perfume Bottles and Glass Mosaics SION Suspended

- 30-PN(RE) In exercise of the powers 04.10.2013 conferred under Paragraph (DGFT) 2.4 of the Foreign Trade Policy, 2009-2014 and Paragraph 1.1 of Handbook of Procedures (Vol. I), the Directorate General of Foreign Trade hereby suspends the following SIONs:
- (i) SION- A 1143 [Phosphorous Trichloride]
  - (ii) SION- A 1170 [Soda Ash]
  - (iii) SION- A 3627 [Glass Vials / Phials / Ampoules / Perfume Bottles / Nail Enamel Bottles / Foundation Bottles / Miniatures / Cream Jars (Glass Scrap / Cullet route)]
  - (iv) SION- K 134 [Glass Mosaics]

### 2. Effect of Public Notice

The above SIONs are suspended.

borrowings should be for the purpose of general banking business and not for capital augmentation and shall be subject to the conditions stipulated in the A.P. (DIR Series) circulars no. 40, 2013 dated September 10, 2013. Further, such borrowings shall be eligible for the concessional swap facility of RBI as per A.P. (DIR Series) circulars no. 40, 2013 dated September 10, 2013 and 54 dated September 25, 2013.

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

## Nepalgunj Road Notified for Drawback

101-Cus(NT) In exercise of the powers 27.09.2013 conferred by sub-section (2) (DoR) of section 76 of the Customs Act, 1962 (52 of 1962), the

Central Government, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.208/1977-Customs, dated the 1<sup>st</sup> October, 1977, published in the Gazette of India, Extraordinary, Part II Section 3, Sub-section (i), vide number G.S.R. 1318, dated 1<sup>st</sup> October, 1977, namely:-

In the said notification, in paragraph 2, in clause (c), in item (ii), for the words "Jaigaon or Moreh", the words "Jaigaon, Moreh or Nepalgunj Road" shall be substituted.

F.No.552/27/2012-LC

## India on 3 yr Plus Peace Clause on Food Security in Return for “Yes” on TF

India's consent to the temporary waiver being negotiated at the World Trade Organisation (WTO) to allow developing countries to go beyond their permitted food subsidy limits will depend on its duration and the food items covered by it.

The Government may also not agree to possible conditions attached to the waiver such as linking it to international availability of foodgrain and global prices as proposed by some developed countries.

“We want the temporary waiver or the peace clause to be in place for much longer than the three years being offered by developed countries and all major foodgrains should be covered by it. The waiver should be applicable irrespective of the global market situation,” a commerce ministry official said.

A group of more than 40 developing countries

including India, Indonesia and the Philippines, formally known as the G-33, have been trying to convince the WTO to amend its farm pact (Agreement on Agriculture) to remove limits on public stock holding and food aid.

It is important for India to get a waiver because once its new Food Security legislation, which offers 5 kg of subsidised foodgrain to about two-third of its population, is fully implemented, it will breach the existing food subsidy limits fixed at 10 per cent of total production.

In return, these countries will support a Trade Facilitation agreement being pushed by developed countries to improve customs infrastructure and ensure time-bound clearance of shipments.

WTO members are hopeful of signing both agreements at the meeting of trade ministers from all 149 member countries in Bali, Indone-

## Ludhiana Upset on China Circumvention of SAFTA

Responding to local MP Manish Tewari, the Union Minister for Micro, Medium and Small Enterprises, KH Muniyappa on 15 October assured that he would look into the measures to be taken so that the South Asian Free Trade Agreement (SAFTA) is not misused by countries like China which route their exports to India through SAARC countries like Sri Lanka and Bangladesh thus harming the local industry.

Tewari called for granting exemption from central excise duty to cycle and other light engineering manufacturers as had been granted to the hosiery and textile industry.

The Minister expressed his gratitude to Muniyappa for personally coming to learn about the problems being faced by Ludhiana industry.

The interaction had been organised at the behest of the Prime Minister Dr Manmohan Singh.

sia, in December. These pacts are expected to give a boost to the Doha Round of negotiations launched in 2001.

There is also no agreement on what safeguards would be available to prevent the release of the stocks from affecting international markets, and how countries using the provisions would provide enough information to make their actions transparent.

WIndex No. 30 - 16-22 October 2013	DIndex	Windex
<b>DIndex Delivered Daily by Email</b>		
<b>World Trade</b>		
US in Focus at IMF DC Meet, US Default Fraud with \$16.7tn Debt Limit	4489	217
Yuan Walks the Globe	4490	217
India-Indonesia Minister in WTO Pow-Wow over Bali Ministerial	4488	218
Dollar Exports Up by 11.5% in Sept 2013, Import Fall – 18.10%	4477	218
India on 3 yr Plus Peace Clause on Food Security in Return for “Yes” on TF	4491	224
Ludhiana Upset on China Circumvention of SAFTA	4492	224
US Takes No. 1 Slot in World Oil Production with Surging Shale Output at 3.2 mbd	4493	-
Russia Bans Lithuanian Dairy Products, Demands End to Flirtation with EU	4494	-
New Aus PM to Ink Trade Pact with China in 12 mos	4495	-
APEC Meet Supports Bali – Agenda for Ministerial by End Oct	4496	-
<b>Foreign Trade Policy</b>		
Consumer Pack Edible Oil MEP Cut by \$100 – 45-Ntnf(RE)/09.10.2013	4480	221
Soda Ash, Phosphorous Trichloride, Glass Vials, Perfume Bottles and Glass Mosaics SION Suspended – 30-PN(RE)/04.10.2013	4469	223
<b>Customs</b>		
Zero Duty for 745 Items in Indo-Malaysia PTA – Ntnf 47/10.10.2013	4483	219
Anti-dumping Duty on Bulk Drug Cefadroxil Monohydrate from EU Slapped – 22-ADD/10.10.2013	4484	219
Five More Years of Anti-dumping on Ductile Iron Pipes from China in Review – 23-ADD/10.10.2013	4485	219
Nepalgunj Road Notified for Drawback – 101-Cus(NT)/27.09.2013	4487	223
Reliance Complaint of PTA Dumping from China, EU, Korea and Thai under Investigation – F.No.14/7/2013-DGAD dated 08.10.2013	4479	220
<b>CBEC Circular</b>		
Date of Deposit is Crucial Date for the Interest Meter on Bonded Warehoused Goods – 39-CBEC/01.10.2013	4481	222
Customs Centralises Monitoring of EO Default Regularisation Cases in Delhi Zone- 40-CBEC/09.10.2013	4482	222
<b>Service Tax</b>		
CBEC Clarification on Service Tax Leviable on Restaurant Services – 173-ST/07.10.2013	4478	223
<b>RBI Circular [AP(DIR Series)]</b>		
RBI Raises Ceiling for FC Borrowing to \$10mn with Concessional Swap – Cir.61/10.10.2013	4486	223
<b>*See details in <a href="http://www.worldtradesScanner.com">www.worldtradesScanner.com</a></b>		

## Customs Valuation Exchange Rates

4 October 2013	Imports	Exports
<b>Schedule I</b> [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]		
1 Australian Dollar	58.95	57.55
2 Bahrain Dinar	169.25	160.00
3 Canadian Dollar	60.85	59.30
4 Danish Kroner	11.50	11.15
5 EURO	85.35	83.35
6 Hong Kong Dollar	8.05	7.95
7 Kuwaiti Dinar	226.35	213.65
8 New Zealand Dollar	52.20	50.90
9 Norwegian Kroner	10.50	10.20
10 Pound Sterling	101.90	99.70
11 Singapore Dollar	50.20	49.15
12 South African Rand	6.35	6.00
13 South Arabian Riyal	17.00	16.10
14 Swedish Kroner	9.90	9.60
15 Swiss Franc	69.65	68.00
16 UAE Dirham	17.35	16.40
17 U.S. Dollar	62.55	61.55
<b>Schedule II</b> [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]		
1 Japanese Yen	64.30	62.75
2 Kenyan Shilling	73.45	69.40

(Source: Customs Notification 103(NT)/03.10.2013)