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## G20 Leaders Cannes Summit – 3-4 November 2011 - Communiqué



1. We, the Leaders of the G20, met in Cannes on 3-4 November 2011.

2. Since our last meeting, global recovery has weakened, particularly in advanced countries, leaving unemployment at unacceptable levels. In this context, tensions in the financial markets have increased due mostly to sovereign risks in Europe; there are also clear signs of a slowing in growth in the emerging markets. Commodity price swings have put growth at risk. Global imbalances persist.

3. Today, we reaffirm our commitment to work together and we have taken decisions to reinvigorate economic growth, create jobs, ensure financial stability, promote social inclusion and make globalization serve the needs of the people.

### A global strategy for growth and jobs

4. To address the immediate challenges faced by the global economy, we commit to coordinate our actions and policies. Each of us will play their part.

5. We have agreed on an Action plan for Growth and Jobs to address short term vulnerabilities and strengthen medium-term foundations for growth.

- Advanced economies commit to adopt policies to build confidence and support growth and implement clear, credible and specific measures to achieve fiscal consolidation. We welcome the decisions by European Leaders on October 26th, 2011 to restore debt sustainability in Greece, strengthen European banks, build firewalls to avoid contagion, and lay the foundations for robust economic governance reform in the Euro area and call for their swift implementation. We support the measures presented by Italy in the Euro Summit and the agreed detailed assessment and monitoring by the European Commission. In this context, we welcome Italy's decision to invite the IMF to carry out a public verification of its policy implementation on a quarterly basis. Taking into account national circumstances, countries where public finances remain strong commit to let automatic stabilizers work and take discretionary measures to support domestic demand should economic conditions materially worsen. Countries with large current account surpluses commit to reforms to increase

domestic demand, coupled with greater exchange rate flexibility.

- We all commit to further structural reforms to raise output in our countries.
- Monetary policies will maintain price stability over the medium term and continue to support economic recovery.

6. We are determined to strengthen the social dimension of globalization. We firmly believe that employment and social inclusion must be at the heart of our actions and policies to restore growth and confidence. We therefore decide to set up a G20 task force which will work as a priority on youth employment. We recognize the importance of social protection floors in each of our countries, adapted to national situations. We encourage the ILO to continue promoting ratification and implementation of the eight core Conventions ensuring fundamental principles and rights at work.



7. Convinced of the essential role of social dialogue, we welcome the outcomes of the B20 and L20 and their joint statement.

### Towards a more stable and resilient International Monetary System

8. We have made progress in reforming the international monetary system to make it more representative, stable and resilient. We have agreed on actions and principles that will help reap the benefits from financial integration and increase the resilience against volatile capital flows. This includes coherent conclusions to guide us in the management of capital flows, common principles for cooperation between the IMF and Regional Financial Arrangements, and an action plan for local currency bond markets. We agree that the SDR basket composition should continue to reflect the role of currencies in the global trading and financial system. The SDR composition assessment should be based on existing criteria, and we ask the IMF to further clarify them. To adjust to currencies' changing role and characteristics over time, the composition of the



SDR basket will be reviewed in 2015, or earlier, as currencies meet the existing criteria to enter the basket. We are also committed to further progress towards a more integrated, even-handed and effective IMF

surveillance and to better identify and address spill-over effects. While continuing with our efforts to strengthen surveillance, we recognize the need for better integration of bilateral and multilateral surveillance, and we look forward to IMF proposals for a new integrated decision on surveillance early next year, and for increased ownership and traction.

9. We affirm our commitment to move more rapidly toward more market-determined exchange rate systems and enhance exchange rate flexibility to reflect underlying economic fundamentals, avoid persistent exchange rate misalignments and refrain from competitive devaluation of currencies. We are determined to act on our commitments to exchange rate reform articulated in our Action plan for Growth and Jobs to address short term vulnerabilities and restoring financial stability and strengthen the medium-term foundations for growth. Our actions will help address the challenges created by developments in global liquidity and capital flows volatility, thus facilitating further progress on exchange rate reforms and reducing excessive accumulation of reserves.

10. We agreed to continue our efforts to further strengthen global financial safety nets and we support the IMF in putting forward the new Precautionary and Liquidity Line (PLL) to provide on a case by case basis increased and more flexible short-term liquidity to countries with strong policies and fundamentals facing exogenous shocks. We also support the IMF in putting forward a single facility to fulfil the emergency assistance needs of its members. We call on the IMF to expeditiously discuss and finalize both proposals.

11. We welcome the euro area's comprehensive plan and urge rapid elaboration and implementation, including of country reforms. We welcome the euro area's determination to bring its full resources and entire institutional capacity to bear in restoring confidence and financial stability, and in ensuring the proper functioning of money and financial markets. We will ensure the IMF continues to have resources to play its systemic role to the benefit of its whole membership, building on the substantial resources we have already mobilized since London in 2009. We stand ready to ensure additional resources could be mobilised in a timely manner and ask our finance ministers by their next meeting to work on deploying a range of various options including bilateral contributions to the

IMF, SDRs, and voluntary contributions to an IMF special structure such as an administered account. We will expeditiously implement in full the 2010 quota and governance reform of the IMF.

### Reforming the financial sector and enhancing market integrity

12. In Washington in 2008, we committed to ensure that all financial markets, products and participants are regulated or subject to oversight, as appropriate. We will implement our commitments and pursue the reform of the financial system.

13. We have agreed on comprehensive measures so that no financial firm can be deemed "too big to fail" and to protect taxpayers from bearing the costs of resolution. The FSB publishes today an initial list of Global systemically important financial institutions (G-SIFIs). G-SIFIs will be submitted to strengthened supervision, a new international standard for resolution regimes as well as, from 2016, additional capital requirements. We are prepared to identify systemically important non-bank financial entities.

14. We have decided to develop the regulation and oversight of shadow banking. We will develop further our regulation on market integrity and efficiency, including addressing the risks posed by high frequency trading and dark liquidity. We have tasked IOSCO to assess the functioning of Credit Default Swaps markets. We have agreed on principles to protect financial services consumers.

15. We will not allow a return to pre-crisis behaviours in the financial sector and we will strictly monitor the implementation of our commitments regarding banks, OTC markets and compensation practices.

16. Building on its achievements, we have agreed to reform the FSB to improve its capacity to coordinate and monitor our financial regulation agenda. This reform includes giving it legal personality and greater financial autonomy. We thank Mr Mario Draghi for the work done and we welcome the appointment of Mr Mark Carney, Governor of the Central Bank of Canada as Chairman of the FSB, and of Mr. Philipp Hildebrand, Chairman of the Swiss National Bank as Vice-Chairman.

17. We urge all jurisdictions to adhere to the international standards in the tax, prudential and AML/CFT areas. We stand ready to use our existing countermeasures if needed. In the tax area, we welcome the progress made and we urge all the jurisdictions to take the necessary actions to tackle the deficiencies identified in the course of the reviews by the Global Forum, in particular the 11 jurisdictions identified by the Global Forum whose framework has failed to qualify. We underline the importance of com-

prehensive tax information exchange and encourage work in the Global Forum to define the means to improve it. We welcome the commitment made by all of us to sign the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and strongly encourage other jurisdictions to join this Convention.

### Addressing commodity price volatility and promoting agriculture

18. As part of our financial regulation agenda, we endorse the IOSCO recommendations to improve regulation and supervision of commodity derivatives markets. We agree that market regulators should be granted effective intervention powers to prevent market abuses. In particular, market regulators should have and use formal position management powers, among other powers of intervention, including the power to set ex-ante position limits, as appropriate.

19. Promoting agricultural production is key to feed the world population. To that end, we decide to act in the framework of the Action Plan on Food Price Volatility and Agriculture agreed by our Ministers of Agriculture in June 2011. In particular, we decide to invest in and support research and development of agriculture productivity. We have launched the "Agricultural Market Information System" (AMIS) to reinforce transparency on agricultural products' markets. To improve food security, we commit to develop appropriate risk-management instruments and humanitarian emergency tools. We decide that food purchased for non-commercial humanitarian purposes by the World Food Program will not be subject to export restrictions or extraordinary taxes. We welcome the creation of a "Rapid Response Forum", to improve the international community's capacity to coordinate policies and develop common responses in time of market crises.

### Improving energy markets and pursuing the Fight against Climate Change

20. We are determined to enhance the functioning and transparency of energy markets. We commit to improve the timeliness, completeness and reliability of the JODI-oil database and to work on the JODI-gas database along the same principles. We call for continued dialogue annually between producers and consumers on short medium and long-term outlook and forecasts for oil, gas and coal. We ask relevant organizations to make recommendations on the functioning and oversight of price reporting agencies. We reaffirm our commitment to rationalise and phase-out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption, while providing targeted support for the poorest.

21. We are committed to the success of the upcoming Durban Conference on Climate Change and support South Africa as the incom-

**Dollar-Rupee Rate at NSE Futures**

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
04-Nov-11	49.2500	49.4600	49.1525	49.3400	49.3400	1137644	1159430	571896	49.0840
03-Nov-11	49.6225	49.7650	49.3250	49.3850	49.3850	1157105	1770874	877760	49.3748
02-Nov-11	49.6200	49.6550	49.3725	49.4750	49.4750	1105946	1544984	764560	49.2508
01-Nov-11	49.0875	49.5725	49.0550	49.5325	49.5325	1037707	1654816	817260	49.0775

[Source: NSE and RBI Website]

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ing President of the Conference. We call for the implementation of the Cancun agreements and further progress in all areas of negotiation, including the operationalization of the Green Climate Fund, as part of

a balanced outcome in Durban. We discussed the IFIs report on climate finance and asked our Finance Ministers to continue work in this field, taking into account the objectives, provisions and principles of the UNFCCC.

### **Avoiding protectionism and strengthening the multilateral trading system**

22. At this critical time for the global economy, it is important to underscore the merits of the multilateral trading system as a way to avoid protectionism and not turn inward. We reaffirm our standstill commitments until the end of 2013, as agreed in Toronto, commit to roll back any new protectionist measure that may have risen, including new export restrictions and WTO-inconsistent measures to stimulate exports and ask the WTO, OECD and UNCTAD to continue monitoring the situation and to report publicly on a semi-annual basis.

23. We stand by the Doha Development Agenda (DDA) mandate. However, it is clear that we will not complete the DDA if we continue to conduct negotiations as we have in the past. We recognize the progress achieved so far. To contribute to confidence, we need to pursue in 2012 fresh, credible approaches to furthering negotiations, including the issues of concern for Least Developed Countries and, where they can bear fruit, the remaining elements of the DDA mandate. We direct our Ministers to work on such approaches at the upcoming Ministerial meeting in Geneva and also to engage into discussions on challenges and opportunities to the multilateral trading system in a globalised economy and to report back by the Mexico Summit.

24. Furthermore, as a contribution to a more effective, rules-based trading system, we support a strengthening of the WTO, which should play a more active role in improving transparency on trade relations and policies and enhancing the functioning of the dispute settlement mechanism.

### **Addressing the challenges of development**

25. Recognizing that economic shocks affect disproportionately the most vulnerable, we commit to ensure a more inclusive and resilient growth.

26. The humanitarian crisis in the Horn of Africa underscores the urgent need to strengthen emergency and long-term responses to food insecurity. We support the concrete initiatives mentioned in the Cannes final Declaration, with a view to foster investments in agriculture and mitigate the impact of price volatility, in particular in low income countries and to the benefit of smallholders. We welcome the initiative of the Economic Community of Western African States (ECOWAS) to set up a targeted regional emergency humanitarian food reserve system, as a

pilot project, and the "ASEAN+3" emergency rice reserve initiative.

27. Recognizing that the lack of Infrastructure dramatically hampers the growth potential in many developing countries, particularly in Africa, we support recommendations of the High Level Panel and the MDBs and highlight eleven exemplary infrastructure projects and call on the MDBs, working with countries involved, to pursue the implementation of such projects that meet the HLP criteria.

28. In order to meet the Millennium Development Goals, we stress the pivotal role of ODA. Aid commitments made by developed countries should be met. Emerging countries will engage or continue to extend their level of support to other developing countries. We also agree that, over time, new sources of funding need to be found to address development needs and climate change. We discussed a set of options for innovative financing highlighted by Mr Bill Gates. Some of us have implemented or are prepared to explore some of these options. We acknowledge the initiatives in some of our countries to tax the financial sector for various purposes, including a financial transaction tax, inter alia to support development.

### **Intensifying our Fight against Corruption**

29. We have made significant progress in implementing the Action Plan on combating corruption, promoting market integrity and supporting a clean business environment. We underline the need for swift implementation of a strong international legislative framework, the adoption of national measures to prevent and combat corruption and foreign bribery, the strengthening of international cooperation in fighting

corruption and the development of joint initiatives between the public and the private sector.

### **Reforming global governance for the 21st century**

30. We welcome the report of UK Prime Minister David Cameron on global governance. We agree that the G20 should remain an informal group. We decide to formalise the Troika. We will pursue consistent and effective engagement with non-members, including the UN and we welcome their contributions to our work.

31. We reaffirm that the G20's founding spirit of bringing together the major economies on an equal footing to catalyze action is fundamental and therefore agree to put our collective political will behind our economic and financial agenda, and the reform and more effective working of relevant international institutions. We support reforms to be implemented within the FAO and the FSB We have committed to strengthen our multilateral trade framework. We call on international organisations, especially the UN, WTO, the ILO, the WB, the IMF and the OECD, to enhance their dialogue and cooperation, including on the social impact of economic policies, and to intensify their coordination.

6 ? On December 1st, 2011, Mexico will start chairing the G20. We will convene in Los Cabos, Baja California, in June 2012, under the Chairmanship of Mexico. Russia will chair the G20 in 2013, Australia in 2014 and Turkey in 2015. We have also agreed, as part of our reforms to the G20, that after 2015, annual presidencies of the G20 will be chosen from rotating regional groups, starting with the Asian grouping comprising of China, Indonesia, Japan and Korea.

32. We thank France for its G20 Presidency and for hosting the successful Cannes Summit.

## **G-20 Split on Drafting Food Export Restrictions at WTO**

Two groups of WTO members have presented separate proposals on the controversial issue of agricultural export restrictions, as an unofficial deadline for submitting items for the agenda of the global trade body's December ministerial conference was reached on Wednesday 2 November.

Although agriculture ministers from the G-20 group of major economies agreed in June to remove food export restrictions or extraordinary taxes on humanitarian aid purchased by the UN World Food Programme, the same countries appear to have been unable to agree on proposals for adopting such language at the WTO.

Agricultural export restrictions have been widely criticised for exacerbating price hikes and food shortages, penalising the poorest consumers in developing countries.

The EU has therefore tabled the proposal along with various other G-20 countries, but without the support of Argentina, Brazil, China, India and South Africa, who have opposed the move, and also without the US, which is believed to favour more far-reaching disciplines on export restrictions.

Although they are not G-20 members, Costa Rica, Singapore, and Switzerland have also reportedly joined the EU as co-sponsors of the

proposal.

According to a draft of the proposal, the supporters propose that all WTO members adopt text stating that they "agree to remove food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by the World Food Programme (WFP) and we agree not to impose them in the future" - the same wording that was agreed upon by G-20 agriculture ministers this summer.

India is believed to have circulated alternative text stating simply that WTO members 'take note' of the G-20 farm ministers' statement.

While a WTO ministerial declaration would not be legally binding, it could, in theory, be taken into consideration by a dispute settlement panel when taking up a case on export restrictions. However, trade officials have questioned whether WTO members would in fact be likely ever to bring disputes on this issue.

It remains unclear whether the G-20 summit in Cannes will endorse the agriculture ministers' action plan, given the continued divergence on the issue within the group (see related article in this issue). Russia, which is still officially in the process of joining the WTO, has also tended to

resist measures that might restrict its ability to impose agricultural export restrictions.

### A WTO work programme on trade and food security?

A group of net food-importing developing countries (NFIDCs) have also submitted a proposal for ministers to consider in December, calling for a work programme to mitigate the impact of food price volatility on least developed countries (LDCs) and NFIDCs.

The draft text calls for a comprehensive work programme to ensure that NFIDCs and LDCs can access adequate supplies of basic foodstuffs; to "explore the possibility" of developing

rules to exempt countries in these two groups from export restrictions imposed by other WTO members that are major exporters of these foodstuffs; and to help NFIDCs and LDCs access trade financing on concessional terms, possibly through a fund that would be set up for this purpose.

An earlier paper tabled by the NFIDC group as part of the Doha trade negotiations sought more extensive disciplines on agricultural export restrictions at the WTO. The proposal would have expressly forbidden the imposition of export restrictions, along with prohibitions on exports to NFIDCs or LDCs from other countries.

## Global Food Prices Remain High and Volatile Affecting Poorest Countries the Most

*Floods in Thailand add further uncertainty. Food crisis in the Horn of Africa continues*

Global food prices remain high and volatile, hitting the poorest countries hardest and adding to the strains facing the global economy, according to the World Bank Group's new *Food Price Watch* released ahead of the G-20 Summit in Cannes, France. While the Bank's food price index has dropped 5 percent from its February 2011 peak and dipped marginally in September by one percent, it remains 19 percent above its September 2010 levels.

"The food crisis is far from over," said World Bank Group President Robert B. Zoellick, who has urged the G-20 to put food first. "Prices remain volatile and millions of people around the world are still suffering. The World Bank has been working closely with the French Presidency of the G-20 and our partner international organizations on actions to protect the most vulnerable from the dangers of food price volatility, while also addressing some of its root causes. Let's remember, averting crisis is not just about banks and debt. Millions of people around the world face a daily crisis of hunger and malnutrition. At Cannes, the G-20 can and should take steps to address their needs."

The Group of 20 heads of government, who are meeting in Cannes Nov. 3–4 to discuss the global economy, are expected to endorse a package of concrete actions to improve transparency and policy coordination to detect and correct problems early; to help countries manage price volatility using sound risk management tools; to promote more productive and resilient agriculture; and to get food to the needy fast through emergency regional humanitarian food reserves and agreement not to ban exports of food for World Food Programme. As the world population reaches a staggering 7 billion people, it is more important than ever for the global community to galvanize around actions to improve food security.

According to *Food Price Watch*, a quarterly report, recent floods in Thailand—the worst in 50

years—may add uncertainty in the short run following estimated production losses of between 16 to 24 percent of total production. In the meantime, the food crisis in the Horn of Africa continues, affecting over 13.3 million people in the region—an additional million since August, and the outlook remains frightening.

The report said prices of grains rose 30 percent (September 2010–September 2011), with maize increasing by 43 percent, rice by 26 percent and wheat 16 percent. Soybean oil went up by 26 percent. Over the last quarter, however, an increase of 3 percent in the price of grains was roughly offset by a 3 percent decline in the prices of fats and oils.

Volatility, which is higher in low income countries, is expected to persist in the medium term due to multiple global and domestic factors. Structural factors contributing to the volatility include rising populations and changing diets, increasingly intertwined relations between food and energy prices, and increasing production of biofuels.

On the other hand, a favorable outlook on supply and stocks is likely to relieve some of the pressure on global food prices. Latest forecasts show global wheat stocks reaching a 10-year high in 2011-12, global production of maize to rise by 4 percent from increased production in Argentina, Brazil, China, Russia, and Ukraine. Global rice output is also likely to get a boost in 2011-12 due to an expected bumper harvest in India following very favorable monsoon rains.

These production gains in some markets underscore the critical need to keep international markets open, to get food where it is needed, provide incentives to farmers who expand production, and avoid panic behavior created by export bans.

While a troubled global economy could dampen demand and push food prices down, the effect on developing countries would be mixed—hurting food exporting countries and poor producers in rural areas, and benefiting food

importers and consumers. The problem, *Food Price Watch* warns, is that developing countries might have now limited resources to protect vulnerable populations following the economic crisis and stimulus spending.

In addition, fears associated with the global economy may affect medium to long-term investments in agricultural research and more productive agricultural techniques, especially amid persistent volatility.

Among the ongoing efforts to improve volatility-related information, the G-20 agriculture ministers introduced the Agricultural Market Information System (AMIS), officially launched in September, to increase market transparency on the short-term global food outlook, especially stocks, and to identify abnormal international market conditions in order to prompt early responses.

### How the World Bank Group is helping to put food first

- In the Horn of Africa, the World Bank Group is providing \$1.88 billion to save lives, improve social protection, and foster economic recovery and drought resilience. More than 13 million people are affected by the crisis.

- A first-of-its-kind World Bank Group risk management product, provided by the International Finance Corporation (IFC), will enable up to \$4 billion in protection from volatile food prices for farmers, food producers, and consumers in developing countries.

- The Global Food Crisis Response Program (GFRP) is helping some 40 million people through \$1.5 billion in support.

- The World Bank Group is boosting its spending on agriculture to some \$6 to \$8 billion a year from \$4.1 billion in 2008.

- Supporting the Global Agriculture and Food Security Program (GAFSP), set up by the World Bank Group in April 2010 at G-20's request, to assist country-led agriculture and food security plans and help promote investments in small-holder farmers. To date, six countries and the Gates Foundation have pledged about \$971.5 million over the next three years, with \$571 million received.

- The World Bank Group is coordinating with UN agencies through the High-Level task Force on the Global Food Security Crisis and with NGOs.

- The World Bank Group supports the Consultative Group for International Agriculture Research (CGIAR), which it helped to establish in 1971. In 2008, the CGIAR with the support of the World Bank and other donors launched a reform process, which culminated in the adoption of a comprehensive strategy that determines the new global research programs and a new funding model that prepares CGIAR to absorb and attract vastly more program funding, with a target annual budget of \$1 billion by 2013, to which the World Bank contributes some \$50 million per year. With agriculture production needing to rise some 70 percent by 2050, and with a five- to ten-year window to develop new varieties and get them to farmers, increased funding from the international community for global research is critical.



## **Dumping Investigation Initiated on Choline Chloride from China on Complaint by Jubilant, Noida**

**[Initiation Notification No. 14/09/2011-DGAD dated 25<sup>th</sup> October 2011]**

*Subject: Initiation of Anti-Dumping investigation concerning imports of Choline Chloride from China PR*

M/s Jubilant Life Sciences Ltd., Noida have filed a petition, on behalf of the domestic industry, in accordance with the customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-dumping duty on dumped articles and for determination of duty) Rules, 1995 (hereinafter referred to as Rules) before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of Choline Chloride from People's Republic of China and have requested for Anti-Dumping investigation and levy of Anti-Dumping measures.

### **2. Domestic industry standing**

The petition has been filed by M/s Jubilant Life Sciences Ltd. having corporate office at Plot No. 1-A, Sector-16-A, Institutional Area, Noida - 201301 and manufacturing facilities for manufacture of Choline Chloride at Samlaya, Vadodara. M/s Jubilant Life Sciences Ltd, the applicant accounts for a major proportion of the domestic production of Choline Chloride in the country. Therefore, the applicant satisfies the standing to file the petition on behalf of the domestic industry as per Rule 5(a) and (b) and Rule 2 (b).

### **3. Product involved**

The product under consideration in the present investigation is Choline Chloride of all forms and concentrations used for animal feed (herein referred to as subject goods). Choline Chloride is a quaternary ammonium salt which is colourless, viscid and strongly alkaline. It is used as additive in animal feed. The product is classified under Customs Sub-heading 2309.9010 and 2923.1000 of the Customs Tariff Act, 1975. The classification is however, indicative only and is in no way binding on the scope of the present investigation.

### **4. Domestic Like Article**

The Applicant has claimed that there is no known significant difference in the subject goods produced by the Indian industry and the subject goods exported from the subject countries. The subject goods produced by the Indian industry and imported from the subject country are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable. The consumers are using the two interchangeably. Thus, the subject goods produced by the Applicant are being treated as like article to the product under consideration imported from the subject country within the meaning of the AD Rules for the purpose of this investigation.

### **5. Country involved**

The country involved in the present investigation is People's Republic of China (herein referred to as subject country).

### **6. Normal value**

The applicant has stated that China PR is a non-market economy country and no country has granted market economy status to china after following elaborate evaluation parameters. It has been further mentioned by the applicant that India has treated China PR as a non market economy country practically in all investigations initiated against China and therefore it should be treated as non-market economy country in the present investigation also. The applicant has stated that in the absence of availability of information in the public domain, the applicant was not in a position to compute the normal value on the basis of price or constructed value in a market economy third country and therefore has constructed the normal value. The Authority has prima-facie considered the normal value of subject goods in subject country on the basis of constructed value for the purpose of the initiation of this investigation.

### **7. Export price**

The Applicant has determined the export prices based on the data compiled by IBIS, Mumbai. The export prices have been adjusted for ocean freight, marine insurance, port handling and inland transportation etc to arrive at net export price at ex-factory level.

### **8. Dumping margin**

The applicant has provided sufficient evidence that the normal value of the subject goods in the subject country is significantly higher than the net export prices, 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.

### **9. 'Injury' and causal link**

The Applicant has claimed material injury and threat of material injury as a result of the alleged dumping. It has been claimed that the imports have increased in absolute terms and in relation to consumption in India and that the imports are significantly undercutting the prices of the domestic industry and as well depressing the prices of the domestic industry. The Applicant has further claimed deterioration in the performance of the domestic industry in terms of, market share, profits and return on capital employed.

**10.** There is sufficient evidence of the 'injury' being suffered by the domestic industry caused by the dumped imports from the subject country to justify initiation of an antidumping investiga-

tion in terms of the AD Rules.

### **11. Initiation of Anti Dumping Investigation**

In view of the foregoing, the Authority finds that sufficient evidence of dumping of the subject goods from the subject country, 'injury' to the domestic industry and causal link between the dumping and 'injury' exists to justify initiation of an anti-dumping investigation. Accordingly, the Authority hereby initiates an investigation into the alleged dumping, and consequent 'injury' to the domestic industry in terms of the Rules 5 of the AD Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti-dumping measure, which, if levied, would be adequate to remove the injury to the domestic industry.

### **12. Period of investigation**

The period of investigation for the purpose of present investigation is **1st April 2010 to 31st March 2011**. The injury investigation period will, however, cover the periods April 2007-March 2008, April 2008-March 2009, April 2009-March 2010 and the Period of Investigation (POI) viz. 1st April 2010 to 31st March 2011. For threat of material injury, the data beyond the POI may also be examined.

### **13. Submission of information**

The known exporters in the subject countries and their Governments through their Embassy/Economic and Cultural Centre in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. 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 and write to:

The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties, Ministry of Commerce & Industry,  
Department of Commerce, Room No.240,  
Udyog Bhawan, New Delhi -110107.

### **14. Time limit**

Any information relating to this investigation and any request for hearing should be sent in writing so as to reach the Authority at the above mentioned address, 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 AD Rules.

### **15. Submission of information on Confidential basis**

In case confidentiality is claimed on any part of the questionnaire's 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.

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

## World Commodity Prices Down in October

### Up ↑

Tea; Thai Rice; Bananas, Fishmeal  
Cameroon Logs , Sawwood  
Rock Phosphate, TSP Fertiliser;

### Down ↓

Coal, Crude, Cocoa, Coffee  
Copra, Coconut oil, Palm oil, Palmkernel oil, Soybean oil, Soybean meal and Soybeans  
Barley, Maize, Sorghum, Wheat, Oranges, Meat, Shrimp; World

### Sugar

Plywood, Woodpulp; Cotton and Rubber

DAP, Urea

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

### Steady ↔

Natural Gas; Chicken meat, Potassium chloride, Steel Products, CR and HR Coil Sheet, Steel rebar and Steel wire rod



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

### Energy

Coal, Australia \$/mt	119.27	122.55	118.99	↓	93.55	107.63	128.99	120	120.61	71.84	98.97	122.78
Crude oil, average \$/bbl	100.49	100.82	99.85	↓	75.51	85.42	99.75	110.05	103.07	61.76	79.04	103.85
Crude oil, Brent \$/bbl	110.08	110.88	109.47	↓	76.41	86.79	104.9	117.1	112.47	61.86	79.64	111.29
Crude oil, Dubai \$/bbl	105.06	106	103.67	↓	74.04	84.37	100.4	110.56	107.01	61.75	78.06	105.76
Crude oil, West Texas Int. \$/bbl	86.32	85.58	86.41	↑	76.08	85.09	93.95	102.5	89.73	61.65	79.43	94.5
Natural gas Index 2000=100	184.6	183.1	184.9	↑	155.1	151.6	165.5	179.1	186	153.5	156.1	177.7
Natural gas, Europe \$/mmbtu	10.81	10.85	11.42	↑	8.26	8.54	9.45	10.31	10.88	8.71	8.29	10.33
Natural gas, US \$/mmbtu	4.05	3.9	3.57	↓	4.28	3.8	4.18	4.37	4.12	3.95	4.39	4.16
Natural gas LNG, Japan \$/mmbtu	16.55	16.55	16.75	↑	11.22	10.91	11.99	13.71	16.44	8.94	10.85	14.32

### Beverages

Cocoa ¢/kg	306.4	287.4	268	↓	305.9	296.6	334.3	307.4	303.5	288.9	313.3	310.4
Coffee, arabica ¢/kg	596.2	606	546.3	↓	468.5	513.9	620	636.5	597.7	317.1	432	610.9
Coffee, robusta ¢/kg	247.1	233.8	216.3	↓	183.2	199.4	241.5	262.6	243.1	164.4	173.6	245.8
Tea, auctions (3) avg. ¢/kg	302.2	288.7	291.1	↑	295.1	303.5	288.7	299.7	300.3	272.4	288.5	295.7
Tea, Colombo auctions ¢/kg	315.7	313.8	323.4	↑	322.1	342.4	356.3	319.7	313	313.7	329	329
Tea, Kolkata auctions ¢/kg	311.4	285.6	280.1	↓	320.6	311.7	229.2	313	312.8	251.5	280.5	284.5
Tea, Mombasa auctions ¢/kg	279.5	266.8	269.8	↑	242.7	256.3	280.6	266.3	275.3	252	256	273.6

### Fats and Oils

Coconut oil \$/mt	1,454	1,305	1,209	↓	1,159	1,546	2,073	1,996	1,474	725	1,124	1,784
Copra \$/mt	480	867	804	↓	1,038	1,379	1,342	991	985	750	1,194	769
Groundnut oil \$/mt	2,110	n.a.	n.a.		1,301	1,604	1,723	1,830	2,014	1,184	1,404	1,839
Palm oil \$/mt	1,083	1,065	995	↓	875	1,108	1,251	1,147	1,079	683	901	1,143
Palmkernel oil \$/mt	700	1,268	1,085	↓	1,619	2,131	1,874	1,338	1,375	1,184	1,711	1,161
Soybean meal \$/mt	401	395	374	↓	378	424	437	400	399	408	378	408
Soybean oil \$/mt	1,330	1,305	1,216	↓	984	1,242	1,349	1,311	1,324	849	1,005	1,317
Soybeans \$/mt	558	543	502	↓	452	522	565	557	553	437	450	553

### Grains

Barley \$/mt	206.1	209.6	208.8	↓	161.9	181.1	198.1	209.5	210.4	128.3	158.4	206.3
Maize \$/mt	310.2	295.3	274.8	↓	181.7	241.5	282.8	312.6	302.1	165.5	185.9	296.7
Rice, Thailand, 5% \$/mt	566	598.8	599	↑	457	510.8	511.2	493.1	567.7	555	488.9	531.5
Rice, Thailand, 25% \$/mt	458.1	555.5	559.6	↑	471.4	465.4	456.8	532	533.8	441.5	492.2	418.5
Rice, Thai, A.1 \$/mt	326.4	514	488.6	↓	423.1	411.3	419.2	476.2	465.3	383.7	440.9	376.9
Rice, Vietnam 5% \$/mt	n.a.	591.4	582.4	↓	504.7	479.8	479.7	543.2	546.2	428.8	509.1	411.1
Sorghum \$/mt	151.1	288.8	263.7	↓	208.6	255.2	270.5	287.5	302.5	165.4	270.3	153.6



	Monthly averages			Quarterly averages					Annual averages			
	2011			2010		2011			2009	2010	2011	
	Aug	Sep	Oct	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Oct	
Wheat, Canada \$/mt	300.5	408.7	414.1	↑	383.6	449	474.6	429.8	434.9	312.4	447.4	326.1
Wheat, US, HRW \$/mt	327.1	315.9	289	↓	237.9	283.6	330.5	339.3	315.6	224.1	223.6	324.5
Wheat, US, SRW \$/mt	186	267.5	253.5	↓	284.9	320.8	301.9	270.5	277.6	229.7	293.3	253.4
<b>Other Food</b>												
Bananas, EU \$/mt	1144.9	991.3	992.1	↑	1033.4	1251.4	1250.2	1029.9	1022.5	1002.2	1158.6	932.6
Bananas, US \$/mt	951	947	954	↑	922	909	964	1,004	953	847	868	972
Fishmeal \$/mt	1,230	1,353	1,362	↑	1,613	1,740	1,648	1,426	1,435	1,688	1,580	1,663
Meat, beef ¢/kg	399	387	386	↓	331	353	410	406	394	264	335	401
Meat, chicken ¢/kg	194.3	196.2	196.2	↔	193.6	189.3	188.2	191	194.3	188.8	189.2	191.7
Meat, sheep ¢/kg	427.6	669.2	666.3	↓	618.7	637.1	668.5	686.5	699.5	531.4	664.2	572.5
Oranges \$/mt	948.8	1194.9	1032.7	↓	1162.9	877.9	824	877.9	1038.4	909	1033.2	925.4
Shrimp, Mexico ¢/kg	1,224	1140.9	1102.3	↓	n.a.	1221.7	1245.6	1243.8	1,198	945	1,004	1,216
Sugar, EU ¢/kg	46.82	44.91	44.82	↓	43.29	44.38	44.69	47.02	46.13	52.44	44.18	45.83
Sugar, US ¢/kg	88.03	88.53	82.84	↓	78.2	84.86	86.56	80.28	86.72	54.88	79.25	84.36
Sugar, world ¢/kg	61.18	58.78	56.11	↓	42.98	58.01	62.7	52.56	60.72	40	46.93	58.4
<b>Timber</b>												
Logs, Cameroon \$/cum	421.5	500.4	575.7	↑	448.5	451.6	489.6	515.1	523.3	428.6	494.5	426.3
Logs, Malaysia \$/cum	450	453.6	435.9	↓	293.5	312.1	326.2	382.1	444.7	287.2	278.2	389.5
Plywood ¢/sheets	564.6	631.1	621.2	↓	580.5	588.5	603.2	621	619.2	569.1	605.9	572.3
Sawnwood, Cameroon \$/cum	748.9	797.2	798.5	↑	847.8	833.1	872.2	823.1	839.5	812.7	838.4	811.8
Sawnwood, Malaysia \$/cum	973.6	952.7	954.2	↑	879.8	892.9	921.6	959.2	965.2	805.5	848.3	949.2
Woodpulp \$/mt	614.6	900.2	875	↓	897.8	891.5	942	930.5	936.2	866.8	916.7	912.9
<b>Other Raw Materials</b>												
Cotton A Index ¢/kg	251.5	258.1	242.3	↓	205.2	330.1	456.9	386.7	259.5	138.2	228.3	355.2
Rubber, RSS3 ¢/kg	467.6	455.2	406.1	↓	337.5	432.8	573.2	530.1	465.3	192.1	365.4	511.2
Rubber, TSR20 ¢/kg	180	451.6	408.5	↓	425.9	525.1	467.3	456.5	461.8	338.1	475.5	314.4
<b>Fertilizers</b>												
DAP \$/mt	659.4	642.5	630.9	↓	494.1	585.6	601.7	617.3	650.8	323.1	500.7	624
Phosphate rock \$/mt	197.5	197.5	198.8	↑	125	140	158.3	182.5	197.5	121.7	123	181.4
Potassium chloride \$/mt	482.5	470	470	↔	334.2	343.2	374.2	422.7	471.3	630.4	331.9	427.4
TSP \$/mt	560	560	592.5	↑	389.6	463.8	486.3	544.2	558.3	257.4	381.9	535.9
Urea \$/mt	477.5	503.8	487.1	↓	279.2	357	353.4	407.9	485.4	249.6	288.6	422.7
<b>Metals and Minerals</b>												
Aluminum \$/mt	2,379	2,293	2,181	↓	2,090	2,343	2,501	2,611	2,399	1,665	2,173	2,471
Copper \$/mt	9,001	8,300	7,394	↓	7,243	8,637	9,642	9,173	8,984	5,150	7,535	9,079
Gold \$/toz	973	1,771	1,665	↓	1,367	1,384	1,507	1,700	1,757	1,225	1,544	1,227
Iron ore, contract, fob Brazil ¢/dmtu	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	101	n.a.	n.a.
Iron ore, spot, cfr China \$/dmt	80	177.2	150.4	↓	155.9	178.6	175.8	175.9	177.5	145.9	174.1	137.4
Lead ¢/kg	239.7	228.8	196	↓	203.2	239	260.4	255.1	245.5	171.9	214.8	247.9
Nickel \$/mt	21,845	20,378	19,039	↓	21,191	23,609	26,870	24,355	22,024	14,655	21,809	23,878
Silver ¢/toz	1,469	3,813	3,206	↓	2,647	3,179	3,857	3,885	4,030	2,020	3,597	1,901
Steel products index 2000=100	271.4	271.4	271.4	↔	232.4	233.9	250.5	272.8	271.4	227.1	229.7	265.6
Steel cr coilsheet \$/mt	900	900	900	↔	850	850	867	900	900	783	816	890
Steel hr coilsheet \$/mt	800	800	800	↔	750	750	767	800	800	683	716	790
Steel rebar \$/mt	640	640	640	↔	533	550	600	640	640	486	563	628
Steel wire rod \$/mt	790	790	790	↔	678	653	684	782	790	969	712	756
Tin ¢/kg	2,404	2,253	2,187	↓	2,055	2,601	2,986	2,885	2,466	1,357	2,041	2,720
Zinc ¢/kg	220	207.5	187.1	↓	201.3	231.5	239.3	225.5	222.4	165.5	216.1	224.9

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

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16. Information supplied without any mark 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 each of the confidential version and the non-confidential version must be submitted.

17. 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.

18. 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 ex-

ceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible of summary, a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Designated Authority.

19. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Designated 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.

20. 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 Designated Authority. The Designated 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.

**New Team in CBEC**

As a part of the Vigilance Awareness Week being observed from 31st October to 5th November, 2011, the Central Board of Excise and Customs (CBEC), Ministry of Finance, organized an interaction with officers and staff, on 4 November. This was presided over by. S.K.Goel, Chairman, CBEC. He also underscored that the senior officers should lead by example in their conduct and performance to promote integrity and efficiency.

Ms. Praveen Mahajan, Member (Personnel & Vigilance), CBEC, on automation and redressal of Public Grievances, especially CPGRAM which is the Centralized Public Grievance Redress and Monitoring System and has proved to be successful in addressing complaints and grievances regarding corruption and harassment against official misdemeanours.

M.C.Thakur, Member (Customs), CBEC and M.S.Badhan, Member (Central Excise), CBEC also spoke on the occasion. Najib Shah, Chief Commissioner of Customs, New Delhi proposed the vote of thanks.

**Conversion of Free Shipping Bill to DEPB Shipping Bill between 28.01.2003 and 15.01.2004 against Customs Permission Allowed**

*Subject: Grant of DEPB against free Shipping Bills converted by the Customs Authorities.*

44-Pol.Cir Para 2.56 of HBP v.1 provides  
01.11.2011 for conversion of EP copy of  
(DGFT) the Shipping Bill from one  
scheme to another. The

relevant portion of the para is extracted below:-  
"Conversion of E.P. copy of shipping bill from one Scheme to Another:

*If Customs Authorities, after recording reasons in writing, permit conversion of an E.P. copy of any scheme-shipping bill on which benefit of that scheme has not been availed, exporter would be entitled to benefit under scheme in which shipment is subsequently converted".*

2. Conversion of free shipping bills to DEPB Shipping Bills were allowed by the Department of Revenue vide Customs Circular No.6/2003-

Cus. dated 28.1.2003 whereby Commissioner of Customs were given powers to allow such conversions. In accordance with the instructions, conversions were done by Customs. Subsequently, vide Circular No.4/2004-Cus. dated 16.1.2004 the facility to allow the conversion of free shipping bills to export promotion schemes were withdrawn. In this background, instructions were issued to the Regional Authorities not to grant DEPB benefits against such shipping bills which were converted by the Customs authorities. Some of the exporters approached High Courts claiming that DEPB should be given in cases where the conversions have been allowed by Customs.

3. In a case filed by M/s. Estocorp (India) Pvt.

Ltd., the Delhi High Court (in a Writ Petition No.14367/2005) allowed the claim of the petitioner for grant of DEPB against converted shipping bills. In their order dated 3.2.2011, the High Court observed that since the petitioner got the shipping bills converted prior to issue of Customs Circular No.4/2004 dated 16.1.2004, the claim cannot be denied.

4. Therefore, between the two material dates i.e. between 28.1.2003 and 15.1.2004, in case if the Commissioner of Customs has already allowed the conversion of free Shipping Bill to DEPB Shipping Bill, the DEPB claims can be admitted. Accordingly, RAs are instructed to decide the admissibility of DEPB claims. Old cases which were rejected can also be reviewed.

This issues with the approval of competent authority.

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<b>Customs Valuation Exchange Rates</b>			
<b>November 2011</b>		Imports	Exports
<b>Schedule I</b>			
1	Australian Dollar	52.70	51.35
2	Canadian Dollar	50.20	48.85
3	Danish Kroner	9.45	9.15
4	EURO	69.80	68.20
5	Hong Kong Dollar	6.45	6.35
6	Norwegian Kroner	9.15	8.85
7	Pound Sterling	80.35	78.55
8	Swedish Kroner	7.70	7.45
9	Swiss Franc	57.05	55.65
10	Singapore Dollar	39.80	38.85
11	U.S. Dollar	50.05	49.25
<b>Schedule II</b>			
1	Japanese Yen	66.10	64.35

Rate of exchange of one unit of foreign currency equivalent to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

*(Source: Customs Notification 74(NT)/27.10.2011)*