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Geneva Ministerial

Geneva Ministerial Calm after the Heat of Seattle and Cancun

Arun Goyal Reports from Geneva– 01 Dec 2009

The Geneva Ministerial meeting got off to a slow start with Doha negotiations off the agenda. Only allusions and references to the stalled talks are allowed, everything else is off record. Speaking at the opening session, the USTR Ron Kirk did refer to the negotiations saying that substance is more important than processs, unless countries put in offers which show serious intent to start negotiations, the US will not play ball, he threatened.

The protestors too are taking it easy this time with their attention diverted to Copenhagen where climate change talks will begin on 7 December. A few banners do greet the delegates at the entrance to the Geneva conference Centre near the historic Palais des Nations one time headquarter of the League of Nations. There is calm in the air, the rhetoric and hot words of Seattle and Cancun are missing. However, there is an undercurrent of seriousness and purpose in the air/

The Indian delegation led by commerce secretary Rahul Khullar and Additional Secretary DK Mittal is deliberately keeping a low profile in the General Assembly as well as group meetings in the G20 and G33. Gone are the bon homie sessions between the Brazilian trade minister Celso Amorim and Kamal Nath, the former commerce minister who was an active force behind the failure of many mini and regular ministerials. The Indian Mission to WTO too is keeping a low profile with hardly any interactions with journalists. The turnout of Indian media to the Geneva meet is practically zero since the Commerce Ministry is not extending the usual hospitality to the media this time.

Minister Anand Sharma is said to have told the NGOs that he does not talk to them informally when he was asked for his views on the meeting. Apparently, there is a change in Indian hawkish stance on the Doha negotiations and India is in a mood to play ball. There is talk that the conclusions to both NAMA and agriculture may come towards the end of 2010. Services negotiations are already at an advances stage, WTO members are holding back their offers waiting for progress on the other two contentious issues of NAMA and Agriculture. These impressions were drawn in free wheeling informal discussions with WTO secretariat officers..

The Doha talks have progressed well with extensive detailing of the Doha agenda. The agenda has been detailed according to the special needs of different economies and countries according to their special situation. The four African countries under the banner of Cotton 4 are not relenting yet and threaten to block Doha till they are compensated for past losses suffered by them due to poor prices resulting from US cotton subsidies. Eventually, they too will be accommodated in the Doha process, this seems to be the impression of the WTO secretariat.

The conference will pass two resolutions for strengthening WTO which were initially submitted by India and then supported by other majors. There is also another one which calls for the continuation of the practice to offer zero duty on software downloads and transmissions on the internet. The final session will end tomorrow evening with a regular concluding session.

Anand Sharma Meets Coalition Partners G-20 and G-33 in Geneva – Discusses State of Play of WTO Doha Round Negotiations

Anand Sharma, Union Minister of Commerce and Industry, addressed Ministerial meetings of the two major coalitions of developing countries in the WTO agriculture negotiations, namely, the G-20 and G-33, in Geneva on 29 November. These meetings were convened by Brazil and Indonesia, the coordinators of the G-20 and G-33 respectively, to discuss the state of play of the WTO Doha Round negotiations. Coordinators of other developing country groups, including Least Developed Countries (LDCs) and Small and Vulnerable Economies (SVEs) also participated in the meeting convened by the G-20. In his remarks, Mr Sharma highlighted the centrality of development in the Doha Round, and stressed that while striving for a balanced and ambitious outcome, the aspirations of the people of the developing world must be met.

Mr. Sharma expressed concern about the limited progress on substantive issues since the resumption of talks in September 2009. He asked for 'meaningful stocktaking' exercise by Ministers early next year. Mr Sharma appreciated the pivotal role of the G-20, in driving the agenda of the agriculture negotiations at the WTO and called for maintaining the Group's unity. (The G20 has now shifted its stance to agriculture, its members, specially India and Brazil have divergent positions on NAMA with India calling for conservative stances and Brazil in the opposite camp.)

G-20 Ministers noted that international trade had been seriously impacted by the world economic crisis. The crisis had highlighted the risks associated with protectionism, including the substantial trade-distorting subsidies provided by developed countries. They noted that developing countries had borne the brunt of the crisis as they lacked the resources to fund stimulus packages or bail-out programmes.

G-33 Ministers collectively reiterated that the international trade regime must complement the realization of their development requirements by guaranteeing food security, livelihood security and rural development. They expressed concern at recent trends to retract commitments made in a long, hard-fought, negotiated package which was now on the table.

Mr. Sharma is scheduled to address the plenary session of the WTO Ministerial Conference and a SAARC Ministerial meeting convened by Sri Lanka and a meeting of the Informal Group of 110 Developing Countries.

Dollar Imports Down by 15% in Oct 2009

India's exports during October, 2009 were valued at US $ 13193 million (Rs. 61639 crore) which was 6.6 per cent lower in dollar terms (minus 10.3 per cent in Rupee terms) than the level of US $ 14131 million (Rs. 68754 crore) during October, 2008. Cumulative value of exports for the period April- October, 2009 was US $ 91048 million (Rs 439835 crore) as against US $ 123038 million (Rs. 533205 crore) registering a negative growth of 26.0 per cent in Dollar terms and 17.5 per cent in Rupee terms over the same period last year.

India's imports during October, 2009 were valued at US $ 21994 million (Rs.102759 crore) representing a decrease of 15.0 per cent in dollar terms (minus 18.4 per cent in Rupee terms) over the level of imports valued at US $ 25869 million (Rs. 125868 crore) in October, 2008. Cumulative value of imports for the period April- October 2009 was US $ 148367 million (Rs. 716535 crore) as against US $ 210864 million (Rs. 916483 crore) registering a negative growth of 29.6 per cent in Dollar terms and 21.8 per cent in Rupee terms over the same period last year.

Oil imports during October, 2009 were valued at US $ 6608 million which was 9.3 per cent lower than oil imports valued at US $ 7285 million in the corresponding period last year. Oil imports during April- October, 2009 were valued at US$ 42864 million which was 39.3 per cent lower than the oil imports of US $ 70570 million in the corresponding period last year.

Non-oil imports during October, 2009 were estimated at US $ 15387 million which was 17.2 per cent lower than non-oil imports of US $ 18584 million in October, 2008. Non-oil imports during April- October, 2009 were valued at US$ 105503 million which was 24.8 per cent lower than the level of such imports valued at US$ 140295 million in April- October, 2008.

The trade deficit for April- October, 2009 was estimated at US $ 57318 million which was lower than the deficit of US $ 87827 million during April-October, 2008.

Exports & Imports : (US $ mn)

(*Provisional*)

	October	April-October
Exports (including re-exports)		
2008-2009	14131	123038
2009-2010	13193	91048
%Growth 2009-2010/ 2008-2009	-6.6	-26.0
Imports		
2008-2009	25869	210864
2009-2010	21994	148367
%Growth 2009-2010/ 2008-2009	-15.0	-29.6
Trade Balance		
2008-2009	-11738	-87827
2009-2010	-8801	-57318

Figures for 2008-09 are the latest revised whereas figures for 2009-10 are provisional

India's Economy Expands 7.9%; Fastest in Six Quarters

India's economy expanded at the fastest pace in 1 1/2 years as manufacturing jumped, giving the central bank room to withdraw more stimulus measures.

Gross domestic product grew 7.9 percent in the three months to Sept. 30 from a year earlier after gaining 6.1 percent in the previous quarter, the statistics bureau said in New Delhi on 30 November. That was more than all estimates in a News survey of 22 economists, where the median forecast was 6.3 percent.

Car sales climbed at a 33.9 percent annual pace in October and cellular operators, led by Tata Teleservices Ltd., added 16.6 million new subscribers. Lodha Developers Ltd., an Indian property company planning an initial share sale, said its home sales may climb about threefold this fiscal year as low interest rates encourage spending.

Mahindra, India's largest maker of sport-utility vehicles and tractors, last month reported net income in the three months ended Sept. 30 almost tripled to 7.03 billion rupees ($151 million) from 2.47 billion rupees a year earlier.

Rolls-Royce Motor Cars Ltd., which introduced the super- luxury "Ghost" model in India this month, said it has already received 25 orders for the model from New Delhi alone, equal to expected sales in Australia in a year.

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
1-Dec-09	46.5000	46.5550	46.3100	46.3750	46.3750	427125	1755506	815331.5	46.4500
30-Nov-09	46.4000	46.6100	46.4000	46.5600	46.5600	408439	1872145	871041.9	46.4800
27-Nov-09	46.9000	47.1650	46.6550	46.6875	46.6875	419431	2192968	1028460.0	46.8100
26-Nov-09	46.3000	46.6350	46.2100	46.5650	46.5650	401859	1435492	667027.1	46.2700
25-Nov-09	46.4000	46.4600	46.3000	46.3325	46.3325	320497	237457	110104.4	46.3400

[Source: NSE and RBI Website]

APEC Leaders Call for Doha Deal, Deeper Regional Integration

Leaders of the 21 countries of the Asia-Pacific Economic Cooperation (APEC) forum tackled the WTO's Doha Round of trade talks and the future of a potential Pacific-wide trade pact at a three-day summit in Singapore last week.

On the Doha Round, the leaders - whose economies account for roughly half of global trade – agreed that a strong political push was critical to injecting momentum into the global trade talks, and they pledged their commitment to completing the round by late 2010.

Trade ministers will gather at the WTO's headquarters in Geneva later this month to evaluate progress in the Round, which celebrated its eighth birthday last week. Trade officials have been frustrated with the slow pace of progress in the talks, which have shown little movement despite an intensive negotiating schedule over the past few months.

Regional trade integration

Turning to regional integration, the APEC leaders vowed to move ahead on a proposed Free-Trade Area of the Asia-Pacific (FTAAP), a deal that would aim to deepen economic ties among the countries along the Pacific Rim.

Several leaders stressed that negotiations toward a Trans-Pacific Strategic Economic Partnership Agreement (TPP), originally set in motion by the United States under the Bush administration could serve as a possible way to move forward with the FTA.

Services Talks Question Status of 'Signals' Sent in 2008

Another round of 'enchilada talks' was organised on Tuesday night by the chair of the WTO negotiating group on services trade, Ambassador Fernando de Mateo of Mexico, who brought together a number of senior officials who are in town for the organisation's ministerial conference next week.

The meeting aimed to resolve several key issues, including questions over the status of the verbal commitments to liberalise selected sectors and modes of supply in services trade that were made during the 'signalling conference' held during the mini-ministerial meeting in Geneva in July 2008.

These 'signals', or verbal commitments, were made in the context of perceived progress in the other critical areas of the WTO's Doha Round negotiations, specifically in agriculture and industrial products (NAMA). At the time, WTO Director-General Pascal Lamy had proposed potential parameters for a framework agreement on agriculture and NAMA. But the discussions on Lamy's proposal fell through, throwing into doubt the status of the signals made in the services talks.

Many developing countries now argue that if the elements contained in Lamy's proposal are 'off the table', the signals they sent at the signalling conference should likewise be deemed as similarly 'off'. This would mean that the existing offers of commitments in services trade revert back to the modest levels reflected in the offers that WTO members tabled between 2003 and 2006. Many *demandeurs* - the developed and developing countries that want to see more market access in the services trade - see this as unfortunate and extremely disappointing, given the substantive progress made on offers during the signalling conference.

A fundamental question that must be addressed in the 'enchilada' and subsequent services trade talks is the status of Lamy's proposal on agriculture and NAMA. Obviously, the issue goes beyond what services trade officials are capable of resolving on their own. Hence, as an amused long-time developing country delegate pointed out, the Tuesday enchiladas could only propose to look at "how WTO members can determine the status of the Lamy proposal," rather than actually ascertaining the nature of the proposal itself.

In parallel, a number of developing country delegates are pushing for re-engagement in the services negotiations through a 'plurilateral' approach. This approach was adopted shortly after the Hong Kong ministerial conference in December 2005 and was intended to provide a focused platform for *demandeur* countries interested in specific sectors or modes of supply to collectively negotiate with trading partners whose markets were being targeted for increased liberalisation and access.

Ashton to Step Down as EU Trade Commissioner

The European Union will be getting a new trade commissioner fewer than 14 months after Catherine Ashton was appointed to the post.

Lord Baroness Catherine Ashton of Upholland, formerly head of the UK's House of Lords, has grabbed headlines around the world since it was announced on 19 November that she has been chosen to become the European Union's first 'High Representative of Foreign Affairs and Security Policy'.

Lutz Guellner, a spokesman for the EU Trade Commission's office, said that Ashton will likely step down as trade commissioner as of 1 December, although she will probably not be officially confirmed in her new post until early 2010. In the meantime, she will serve as the EU's 'acting' foreign affairs representative, Guellner added.

Banana Agreement Nearly Ripe but Harvest Depends upon Sugar and Tobacco Crop

The long-running dispute over trade in bananas is close to being settled, say delegates familiar with intensive talks held recently on the controversial issue. However, negotiators warn that a final banana accord may only be inked when a deal is also struck on other key products in the WTO's Doha Round - such as sugar, rum or tobacco.

While Latin American countries in particular have argued for faster and more extensive liberalisation for bananas and other products, this has been resisted by former European colonies in the African, Caribbean and Pacific (ACP) group. Often less competitive than their Latin American counterparts, ACP countries fear that losing preferential access to EU markets could badly hurt their producers.

Tariff cuts

The draft deal is expected to cut the EU tariff faced by Latin American exporters to 114 euros per tonne, from the current 176 euro per tonne over a period of eight years. The tariff cuts would begin with an immediate 'down payment' cut of 28 euros per tonne.

The deal is based on an outline accord between the EU and Latin American in July 2008, ahead of a mini-ministerial gathering in Geneva. When talks broke down on other issues, the tentative agreement on bananas was never finalised.

Chair Urges Rules Group to Take up RTAs

The chair of the WTO's Negotiating Group on Rules convened a meeting of senior capital- and Geneva-based officials on 25 November to offer a run-down of the state of play in the talks and try to build some momentum for the group's negotiations. The one-day meeting marked the first such high-level gathering devoted to the rules talks since the chair of the group, Ambassador Guillermo Valles Galmés of Uruguay, released a full draft text in late 2007.

The rules group is charged with negotiating disciplines on a range of topics: fisheries subsidies, anti-dumping, horizontal subsidies, and regional trade agreements, or RTAs. The latter topic, though, has fallen by the wayside recently; members have not officially broached the subject since early 2007. Delegates 'have no appetite' for butting heads over the very sensitive questions related to RTAs, the chair has said. Now, though, he is hoping to get the issue back on the agenda.

Chair Valles Galmés reportedly spent half an hour on Wednesday morning outlining the status of the rules talks, and devoted a significant amount of time to explaining the history of the group's discussions on RTAs. In 2002, Valles Galmés noted, members created a 'roadmap' for the work of the Committee on Regional Trade Agreements, which was founded in 1996. A decade later, members agreed on a transparency mechanism for RTAs, which sets out a series of notification requirements for members that sign on to such deals. Since then, though, the RTA talks have languished, despite the urging of the chair.

Regional trade agreements, along with their bilateral counterparts, have flourished in recent years, even as multilateral trade talks have continually stumbled. Some say that the preferential trade deals do more harm than good. Columbia University professor Jagdish Bhagwati dubbed the deals 'termites in the trading system' in his book of the same name; he blames the pacts for clogging and confusing the rules that govern cross-border commerce.

RTAs remain a politically touchy subject at the WTO. Members are reluctant to define the nature of the relationship between RTAs and the WTO, and to give a precise definition for many of the terms - such as 'substantially all trade' and 'neutrality' - that could have far-reaching implications for their economies.

South-South Trade with New GSTP Cuts at 20% of Applied Tariff on the Horizon

A group of developing countries has tentatively agreed on a deal to cut tariffs and other barriers to each others' exports in an attempt to boost South-South trade at a time when multilateral liberalisation efforts are languishing.

Trade officials report that negotiators from 22 nations on Wednesday reached an outline agreement on a new round of concessions under the Global System of Trade Preferences among Developing Countries (GSTP), following days of meetings at the Geneva headquarters of the UN Conference on Trade and Development (UNCTAD).

The draft agreement will be submitted to ministers from participating countries for discussion and approval at a meeting scheduled for 2 December. The ministers will be in Geneva for the WTO's ministerial conference starting 30 November.

Countries participating in the talks range from wealthy South Korea and relatively large emerging economies such as Brazil, India, and Indonesia, to North Korea and Zimbabwe. Notably absent are China and South Africa.

Under the terms of the tentative accord, participating states would lower tariffs on exports of some 70 percent of each others' agricultural and manufactured goods. These tariff cuts would not be extended to other countries. Once the deal is adopted, each country will draw up a list of products eligible for tariff cuts, and then submit them to other participants for negotiation and verification. The 'margin of preference' appears likely to be at least 20 percent below currently applied MFN tariff levels. What this would mean in practice is that if India levied a 10 percent duty on car parts imported from the US, identical parts coming from Brazil would face a tariff of 8 percent or lower.

This departure from the WTO's 'most-favoured nation' principle - the institution's core notion that members should bind tariffs at the lowest rate made available to any other WTO member - is sanctioned by the Enabling Clause of the General Agreement on Tariffs and Trade, which authorises such preferential trade arrangements among developing and least-developed countries.

Sources say that the basic 'modalities' for the GSTP expansion could subsequently be supplemented with a 'request-offer' process in which countries could seek additional tariff cuts for individual products or changes to non-tariff measures.

The GSTP, which has 43 members, took effect in 1989 after more than a decade of discussions within the UN's G-77 caucus of developing countries. However, only 22 have chosen to participate in the current round of concessions, which was launched in Sao Paulo in 2004 with a call for "a package of substantial liberalisation commitments on the basis of mutuality of advantages in such a way as to benefit equitably all GSTP participants." Neither China nor South Africa is a member of the GSTP..

South-South trade more than tripled between 1996 and 2006, reaching a total of more than US$ 2 trillion, according to UNCTAD. With growth rates in the industrialised world still anaemic, policymakers have argued that trade among developing countries can drive recovery from the global financial and economic crisis.

Export Registers 6.6% Decline in October 2009

FDI at US $ 15.3 billion During April-September 2009

Addressing a press conference on 27 November, Mr. Anand Sharma, Union Minister of Commerce & Industry, has stated that quick estimates of exports during October, 2009 indicates significant signs of stabilization and improvement in the Indian exports compared to decline of close to 39% in May 200. "The decline in exports in October 2009 was only 6.6% in Dollar terms ($13.19 Billion in October 2009 vis-à-vis $ 14.13 Billion in October, 2008). The stablisation in the exports needs to be viewed in the context of projections of IMF of 11.9% decline in world trade volume during the year 2009 coupled with 36.6% decline in commodity prices of oil, and 20.3% decline in non-fuel commodity prices during 2009", the Minister added.

An analysis of the sectoral performance indicates that the following sectors have continued to do well with no effect of global slowdown (with increase in exports of US$ terms during April-October, 2009 as compared to corresponding period of previous year): Man-made yarn / fabric / made ups (+1.2%).; Tobacco(+20.5%); Fruits and Vegetables (+5.7%)

Further analysis shows that some export commodities which were significantly impacted by global slowdown, have now shown a turn-around in exports during October, 2009 (with positive export in October, 2009 as compared to October 2008): Plastic and Linoleum [+13.2% in Oct 09; (-) 18.6% in Apr-Oct 09]; Drugs and Pharmaceuticals [+9.3% in Oct 09; (-) 9% in Apr-Oct 09]; Marine Products[+3.7% in Oct 09; (-) 1.1% in Apr-Oct 09]; Iron ore [+250% in Oct 09; (-) 19.9% in Apr-Oct 09]; Spices [+18.2% in Oct 09; (-) 22.1% in Apr-Oct 09]; Oil meal [+19.8% in Oct 09; (-) 37.1% in Apr-Oct 09]; Cashew [+20.6% in Oct 09; (-) 21.9% in Apr-Oct 09]; Petroleum products [+7.8% in Oct 09; (-) 37.9% in Apr-Oct 09]

Some export commodities which were significantly impacted by global slowdown have shown lower rate of decline in October, 2009 as compared to earlier months: Cotton yarn / fabrics / made ups [(-)9.7% in Oct 09; (-) 28.7% in Apr-Oct 09]; Handicrafts [(-) 8.5% in Oct, 09; (-) 26.6% in Apr-Oct 09]; Basic chemicals (other than pharmaceuticals) [(-) 13% in Apr, 09; (-) 25% in Apr-Oct 09]; Gems and Jewellery [(-) 16.8% in Oct, 09; (-) 26.7% in Apr-Oct 09]; Leather and Leather manufactures [(-) 13.8% in Oct, 09; (-) 25.1% in Apr-Oct 09]; Engineering goods [(-) 14.7% in Oct, 09; (-) 30.1% in Apr-Oct 09]; Electronic goods [(-) 9.9% in Oct, 09; (-) 28.9% in Apr-Oct 09]; Tea [(-) 7% in Oct, 09; (-) 33.9% in Apr-Oct 09]

There are, however, some sectors which still continue to show significant decline in exports: Jute manufacturing including floor covering [(-)38.9% in Apr-Oct 09]; Carpets [(-)28.6% in Apr-Oct 09]; Coal and other ores including processed minerals [(-)25.3% in Apr-Oct 09]

Software exports have not shown any decline during April – October, 2009.

Overall reduction in the rate of decline of export growth in the 7 months of the current financial year, tend to indicate that the different support measures of Government, announced during the Budget and the Foreign Trade Policy, do appear to have contributed significantly in arresting the rate of decline, particularly, for labour intensive sectors.

Mr. Sharma said that despite the current economic downturn, FDI inflows during April-September, 2009 were US $ 15.3 billion, which is comparable to US $ 17.2 billion received during the corresponding period of the financial year. Total FDI into India since the onset of the liberalisation process (August, 1991-September, 2009) is nearly US $ 121.85 billion.

He further highlighted: "The consumer durables (Passenger cars, Televisions, Refrigerators, Air conditioners), registered a double digit growth for the sixth consecutive month at 22.2 per cent in September, 2009 compared to 14.7 per cent in September, 2009. Industry groups such as basic chemicals & chemical products (20.1 percent), machinery & equipment (16.5 per cent) and rubber, plastic, petroleum and coal products (10.1 percent) recorded a double digit growth in September, 2009."

[Source: MoC Press Release dated 27 November 2009]

Indonesia to Develop Value-Added Palm Oil Industry, Rajasa Says

Indonesia, the world's largest producer of palm oil, plans to develop regional centers for processing the commodity into biodiesel and other products to boost profit margins and create jobs, a minister said on 1 December.

The Southeast Asian nation is seeking investment to produce oleochemicals – used to make household products like soaps, detergents and toothpastes – cooking oils and biodiesel from palm oil, Hatta Rajasa, Indonesia's Coordinating Minister for the Economy, said at a conference in Bali.

Indonesia is poised to report record production of 20.5 million tons next year, from 19.44 million metric tons this year, Achmad Manggabarani, director general for plantations at the agriculture ministry, said Sept. 7.

Output this year may climb to 20.5 million tons, and to at least 21.5 million tons next year, Fadhil Hasan, executive director at the Indonesian Palm Oil Association, forecast on Nov. 19. Indonesia earned $12.4 billion in palm oil revenue last year, making it the country's largest non-crude oil and gas export earner, Rajasa said.

"The government will give fiscal or non-fiscal incentives" for the proposed expansion, Rajasa said, adding that the government plans to improve local infrastructure such as ports, roads and electricity access in those areas.

Riau Development

A state company will develop 200 hectares in Riau for oleochemicals and biodiesel investment, Manggabarani said in response to Rajasa's announcement.

Palm oil futures on the Malaysia Derivatives Exchange, the benchmark price, have gained about 47 percent this year. The price surged to a record 4,486 ringgit ($1,329) a ton in March 2008, before slumping 70 percent to the lowest in more than three years in October last year.

February-delivery palm oil was little changed at 2,499 ringgit a ton in Kuala Lumpur.

Sugar Import at Zero Duty Allowed to All Persons without Limit – Validity Period of Measure Till End March 2010 Stands

Ntfn 126
27.11.2009
(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 amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 21/2002-Customs, dated the 1st March, 2002, which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 118(E) dated the 1st March, 2002 , namely:-

In the said notification, in the Table, against S.No. 38BB, for the entry in column (3), the following entry shall be substituted, namely:-

"Refined or white sugar, imported upto and inclusive of 31st March, 2010".

[The Previous Dispensation was

38BB	*1701 91 00 or 1701 99 90*	*Refined or white sugar, upto an aggregate quantity of ten lakh metric tonnes of total imports during the period upto and inclusive of ~~30th November 2009~~ 31st March 2010:* *Explanation.- For determining the aggregate quantity of ten lakh metric tonnes the quantity of Refined or white sugar already imported at nil rate of basic customs duty under this notification during the period from 17th April, 2009 upto 30th July, 2009 shall be included.* ***[SNo. 38BB inserted by 84/31.07.2009; Substituted by 125/11.11.2009]***	*Nil*	*-*	*5B*

[F. No.354/78/2009-TRU (Pt)]

Non-EDI Customs Stations may Provide Trade Data to DGCI&S within 15 Days

[Ref: F.No.401/49/2003-Cus.III (Pt) dated 26th November 2009]

Subject: Submission of trade statistics of EDI and Non-EDI compliant ports to the DGCI&S, Kolkata.

Please refer to the Board's Circular No.19/2009 dated 9th June, 2009.

2. It is brought to your kind notice that the Ministry of Finance, Department of Economic Affairs, in order to avoid divergence in Merchandise Trade Data, has requested CBEC to provide trade statistics to the DGCI&S, to the extent possible, on real time basis in respect of Customs EDI stations. They have also requested that Customs Non-EDI stations may provide the trade related data to the DGCI&S within 15 days of its being filed.

3. In view of the above, you are requested to take further necessary action in the matter accordingly.

CBEC Clarifies New Entries on Jewellery, Handicrafts, Silk in Drawback Schedule

Subject: Introduction of new entries in the Drawback Schedule and clarification on certain issues.

33-CBEC
27.11.2009
(DoR)

The Ministry has issued notification No. 175/2009 Customs (NT) dated 27th November, 2009 introducing the following new entries in the present Drawback Schedule:-

a) Gold and silver jewellery (711301 & 711302);

b) Rounder's bat, wooden (sports goods) (95069963);

c) Bells, gongs, statuettes, ornaments, picture frames etc of Aluminium and Iron & steel (830603 & 830604);

d) Leather Safety Footwear with protective metal toe (640311);

e) Jars, perfume bottles, candle plate/ coasters, votive, lotion bottle/soap dish, ornamental spheres/ stars/ bells made of glass (70139991);

f) Lanterns/ lamps predominantly of glass (940506).

2. The notification is available at CBEC website www.cbec.gov.in and may please be perused for details. The drawback rates and caps on other items remain unchanged. Thus, the drawback schedule which was announced vide notification **NO. 103/2008-Cus (NT) dated 29th August, 2008** as amended shall continue to be in operation until a revised schedule is notified.

3. The drawback rates provided for gold & silver jewellery will only be applicable for exports made through the ports /custom houses as specified in para 4A.12 of the Hand Book of Procedures (vol.1), 2004-2009 after examination by the jewellery expert appraisers/superintendents to ascertain the quality of gold/silver and the quantum of gold/silver in the exported items. It may be noted that the drawback rate provided for gold & silver jewellery is a specific rate in terms of rupees per unit weight of net content of gold/silver in the jewellery. The drawback rates for gold & silver jewellery are equal to the prevalent import duty on gold/silver.

4. The drawback rates provided for gold & silver jewellery and parts thereof shall not be applicable to goods manufactured or exported in discharge of export obligation against any scheme of the relevant Export and Import Policy or the Foreign Trade Policy of the Government of India which provides for duty free import/ replenishment/procurement from local sources of gold/silver.

5. It is requested that the export of gold and silver jewellery and parts thereof, which are high value items and for which a drawback entry is being introduced for the first time, may be closely monitored. A monthly report indicating the quantum of such exports and drawback availed may be sent to the board for the next six months beginning December 2009 and upto May 2010.

6. The drawback rates provided for bells, gongs, statuettes, ornaments, picture frames etc of Aluminium and Iron & steel; Jars, perfume bottles, candle plate/ coasters, votive, lotion bottle/soap dish, ornamental spheres/ stars/ bells made of glass; and Lanterns/ lamps made predominantly of glass are the same as the drawback rates presently applicable to artware/handicraft items made of the respective constituent material. The new entries have been created with a view to minimise disputes in classification of artware/handicraft items.

7. It may be seen that lamps made of brass, copper, iron and aluminium are already covered under tariff items 940502, 940503, 940504 & 940505 respectively of the drawback schedule. These tariff items may also be taken to include lanterns made of the respective constituent material and the criteria of predominance of constituent material which has been incorporated in the tariff item 940506 (Lanterns/ lamps made predominantly of glass) may be adopted for classification of items in these tariff items also.

8. Representations have been received from FIEO, the Indian Silk Export Promotion Council and others that embroidered silk fabric should be extended the same drawback rate as plain silk fabric. Silk fabric with embroidery is being classified under heading 5810 of the drawback schedule at some ports. The drawback rate applicable on embroidery under heading 5810 of the drawback schedule is at 5.7% with cap of Rs. 25.2/kg. On the other hand, the drawback rate for silk fabric falling under heading 500701 of the drawback schedule is 9.8% with cap of Rs. 295/kg. The issue has been examined by the Board. The drawback rates for heading 5007 were based on the understanding that silk fabrics, whether plain or embroidered, would be classified under this heading. It is therefore clarified that till a new drawback schedule is notified, silk fabrics with/without embroidery may be extended the same rate as prescribed against the applicable sub headings under heading 5007 of the drawback schedule. Past cases, if any, pending on this score may be settled accordingly.

9. A suitable Public Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any, in implementation of the Circular may be brought to the notice of the Board at an early date.

F.No.609/67/2009-DBK

Drawback Rates for Gold and Silver Jewellery, Jars, Ornamental Spheres, Glass Lanterns and Wooden Rounder's Bat Introduced

175-Cus(NT) 27.11.2009 (DoR) In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962), sub-section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944), and section 93A and sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), and in pursuance of rules 3 and 4 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, the Central Government, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No.103/2008-Customs (N.T.), dated the 29th August, 2008** published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 627 (E) dated the 29th August, 2008, namely:-

In the said notification, -

(a) under the heading 'Notes and Conditions', after serial number (19), the following shall be inserted, namely, -

"(20) The drawback rates prescribed in the said Schedule against tariff items 711301 and 711302 shall apply only to goods exported by airfreight, post parcel or authorised courier through the Custom Houses as specified in para 4A.12 of the Hand Book of Procedures (Vol. I), 2009-14 published vide Public Notice No.1/2009-14 dated 27th August, 2009 of the Government of India in the Ministry of Commerce and Industry, after examination by the Customs Appraiser/ Superintendent (Jewellery Expert) to ascertain the quality of gold/silver and the quantity of net content of gold/silver in the gold/silver jewellery. The Free on Board (FOB) value of any consignment through authorised courier shall not exceed rupees twenty lakhs.

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

(b) in the **Schedule**, -

(i) in **Chapter 64**, for the tariff item **640311** and the entries relating thereto, the following tariff items and the entries shall be **substituted**, namely:-

"640311	Leather safety footwear with protective metal toe-cap	pair	10.5%	175	2%	33
640399	Others		1%		1%"	

(ii) in **Chapter 70**, after tariff item **70139990** and the entries relating thereto, the following tariff item and the entries shall be **inserted**, namely:-

"70139991	Jars, Perfume Bottles, Candle Plate/Coasters, Votive, Lotion Bottle/Soap Dish, Ornamental Spheres/Stars/Bells	Kg.	9.4%	43	Nil"

(iii) in **Chapter 71**, for tariff item **7113** and the entries relating thereto, the following tariff items and the entries shall be **substituted**, namely:-

"7113	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal			
711301	Articles of jewellery and parts thereof, made of gold	Gms.	Rs.20.60 per gram of net gold content (.995 or more purity) in the jewellery	Rs.20.60 per gram of net gold content (.995 or more purity) in the jewellery
711302	Articles of jewellery and parts thereof, made of silver	Kg.	Rs. 1,030/= per kg of net silver content (.999 purity) in the jewellery	Rs.1,030/= per Kg of net silver content (.999 purity) in the jewellery
711399	Others		Nil	Nil"

(iv) in **Chapter 83**, for the tariff item **830603** and the entries relating thereto, the following tariff items and the entries shall be **substituted**, namely,-

"830603	of iron and steel	Kg.	12.5%	20.2	1%	1.6
830604	of aluminium	Kg.	9.1%	37.2	1%	4
830699	Others	Kg.	9%	9	1%	1"

(v) in **Chapter 94**, after tariff item **940505** and the entries relating thereto, the following tariff item and the entries shall be **inserted**, namely:-

"940506	Lanterns/Lamps predominantly of glass	Kg	9.4%	43	Nil"

(vi) in **Chapter 95**, after tariff item **95069962** and the entries relating thereto, the following tariff item and the entries shall be **inserted**, namely:-

"95069963	Rounder's bat, Wooden	piece	11%	44	11%	44"

[F. No. 609/67/2009-DBK]

No Drawback if BRC are Not in Place, Says Nhava Sheva Commissioner

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Customs House on 13th November 2009.

Sub: Special measures for liquidation of Drawback claims pending on account of unanswered queries.

87-PN 13.11.2009 It is for the information of all Exporters, Custom House Agents & the Trade that special measures are being taken to liquidate the pendency of drawback claims that are pending in the Exporters queue for submission of replies to the queries raised during the processing of the claims.

2. A large number of drawback claims are lying under "**Query raised**" from time to time since introduction of EDI System in 1998. These are technically not pending with the department and are shown pending with exporters for reply as per Rule 13(3) of the Drawback Rules 1995. In this connection the exporters and their associations in some instances have contended that the exporters are unable to reply to the queries as these are not communicated to them.

3. It is to mention that under the EDI system the drawback claims are processed online in paperless manner and queries are raised online. As per Para 18.9 of the Public Notice No.39/97 dated 12.11.97, the status of the Shipping bills and sanction of drawback claim under EDI System has to be ascertained from the service centre. A printout of the query/deficiency has to be obtained from the service center and the replies to such queries shall be entered in the EDI system at the service center. There is no provision or practice under the EDI or Manual System to suo-motu intimate queries to the exporters through individual official letters. However, to facilitate the exporters in this regard a Drawback Help Desk was created vide Public Notice No. 47/2005 dated 27/09/2005 and vide Public Notice No. 08/2007 and it was requested to make full use of this facility. Further, this office vide Facility Notice No.10/08 dated 18.1.08 has introduced a system of automatic e-mail based response to enquiries made by the exporters regarding status of their drawback claims by using internet. Apart from Facility Notice No.10/08, the procedure for availing this facility is also explained in the JNCH website http://www.jawaharcustoms.gov.in/. This facility can be accessed by anyone from anywhere anytime free of cost. The query status is also informed to the exporters on receipt of letters from them. In addition, this office has compiled a list of 12787 queries pending as on 30-06-2009 on a CD and the same is being forwarded to various exporter's associations for circulation amongst their member exporters.

4. The exporters whose shipping bills are pending for want of replies to the queries raised as on 30-06-08 are requested to submit the replies latest by 31-12-2009. It has been decided to process such shipping bills pending under Query raised before 30-06-2008 on merit, subject to production of BRC and the cases where BRC is not produced at zero drawback, without affecting the right of the exporter to claim the drawback amount by filing supplementary claim subsequently within six months from the date of issue of this Public Notice.

5. All Public Notices / Standing Orders issued in this regard stand modified or aligned with this Public Notice.

6. Any difficulty faced in implementing this Public Notice may be brought to the notice of Addl./ Asstt.. Commissioner of Drawback Section, JNCH or the undersigned, if not resolved.

F.No.: S/12-Gen-87/09 DBK JNCH

Setting up Private Bonded Warehouse for Diamonds and Gemstones – Scheme Withdrawn from FTP 2009-14

Sub: Setting up Private/Public bonded warehouse for diamonds and gemstones for import and re-export therefrom.

31-CBEC
24.11.2009
(DoR)

Attention is invited to erstwhile scheme for setting up private public bonded warehouse in SEZ/DTA for import and re exports of cut & polished diamonds, cut & polished colored gems stones, uncut & unset precious & semi precious gemstones, subject to achievement of minimum value addition of 5% under paragraph 4A.18 of the Foreign Trade Policy 2004-09. This scheme has now been deleted from the Foreign Trade Policy 2009-14 announced on 27.08.2009 by DGFT.

2. The erstwhile scheme (para 4A.18 of FTP 2004-09) was in operation vide Board's circular No. 28/98-Cus dated 24.04.1998 and clarification issued vide circular No. 47/99-Cus dated 27.07.1999.

3. In view of withdrawal of the scheme for setting up private/public bonded warehouse for diamonds and gemstones from Foreign Trade Policy 2009-14, no new private/public bonded warehouse license can be allowed for bonding of diamonds and gemstones for import and export thereform. Further, such a facility can also not be allowed for non-dutiable goods in term of section 57 of the Customs Act, 1962.

4. Accordingly, the circular No. 28/98-Cus dated 24.04.1998 stands withdrawn to the above extent.

5. As a transitory arrangement for the existing warehouses to surrender the bonding license, a period of three months is granted from the date of issue of this circular. For this three months period, diamonds and gemstones may be deemed as dutiable goods for the purpose of regulatory control and the procedure of ex-bonding of dutiable goods shall be followed. However, bonding of these goods shall not be allowed in the existing warehouses.

6. Wide publicity may please be given to these instructions by way of issuance of Public/Trade Notice. Suitable Standing orders/instruction may be issued for guidance of the field officers. Difficulties, if any, in implementation of these instructions, may be brought to the notice of the Directorate General of Export Promotion.

7. This issues with the approval of Central Board of Excise & Customs.

[F.No.: DGEP/G&J/490/2006]

Execution of Bank Guarantee under Specified Export Promotion Schemes

Sub: Revised norms for execution of Bank Guarantee under specified Export Promotion Schemes-Modifications in Circular No.17/09-Cus dt.25.05.09.

32-CBEC
25.11.2009
(DoR)

I am directed to invite your attention to Circular No.17 2009-Cus. dated 25.05.2009 (herein after referred to as 'the said circular') vide which revised norms for execution of Bond / Bank Guarantee (BG) in respect of imports made under the Advance Authorization / Export Promotion Capital Goods/ Duty Free Import Authorization Schemes were notified and to say that, representations have been received to clarify, whether the status holders other than 'Star Export House' are entitled for 'nil' BG in terms of Sl.No.(c) of the Table appended to para 2.1 of the said circular.

2. The issue has been examined by the Board. The circular no 17/09-Cus. had amended circular No.58/2004-Cus which was issued in the light of the provisions of the 2004-05 edition of the Foreign Trade Policy (FTP).The FTP-2004 recognized five categories of Status Holders viz. One star /two star / three star /four star and five star Export Houses. The circular No. 58/2004-Cus extended the benefit of 'nil' BG to all the five categories through a common phrase 'Star Export House' under Sl.No. (c) of the Table. The intention of the circular no 58/2004-Cus was therefore to extend the benefit of 'nil' BG to all the status holders. The Sl No. (c) of the table remained unchanged in circular No. 17/09-Cus.

3. As the above categories are now known as Export House, Star Export House, Trading House, Star Trading House and Premier Trading House respectively in terms of para 3.10.2 of the current FTP, the benefit of 'nil' BG should also be extended to all categories of status holders. The words 'Star Export House' appearing under Sl. No. (c) of the Table may therefore be read to mean 'Status Holders recognized under the provisions of the Foreign Trade Policy'

4. These instructions may be brought to the notice of the trade / exporters by issuing suitable Trade / Public Notices. Suitable Standing orders/instructions may be issued for the guidance of the assessing officers. Difficulties faced, if any, in implementation of the Circular may please be brought to the notice of the Board at an early date.

[F.No.605/61/2007-DBK]

Agarbattis Shifted to EPCH from CHEMEXCIL

20-PN(RE)
23.11.2009
(DGFT)

In exercise of power conferred under paragraph 2.4 of the Foreign Trade Policy 2009 2014, the Director General of Foreign Trade hereby makes the following amendments in Appendix 2 of the Handbook of Procedures Vol.I:

"The product "Agarbattis", presently appearing under the jurisdiction of Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council (CHEMEXCIL) under Sr. No. 2 of Appendix-2 of HBP Vol.I is hereby removed from the jurisdiction of Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council (CHEMEXCIL) and allocated under the jurisdiction of Export Promotion Council for Handicrafts (EPCH) appearing under Sr. no. 10 of HBP Vol. I."

This issues in Public interest.

NFE Calculation for SEZs in Rupee Term Only, Says MoC

[Instruction No. 41 - No.C.6/9/2009-SEZ dated November 2009

Sub: Clarification on calculation of NFE as per Rule 53 of the SEZ Rules, 2006

41-SEZ-Cir
11.2009

I am directed to say that references have been received in this department seeking clarification on the currency in which NFE is to be calculated. The matter has been examined in this department and it is clarified that NFE is to be calculated in rupee terms only. In case a unit is NFE negative and claims that it is due to foreign exchange fluctuation, the Approval Committee may consider such cases provided that the unit gets the computations certified by the Authorised Bank, on a case to case, basis.

This issues with the approval of AS(SEZ).

DCs Must Decide Proposals for Authorized Operations in SEZs on their Own

[Instruction No. 42 - No. C/11/2009-SEZ dated 18th November 2009

Sub: Guidelines for Consideration of Proposals for Authorized Operations by the BoA

42-SEZ-Cir
18.11.2009

It has been noted that developers/co-developers have been seeking permission of the BoA for carrying out such authorized operations, which are already covered in the default list of authorized operations, the powers for which have already been delegated to the DC's/ UAC's. This results in the waste of precious time of the BoA.

2. It has, therefore, been decided that all requests for carrying out authorized operations, whether covered in the default list or not, shall be initially made to the concerned DCs who will first consider and dispose the requests at their level within 15 days from the date of the receipt of the request. The DCs will send only such requests/

items for consideration by BoA, which are outside side their powers and that too with their specific comments/recommendation.

3. The requests of developers/co-developers, for authorized operations, received without the certification from the concerned DCs, to the effect that the authorized operation(s) is/are outside his powers and their specific comments on the same, will not be considered by the BoA.

4. All DCs are, therefore, requested to ensure strict compliance of these instructions.

Engineering Products SION Amended

Subject: Amendments in SION C1708 and C1789.

19-PN(RE) 23.11.2009 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14 and Paragraph 1.1 of the Handbook of Procedures (Vol.1), the Director General of Foreign Trade hereby makes the following amendments/ additions/deletions/corrections in the Handbook of Procedures, Vol.II, 2009-2014, as amended from time to time.

2. In the statement of Standard Input Output Norms (SION) as contained in the Handbook of Procedures (Vol.II), 2009-2014, as amended from time to time, amendments/corrections at appropriate places against SION C1708 & C1789, as mentioned in ANNEXURE "A" to this Public Notice, are made.

This issues in public interest.

Annexure "A" to the Public Notice No 19 /2009-2014 dated: 23.11.2009

Amendments/Corrections

Sl.No.	Page No.	Reference	Amendment / Corrections
1	C333	Product Group: Engineering Product SION Entry C-1708	Description of import item no. 6 under this entry may be substituted to read as under:- "Plywood / Pine Lumber / FIR Lumber"
2	C348	Product Group: Engineering Product SION Entry C-1789	Description of import item no.1 under this entry may be substituted to read as under:- "Relevant Woven Wire Cloth in SS 316L / SS 904L"

Procedure for Seeking Clarification on Policy Issues by DoC

[Instruction No. 43 - F.No.C.8/6/2009-SEZ dated 23rd November 2009

Sub: Procedure for seeking clarification on policy issues relating to SEZ Act and Rules from Department of Commerce

43-SEZ-Cir 23.11.2009 I am directed to say that references are received from Development Commissioners in this department seeking clarification on various provisions of SEZ Act and Rules. It has been decided that such clarifications may first be considered for a decision in the meetings held by Zonal DC.

2. Meetings of all Zonal Development Commissioners under the chairmanship of AS (SEZ) would be held after BOA meeting in the Department of Commerce to discuss and clarify policy matters which required further discussion. Therefore, if Zonal DCs need any clarifications on SEZ Policy issues, they may bring up such matters along with full details of the case in these meetings.

3. This issues with the approval of AS(SEZ).

Verification of DFIA Licences and Monitoring their EO under FTP 2009-14

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Customs House on 17th November 2009.

Sub: Verification of Duty Free Import Authorization (DFIA) Licences and monitoring of their Export obligation under the Foreign Trade Policy (FTP) 2009-14.

85-PN 17.11.2009 Attention of Importers Exporters/CHAs and Members of the trade and all concerned is drawn to the procedures being followed under Public Notice No. 56/2006, dated 04.10.2006 and Customs Notification No. 40/2006, dated 01.05.2006 (as amended by Notification No. 19/09 dated 24.02.2009) in the matter of verification of DFI Authorizations issued by Regional Licencing Authorities (RLAs).

2. The Board has issued Circular No.26/2009-Cus dated 30.09.2009 incorporating the new guidelines to be followed in the light of the FTP 2009-14 in the matter of verification of the DFIAs issued by the Regional Licencing Authorities. The DFIA holders are eligible to avail duty exemption for the materials imported by them only upon fulfilling the conditions laid down in the Customs Notification Nos. 40/2006-Cus dated 01-05-06 & 98/2009-Cus dated 11.09.2009. In addition to the above requirements the DFIA holders also have to comply with the minimum value addition and the period within which the Export Obligations (EO) have to completed, etc., as laid down by the FTP, 2009-14. Taking into account the changes that have been brought over the years in the Foreign Trade Policy and Circulars and Notifications issued from time to time, the procedure for verification of the DFIA Licences has been re-examined and the following procedure is henceforth prescribed with immediate effect for verification of DFIA licenses.

3. The verification will be done to confirm the compliance of the conditions of the Customs Notification No. 40/2006, dated 01.05.2006 (as amended by Notification No. 19/09 dated 24.02.2009) and notification No.98/09-Cus dated 11-09-09 and the following :

(a) Value addition norms, as prescribed in the Policy, have been met.

(b) The SION Norms have been correctly followed.

(c) The Export Obligation has been correctly fulfilled.

(d) Any other condition as stipulated in the Policy with respect to DFIA Scheme has been fulfilled.

4. As per the Para 4.26 read with Para 4.33 of FTP2009-14 of the Hand Book of Procedure (Vol I), the Regional Authority would issue an EODC/Redemption Certificate as prescribed in the Policy. The EODC/Redemption Certificate along with the following documents shall be submitted to the DFIA Verification Section for verification:-

i) Original DFIA licence alongwith the EODC/NBC.

ii) Self attested EP Copies of the Shipping Bills & export invoices/packing lists alongwith a Statement showing Shipping Bills wise details particularly the FOB & BRC value and weight/ sqm etc.

iii) Self attested copies of ARE-1/ARE-2, wherever applicable as a proof of non-availment of facility under Rule 18(rebate of duty paid on materials used in the manufacture of the resultant product) or sub-rule (2) of the Rule 19 of the Central Excise Rules 2002 or CENVAT Credit under CENVAT Credit Rules, 2004. In absence of the ARE-1 / ARE-2, a certificate issued by the jurisdictional Central Excise Authority on the above aspect may be submitted

iv) Copy of Test Report / Chartered Engineers Certificate / Technical Opinion, wherever applicable.

v) Self attested photo copy of the Bank Realization Certificate (BRC)

vi) A declaration in compliance to the condition No. 7 of the Customs Notification No. 40/ 2006, dated 01.05.2006 (as amended by Notfn. No.19/2009 dated 24.02.2009) regarding non disposal/utilization of the exempt materials in any manner except for utilization in discharge of export obligation.

vii) In case of Deemed exports/intermediate exports, the unit receiving the materials shall submit a certificate from central excise authorities regarding the items of supply, quantity, value and the date of supply along with the relevant invoices. In respect of supplies made to EOU/EHTP/STP/BTP, the supplier can either submit a copy of ARE-3/CT-3 duly signed by the jurisdictional central excise authorities or the concerned bond officer as the case may be. Payment certificate from the Project Authority in the prescribed format may be submitted. In regard to these categories of supplies, the suppliers have to submit a statement of export realization issued by the Bank and also a declaration to the effect that such proceeds were realized through the normal banking channel. In such cases, the supplier also will submit a statement of supplies indicating the details of invoice number, date, FOB value, description of the materials. Further, a statement of B/E-wise items of imports, quantity, and CIF value need to be submitted in this regard.

viii) Any other documents that may be required by the Assistant Commissioner of Customs (In charge of Verification Cell).

5. The above documents may be submitted to the **DFIA Verification Cell** which is at present functioning from the following address:-

Office of the Assistant Commissioner of Customs DFIA/DEEC Verification Cell, Punjab Conware CFS, Nhava Sheva

6. The staff while receiving Original DFIA Licence/file alongwith the aforesaid documents shall keep a record in the register prescribed for the purpose. The receiving staff will verify whether the original Licence and all other required documents have been correctly tendered at the time of submission. One copy of the acknowledgement (aas detailed in Annexure A) shall be given to the person submitting the License indicating therein the Sr. No. and the Date of the entry in Receipt register. The signature of the person submitting the Licence for verification with his full Name, CHA No. and Pass No. shall also be recorded in the said Register.

7. The Licence should be duly verified as provided in the Para 4.26 read with Para 4.33 of the FTP2009-14 of the HBOP (Vol I) by the Superintendent/Appraiser for the said purpose. The verified Original DFIA Licence and the related file will be handled by the staff posted at the DFIA Verification Section. The Original verified DFIA Licence and the DFIA Statement shall be returned by the staff to the person from whom the licenses were received for verification **between 3.00 pm and 5.00 pm** on the day after the date on which the licenses were received for verification as far as possible. The DFIA Licence shall be delivered only to the person who had submitted the same for verification and not to any other person. The signature of the person collecting the verified Licence shall be taken on the copies of acknowledgments kept in office record and also in the prescribed Register.

8. Any difficulties faced in implementation of this Public Notice may be brought to the knowledge of the undersigned immediately.

F.No. S/6-GEN-553/06(DFIA) Verification

Annexure –A

(To be presented in triplicate)

DFIA Section
JNCH, Sheva.
Date:-

Received DFIA Licence No………. dated……… for verification which has been entered in the prescribed register at Sr. No. ……./…….(year). Verified licence may be collected between 3p.m. to 5 p.m. on ………, by the person who has submitted the same.

Clerk/TA
DFIA Section
JNCH, SHEVA.

Name & Signatures of
the Person Submitting
the Documents

Date:

……………………

Name & Signatures of
the Person Receiving the
Original DFIA Licence

Date:

Clerk/TA
DFIA Section
JNCH, SHEVA.

Reconstruction of EP Copy Shipping Bills

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Customs House on 26th November 2009.

89-PN 26.11.2009 In pursuance of the representation of the trade during the PTFC Meeting held on 30.09.2009, the procedure for re-construction of Export Promotion (EP) copy shipping bills as prescribed in the Standing Order No.3/2009 dated 04.02.2009 has been re-examined.

2. Standing Order No.3/2009 dated 04.02.2009 pertains to re-construction of EP copy shipping bills in cases where such documents have been lost or misplaced. This does not pertain to cases where the EP copy is not printed due to power failure or their representative is not available to collect the EP copy when the print command is given and EP copies are generated for the first time. It is, therefore, clarified that in all such cases, the officer incharge of the CFS concerned shall attend to the reconstruction of the EP copy.

3. As regards re-construction of EP copy shipping bills in cases where such documents have been lost or misplaced, it is noticed that all the shipping bills filed under various export promotion schemes are being transmitted online to DGFT and can be verified by DGFT online. Hence, it has been decided that in all such cases the officer incharge of the CFS concerned shall attend to the reconstruction of the EP copy. However, in all such cases procedure as prescribed under Standing Order No.3/2009 dated 04.02.2009 shall be followed.

4. The above guidelines come into force with immediate effect.

5. Difficulties faced, if any, in this regard may be brought to the notice of the undersigned.

[F. No. S/12-Gen-42/2008 AM(X)]

Poppy Seeds Tariff Value up by $103/MT, Brass Scrap + $54/MT

176-Cus(NT) 30.11.2009 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely: -

In the said notification, for the Table, the following Table shall be substituted namely:

Table

S.No.	Chapter heading/ sub-heading/ tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e.no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580(i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3402
9	1207 91 00	Poppy seeds	3144

[F. No. 467/14/2009-Cus.V]

Procedure for Inter-CFS Transfer of Export Goods where No LEO Given

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Customs House on 18th November 2009.

Subject: Procedure for inter CFS transfer of export goods where LEO has not been given.

86-PN 18.11.2009 Trade and members of various Associations had represented that inter-CFS transfer of export goods where LEO has not been given may be allowed. The representations have been examined. The procedure was discussed and accepted in the Open House Meeting of the Chief Commissioners of Customs, Zone-I, II, & III with the representatives of the Trade and Industry Associations held on 22.10.2009.

2. Accordingly, it has been decided that the following procedure shall be followed in the case of inter-CFS transfer of export goods where LEO has not been given:

(i) The exporter / CHA shall submit a letter of request for transfer of export goods to another

CFS to the AC/X incharge of the CFS where the goods are already carted, alongwith the reasons for transfer of the said export goods. The exporter / CHA shall also obtain prior approval of the AC/X of the receiving CFS and submit the prior approval so obtained alongwith the letter of request.

(ii) The AC/X shall examine the request subject to usual checks and scrutiny. On being satisfied as regards the genuineness of the request, the AC/X shall permit inter-CFS transfer of the said export goods.

(iii) The package / consignment shall be identified by the custodian of the transferring CFS before loading of the said package / consignment for transport.

(iv) Loading/Unloading shall take place under customs supervision and the movement from one CFS to another CFS shall be under Customs escort on payment of MOT charges.

(v) The request for inter-CFS transfer of export goods shall be made at least 48 hours prior to the cut-off time by the respective shipping lines so that sufficient time is available to customs officers for examination.

3. As regards inter-CFS transfer of cargo where LEO is already given, the present procedure of transfer under Customs escort on payment of MOT charges shall continue.

4. The above guidelines come into force with immediate effect.

[F.No:S/12-Gen-42 /2008 AM(X)]

4. In view of the above, Facility Notice no. 35/2007 dated 21.08.2007 stands rescinded.

5. All the Trade, Industry and concerned Associations are requested to bring the contents of the Public Notice to the knowledge of their members.

[F.NO. EDI-24/2007 JNCH]

Procedure of Post-Shipment Amendments under Sec. 149 of CA 1962

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Customs House on 20th November 2009.

88-PN 20.11.2009 In pursuance of the representation dated 22.09.2009 of the BCHAA and the discussion in the PTFC Meeting held on 30.09.2009, the procedure of post-shipment amendments under section 149 of the Customs Act, 1962 has been reviewed.

2. Accordingly, it has been decided that the requests for post-shipment amendments shall be processed in the following manner:

a) The CHA / exporter shall submit his request for post-shipment amendment in a file alongwith all supporting certified documents for verification to the TA / STA of the CFS concerned. As has been specified in the SO 34/2008 dated 01.08.2008, the exporter is required to fully justify that the error has crept in Shipping bill on account of feeding data during assessment / registration / clearance of the export consignment and amendment is sufficiently justified on the basis of the supportive documentary evidence in existence at the time the goods were exported.

b) The TA / STA shall do a preliminary scrutiny of the documents submitted and in case of deficiency of documents the CHA / exporter may be informed to provide the requisite documents. He shall then put up the file to the Superintendent concerned.

c) The Superintendent concerned shall thoroughly scrutinize the correctness of the amendment sought by the exporter in the light of the SO 34/2008 dated 01.08.2008 and forward the file to the AC/DC(X) along with comments whether the conditions of section 149 of Customs Act,1962 are fulfilled or not.

d) If conditions of section 149 of Customs Act, 1962 are fulfilled, then the request may be considered by AC/DC(X).

e) However, in terms of SO 34/2008 dated 01.08.2008, in case of the major post- shipment amendments, those involving change in the followings, such as 1. Quantity or Value, 2. Name of the Exporter/ Consignee, 3. Rate of duty / Sl. No. of DBK/DEPB Schedules, 4. License No., prior approval of the ADC / JC concerned has to be sought, before issuance of any amendment certificate.

3. The post-shipment amendments shall ordinarily be examined and disposed of within a period of 30 days from the date of receipt of the request from the CHA/exporter. In case of delay beyond the stipulated period, the CHA / exporter may approach the JC / ADC concerned to resolve the matter.

[F. No. S/12-Gen-32/09-10 AM(X)]

Auto Email Based Enquiry to Check Status of BE/SB at JNPT

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Customs House on 26th November 2009.

90-PN 26.11.2009 Attention of all Exporters, Importers, Customs House Agents. Members of Trade and all the concerned is invited to the Facility Notice No. 35/2007 dated 21.08.2007, vide which fee based value added services were launched on the official website of Jawaharlal Nehru Custom House i.e. http://www.jawaharcustoms.gov.in/.

2. It was informed vide Facility Notice No. 35/2007 dated 21.08.2007 that M/s. Hans Informatics Pvt. Ltd. will provide details and status of Bills of Entry, shipping Bill filed by the subscriber on payment of prescribed fees.

3. A new procedure was introduced on the official website of JNCH providing auto email based enquiry facility to check the status of all categories of Bs/E, IGM details, all categories of S/Bills-Transmission status of DEPB S/bills to DGFT, Status of Drawback claims etc. vide Facility Notice No 41/2009 dated 03.07.2009.

Pre-Shipment Inspection Certificate

[Please see Weekly Issue Vol. XXVI No. 35 dated 25 Nov-01 Dec. '09 for full text of Public Notice]

Annexure-I to Appendix 5 to DGFT Public Notice No. 17 dated 13th November 2009

Pre-Shipment Inspection Certificate

(Please see paragraph 2.32.2 of Handbook of Procedure (Vol. 1)

(I) Details of Importer

(a) Name:

(b) Address:

(c) Telephone No.:

(d) E-mail:

(II) Type of Scrap: Shredded/Unshredded

(III) Details of Import

Description of metallic scrap Quantity

(IV) Details of tests carried out:

Declaration/Undertaking

1. The consignment does not contain any type of arms, ammunition, mines, shells, cartridges or any other explosive material in any form, either used or otherwise and that the consignment was checked for radiation level and it does not have radiation levels (gamma and neutron) in excess of natural background. Following are the values of:

(i) Background radiation level at the place of examination ....

(ii) Maximum radiation level on the scrap ....

2. The import consignment is actually metallic scrap/seconds/defective as per the internationally accepted parameters for such a classification.

3. I/We hereby declare that the particulars and statements made in this certificate are true and correct and nothing has been concealed or held there from.

Date

Official Seal:

Signature:

Designation:

Name of the agency as per Appendix 5:

Address:

E-mail:

Note: This pre-shipment inspection certificate is issued under paragraph 2.32.2 of Handbook of Procedure (Vol. 1) for shredded, unshredded, compressed and loose forms of metallic waste and scrap.

Exchange Rates for Customs Valuation

IMPORTS and EXPORTS

The current notification No. 174-Customs(NT) dated 26[8h] November 2009 supersedes notification 158-Customs(NT) dated 28[8h] October 2009.

174-Cus(NT) 26.11.2009 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) **No.158/ 2009-CUSTOMS (N.T.), dated the 28th October, 2009** *vide* number S.O. 2713(E), dated the 28[th] October, 2009, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 1[st] December, 2009** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

		Imprted Goods		Exported Goods	
SNo	Currency	Current	Previous	Current	Previous
Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees					
1	Australian Dollar	43.50	43.65	42.30	42.45
2	Canadian Dollar	44.55	44.45	43.35	43.25
3	Danish Kroner	9.50	9.55	9.15	9.20
4	EURO	70.35	70.65	68.55	68.90
5	Hong Kong Dollar	6.05	6.10	5.90	6.00
6	Norwegian Kroner	8.40	8.45	8.10	8.20
7	Pound Sterling	77.95	77.50	76.00	75.55
8	Swedish Kroner	6.80	6.95	6.60	6.75
9	Swiss Franc	46.65	46.75	45.30	45.40
10	Singapore Dollar	33.90	34.00	33.05	33.10
11	US Dollar	46.75	47.30	45.85	46.40
Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees					
1	Japanese Yen	53.20	51.60	51.70	50.15

[F.No.468/17/2009-Cus.V]

Copper Reverses Rally to 14-Month High as Dollar Stems Decline

Copper dropped for the first time in four days in Asia, reversing a rally to the highest level in more than 14 months, as some investors sold the metal to lock in gains and as the dollar's decline paused.

The metal used in construction and automobiles rose to $7,101 a metric ton, the highest price since Sept. 23, 2008, as the dollar traded near a 16-month low against the euro.

Copper for delivery in three months on the London Metal Exchange traded little changed at $7,070, after falling by as much as 0.7 percent earlier.

The March-delivery contract on the Comex division of the New York Mercantile Exchange slid 0.2 percent to $3.2245 a pound. Earlier the contract climbed as much as 0.4 percent to $3.2450 a pound the highest price for a most-active contract since Sept. 23, 2008.

March-delivery copper on the Shanghai Futures Exchange gained as much as 1.6 percent to 55,850 yuan ($8,181) a ton, the highest level since Sept. 8 2008, before ending the day up 1.2 percent at 55,630 yuan.

Copper has more than doubled this year while the Dollar Index, which tracks the greenback's performance against six major currencies, has declined 8.4 percent as investors bought raw materials as an alternative to a declining U.S. currency. Commodity funds pulled in more than $1 billion in investments for a second straight week, pushing inflows for the year to $14.6 billion, according to EPFR Global.

Commodity Spot Prices in India – 27 November-01 December 2009

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 27 November-01 December.

(Rs.)

Commodity	Unit	Market	27-Nov	30-Nov	1-Dec
CER (Carbon Trading)	1 MT	Mumbai	816	837.5	830
Chana	100 KGS	Delhi	2512	2485	2508
Masur	100 KGS	Indore	4523	4558	4522
Potato	100 KGS	Agra	NA	NA	NA
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	9238	9246	9245
Cashewkern	1 KGS	Quilon	305	304	313
Cardamom	1 KGS	Vandanmedu	804	805	809.75
Coffee ROB	100 KGS	Kushalnagar	61.6	62.4	62.9
Jeera	100 KGS	Unjha	14237	14237	14237
Pepper	100 KGS	Kochi	15450	15485	15520
Red Chili	100 KGS	Guntur	6502	6507	6493
Turmeric	100 KGS	Nzmbad	11088	11188	11000
Guar Gum	100 KGS	Jodhpur	5775	5775	5900
Maize	100 KGS	Nzmbad	925	925	942
Wheat	100 KGS	Delhi	1400.8	1420.8	1421.2
Mentha Oil	1 KGS	Chandausi	636.6	648.5	657.6
Cotton Seed	100 KGS	Akola	1372	1371	1388
Castorsd RJK	100 KGS	Rajkot	3053	3069	3071.5
Guar Seed	100 KGS	Jodhpur	2700	2730	2795
Soya Bean	100 KGS	Indore	NA	NA	NA
Mustrdsd JPR	20 KGS	Jaipur	601.35	610.65	609.5
Sesame Seed	100 KGS	Rajkot	6738	6725	6700
Coconut Oil Cake	100 KGS	Kochi	1040	1040	1040
RCBR Oil Cake	1 MT	Raipur	5520	5580	5590
Kapaskhali	50 KGS	Akola	599.4	600.6	604.1
Coconut Oil	100 KGS	Kochi	4784	4836	4836
Refsoy Oil	10 KGS	Indore	496.05	500.3	502
CPO	10 KGS	Kandla	333.2	341.2	341.7
Mustard Oil	10 KGS	Jaipur	545.9	545.8	546.9
Gnutoilexp	10 KGS	Rajkot	690	685	690
Castor Oil	10 KGS	Kandla	635	640	640
Crude Oil	1 BBL	Mumbai	3613	3560	3592
Furnace Oil	1000 KGS	Mumbai	27040	NA	27317
Sourcrd Oil	1 BBL	Mumbai	NA	NA	3677.5
Brent Crude	1 BBL	Mumbai	3533	3603	3621
Gur	40 KGS	Muzngr	1034.3	1035.5	1045.9
Sugars	100 KGS	Kolhapur	3348	3365	3365
Sugarm	100 KGS	Delhi	3521	3486	3470
Natural Gas	1 mmBtu	Hazirabad	239.3	243	225.3
Rubber	100 KGS	Kochi	12000	12092	12189
Cotton Long	1 Candy	Kadi	25880	25760	25790
Cotton Med	1 Maund	Abohar	2490	2452	2510
Jute	100 KGS	Kolkata	2537	2559	2610
Gold	10 GRMS	Ahmd	17763	17650	17738
Gold Guinea	8 GRMS	Ahmd	14210	14120	14191
Silver	1 KGS	Ahmd	28009	28250	28425
Sponge Iron	1 MT	Raipur	14115	14100	14430
Steel Flat	1000 KGS	Mumbai	29530	NA	NA
Steel Long	1 MT	Bhavnagar	21860	21890	21580
Copper	1 KGS	Mumbai	323.35	319.25	322.65
Nickel	1 KGS	Mumbai	770.1	757	760.1
Aluminium	1 KGS	Mumbai	93.1	92.8	94.2
Lead	1 KGS	Mumbai	107.75	106.75	107.25
Zinc	1 KGS	Mumbai	103.95	103	105.6
Tin	1 KGS	Mumbai	706.25	691.25	705.25

(Source: MCX Spot Prices)

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Foreign Trade Policy

Customs

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Regulate Raw Cotton Exports for Sustaining Value Added Exports: Sakthivel, President, FIEO

Mr A Sakthivel, President, Federation of Indian Export Organisations (FIEO) has approached Commerce Ministry and Ministry of Textiles calling for immediate ban on export of raw cotton or putting a limited ceiling of 4 lakh bales per month with an annual ceiling of 50 lakh bales for exports. The demand has gained further grounds in view of steep hike in prices of cotton yarn by about 20% in last two months from Rs. 13 per Kg to Rs.16 per Kg.

Mr A Sakthivel added that since Indian exporters could not be able to absorb the cost nor would be able to pass on the same to buyers, they may default in executing exports orders already obtained. Such a move will prompt foreign buyers to shift their procurement base out of India to countries such as Bangladesh, Sri Lanka, China, Vietnam, Turkey etc.

FIEO Chief feared that this may lead to massive job losses on unprecedented scale in all segment of exports starting from fabrics to made-ups and garments.

Yen Declines as Hatoyama Says Strength Must Be Dealt With

The yen fell after Nikkei reported Japanese Prime Minister Yukio Hatoyama as saying the currency's strength can't be left as is.

The yen slid against all 16 of its most-traded peers, including the Australian dollar. Hatoyama made the comment in a speech to former lawmakers in Tokyo, the Nikkei newspaper said on its English news service. The so-called Aussie rose as gold climbed to a record. The dollar traded near its lowest level in almost 16 months versus the euro.

The yen dropped 0.6 percent to 87.17 to the dollar in London. It declined 0.5 percent to 131.43 per euro. The dollar was little changed at $1.5077, after earlier trading as weak as $1.5103.

Hatoyama wasn't suggesting the government is ready to intervene to stop the yen's appreciation in comments made on 2 December, Chief Cabinet Secretary Hirofumi Hirano said. Hirano, speaking to reporters in Tokyo, said rapid fluctuations in the currency market are undesirable and that the government is closely monitoring the situation.

Australia's dollar advanced 0.7 percent to 80.71 yen and was little changed at 92.52 U.S. cents. Gold rose to a record for a second day, advancing to $1,215.85 an ounce.

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