

South Korea Sees 'Limited' Impact on Auto Industry from U.S. Trade Accord

South Korea said the revised free trade agreement with the U.S. is mutually beneficial and won't hurt the nation's carmakers.

The countries agreed on Dec. 3 to revise the stalled free-trade accord and change provisions for automobiles and pork. The U.S. will now end its 2.5 percent tariff on automobiles in five years, instead of immediately or after three years, as was previously agreed. South Korea will cut its 8 percent tariff on U.S. automobile imports to 4 percent immediately, instead of eliminating it entirely, according to a White House fact sheet.

With almost \$68 billion in trade between the nations, a deal would be the U.S.'s largest since the North American Free Trade Agreement in 1994, and would help President Barack Obama meet his goal of doubling American exports in five years. It was backed by U.S. companies including Citigroup Inc., Caterpillar Inc., General Electric Co. and JPMorgan Chase & Co.

Shares of Hyundai Motor Co., South Korea's biggest carmaker, declined 2.2 percent to 180,000 won in Seoul. Hyundai Mobis, an auto-parts maker that will benefit from the complete removal of tariffs, was set for a record close after rising 2 percent to 301,500 won.

The U.S. will maintain a 25 percent tariff on truck imports for eight years instead of beginning to phase it out immediately. In addition, each U.S. automaker will be able to send South Korea 25,000 cars a year that meet U.S. safety standards. They would be exempt from separate South Korean standards.

European Cars

U.S. market share in South Korea slid to 10.1 percent of imported car sales last year, from 11.3 percent in 2008, according to Korea Automobile Importers and Distributors Association. European cars held a 62 percent market share in 2009, with Japanese brands on 28 percent.

"Korean consumers prefer premium sedans from Europe and Japan, or small Korean-made cars to U.S. brands," Song Won Gun, a senior research fellow at the Korea Economic Research Institute in Seoul, said before the announcement.

The U.S. agreed to higher tariffs on its pork products for a longer time period. The 25 percent tariff on U.S. pork imports will be eliminated in 2016, two years later than the previous deadline, Kim said.

Korean Farmers

The extension of the deadline is a significant achievement for the nation's farmers, the Korea Swine Association said in a statement on its website. "We're very relieved."

Kim said the accord makes no new provision on beef. U.S. Senate Finance Committee Chairman Max Baucus, a Montana Democrat, who demanded that South Korea drop restrictions on U.S. beef imports from older cattle, said he was unhappy with the agreement.

"Beef was not on the agenda during the talks and not included in the revision," Kim said.

American beef producers lobbied to get the deal completed quickly to gain an advantage over competitors in Australia by securing cuts in a 40 percent South Korean tariff.



Statement by the President Announcing the US-Korea Trade Agreement

I am very pleased that the United States and South Korea have reached agreement on a landmark trade deal that is expected to increase annual exports of American goods by up to \$11 billion and support at least 70,000 American jobs. Last month in Seoul I directed our negotiators to achieve the best deal for American workers and companies, and this agreement meets that test.

American manufacturers of cars and trucks will gain more access to the Korean market and a level playing field to take advantage of that access. We are strengthening our ability to create and defend manufacturing jobs in the United States; increasing exports of agricultural products for American farmers and ranchers; and opening Korea's services market to American companies. High standards for the protection of worker's rights and the environment make this a model for future trade agreements, which must be both free and fair.

This agreement is an integral part of my Administration's efforts to open foreign markets to U.S. goods and services, create jobs for American workers, farmers and businesses, and achieve our goal of doubling of U.S. exports over five years. It deepens the strong alliance between the United States and the Republic of Korea and reinforces American leadership in the Asia Pacific. I look forward to working with Congress and leaders in both parties to get this done and to ensure that America competes aggressively for the jobs and markets of the 21st century.

Once the deal is in place, U.S. pork and beef exports to South Korea could increase by \$2 billion a year, the American Meat Institute estimates.

Economic Benefit

"The free trade deal with the U.S. will bring huge economic benefit to both countries," South Korean President Lee Myung Bak said in a statement on the website of the presidential office. Lee said the agreement will help the alliance between the two countries move a step forward, according to the statement.

The trade accord is a "win-win for both our countries," Obama told reporters in Washington. It will level the playing field for automakers, boost U.S. exports by as much as \$11 billion, support job growth and enhance the U.S. partnership with South Korea, Obama said.

The pact will significantly boost South Korea's exports through industries from autos, textiles and electronics to chemicals, South Korea's Ministry of Knowledge Economy said in an e-mailed statement.

South Korea's trade surplus with the U.S. will widen by \$463 million annually over 10 years, helped by increased exports of automobiles, electronics and textiles, after the pact, according to a 2007 study by South Korean think tanks, including the Korea Institute for International Economic Policy. Agricultural imports from the U.S. will grow by \$370 million annually over 15 years, led by pork and beef, according to the study.

South Korea reported a trade surplus of \$8.6 billion with the U.S. in 2009, with \$37.6 billion in exports, according to the Korea International Trade Association.

Brazil Draws Out \$36 bn from Economy



Brazilian banks fell in Sao Paulo trading after the central bank raised reserve and capital requirements to slow consumer lending growth that's running at 20 percent annually and prevent a credit bubble.

Banco Santander Brasil SA, the Brazilian unit of Spain's biggest bank, declined 3.3 percent to 22.58 reais at the close of trading in Sao Paulo at 3 p.m. New York time. Banco do Brasil SA, Latin America's biggest bank by assets, fell 2.7 percent to 32.60 reais. The benchmark Bovespa index gained 0.3 percent.

The central bank took into account the "solvency" of Brazil's financial system when deciding to take the measures, said President Henrique Meirelles. The move is being made a month after Grupo Silvio Santos took a 2.5 billion reais (\$1.5 billion) loan to bail out Banco Panamericano SA, the nation's 21st largest by assets.

Reserve requirements on time deposits will rise to 20 percent from 15 percent and an additional requirement for non-interest bearing accounts will climb to 12 percent from 8 percent. The moves will remove 61 billion reais (\$36 billion) from circulation, the central bank said today. Banks will also be required to use more capital to back consumer loans that exceed 24 months. The measures take effect Dec. 6.

Outstanding consumer credit rose 1.8 percent in October from September, to a record 743.5 billion reais (\$438 billion). Credit rose to a record 47.2 percent of gross domestic product, from 46.7 percent in September.

Brazil joins the People's Bank of China in tightening policy to head off inflationary pressure as domestic demand expands. That contrasts with policies in developed nations, where the Federal Reserve, the European Central Bank and the Bank of Japan are buying assets to shore up their economic recoveries. Brazilian inflation is quickening as the economy grows at the fastest pace in more than two decades.

'Macroeconomic Implications'

Brazil, the world's eighth-largest economy, will expand 7.55 percent this year, according to a central bank survey of about 100 economists published Nov. 29.

The same survey showed that economists expect the central bank to raise the benchmark interest rate by 150 basis points, or 1.5 percentage points, next year, starting with a 50 basis point increase in April.

Euro Strengthens to \$1.34 on ECB Debt Moves



The euro rose against the dollar for the first week in a month as the European Central Bank moved to curb the spread of the sovereign-debt crisis and economic data in China and Europe fueled demand for

higher-yielding assets.

The shared currency reversed an early-week slide as ECB President Jean-Claude Trichet extended liquidity measures and the bank bought bonds to quell concern some nations may default on their debt. Commodity-linked currencies gained, with South Africa's rand advancing the most in nine months, as raw-material prices surged. U.S. consumer confidence is at a six-month high, a survey may show next week.

The euro strengthened 1.3 percent to \$1.3414 on 3 December, the first increase since the five days ended Nov. 5, from \$1.3242 on Nov. 26. It touched \$1.2969 on Nov. 30, the lowest level since Sept. 15. The shared currency fell 0.6 percent to 110.73 yen, from 111.37.

The yen gained against the dollar for the first time in five weeks, advancing 1.9 percent to 82.53, the strongest level since Nov. 15. It closed at 84.10 on Nov. 26.

Currencies linked to global growth, such as South Africa's rand, the Norwegian krone and the Australian dollar, advanced as commodities

rose. The Thomson Reuters/Jefferies CRB Index of 19 raw materials gained 5 percent for the week, the most since October 2009.

Rand Climbs

The rand appreciated 4 percent, the most since March, to 6.8760 per dollar. The krone climbed 3.4 percent to 5.9523 per greenback and the Aussie rose 3 percent to 99.31 U.S. cents.

U.S. stocks gained, with the Standard & Poor's 500 Index increasing 3 percent, the biggest weekly jump in a month.

The euro began a three-day advance against the dollar on Dec. 1 amid speculation the ECB would take fresh steps at its meeting the next day to stem debt-crisis contagion and as data showed manufacturing expanded in China, the U.S. and Europe.

China's factory Purchasing Managers Index climbed for a fourth month in November, according to a logistics federation report. European manufacturing expanded at the fastest pace in four months in a factory gauge of the euro area, London-based Markit Economics said, while the Institute for Supply Management's factory index showed U.S. manufacturing accelerated for a 16th straight month.

South Korea's won had the biggest weekly gain in two months, rising 1.9 percent to 1,138.55 per dollar.

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
6-Dec-10	45.2100	45.2350	45.0000	45.1825	45.1825	750827	2788223	1258058	44.8500
3-Dec-10	45.4125	45.4125	45.2525	45.3100	45.3100	720592	2144104	971625.8	45.0900
2-Dec-10	45.5825	45.5950	45.4100	45.5000	45.5000	696372	2339048	1064385	45.3700
1-Dec-10	46.0800	46.1000	45.5625	45.6050	45.6050	714549	2806526	1286460	45.7000

[Source: NSE and RBI Website]

Subscription rate for the Weekly Index with World Trade Scanner

- Six months Rs. 375 US\$45
- 1 Year Rs. 750 US\$70
- 2 Years Rs. 1400 US\$140
- 3 Years Rs. 2100 US\$200

Trade Value Growth Slows in the Third Quarter of 2010 - WTO

The value of world merchandise trade was 18% higher in the third quarter of 2010 than in the same period of 2009, according to the latest WTO quarterly figures released on 1 December 2010. This marks a slowdown in comparison with the 26% increase registered in the second quarter of 2010.

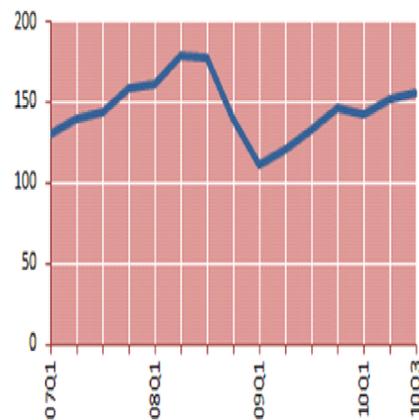
From January to September trade expanded by 23%, continuing the recovery that began in the second quarter of 2009. Despite this positive trend, the value of world trade remains below its peak level from before the present financial crisis.

These short-term "value" figures should not be confused with the annual trade growth figures, which are "volume" data using "constant dollars" with inflation taken into account.

The latest projection of 13.5% merchandise trade volume growth for 2010, released on 20 September, remains unchanged for the time being.

WTO short-term merchandise trade values are expressed in "current" US dollars, ie, they are not adjusted for changes in prices. Nor are they seasonally adjusted. Seasonal patterns therefore considerably affect the quarter on quarter (Q-o-Q) and month on month (M-o-M) developments in world trade, and this in turn affects comparisons between the trade developments in individual regions and economies.

Chart 1: World merchandise exports, first quarter 2007 to third quarter 2010
Indices, first quarter 2005=100

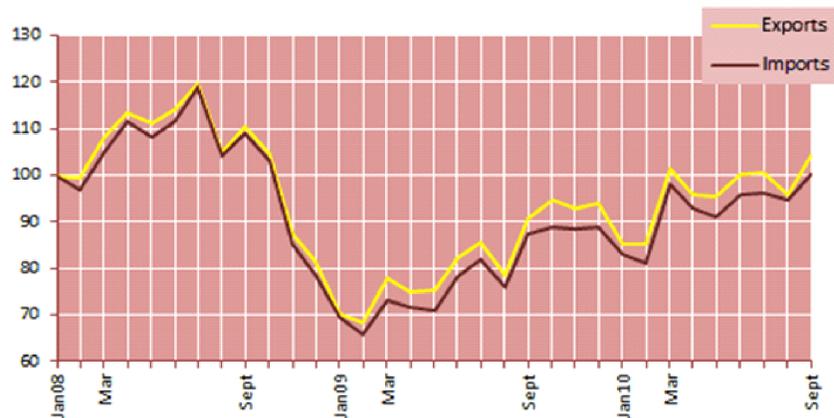


In the third quarter of 2010, world merchandise exports were about 3% higher than in the second quarter ("quarter on quarter").

Within that period, available monthly statistics for about 70 economies representing some 90% of world trade show that merchandise trade stagnated in July, decreased in August and bounced back in September 2010.

This pattern is similar, albeit less pronounced, to what had already been observed in 2009 and reflects in good part seasonal variations of demand.

Chart 2: Monthly merchandise trade, aggregate of 70 economies
Indices, January 2008=100



Overview of regional trade flows

Extra-EU trade (external trade between the EU and the rest of the world) rose considerably faster than trade within the EU, which remained constrained by low economic activity. Asian exports rose by about 30% in the third quarter of 2010, as compared to the corresponding period of 2009.

Exports from Africa and the Middle East were 22% higher than in the corresponding period of 2009 mainly due to the rebound of commodity prices after the crisis.

Table 1: World merchandise trade by region and selected economies, July-Sept 2010

Percentage change in current US dollars, year-on-year (Y-o-Y) and quarter-on-quarter (Q-o-Q)

Exports			Imports	
Y-o-Y	Q-o-Q		Y-o-Y	Q-o-Q
18	3	World (a)	18	4
21	0	North America	23	4
20	1	United States	23	5
16	-5	Canada	20	1
22	4	South and Central America	34	12
33	12	Brazil	49	18
7	2	Europe	9	2
8	2	European Union (27) (b)	9	2
4	0	-intra EU	4	0
14	6	-extra EU	17	6
18	-1	Commonwealth of Independent States (CIS)	29	13
18	0	Russian Federation	39	17
22	3	Africa and the Middle East	10	5
29	6	Asia (a)	26	5
32	11	China	27	5
20	2	India	31	4
28	7	Japan	25	7
25	2	Six East Asian traders (c)	26	2

a. Includes significant re-exports or imports for re-exports.

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b. "Intra EU" is trade within the EU; "extra EU" is trade between the EU and non-EU economies.

c. Hong Kong, China (excluding re-export trade); Republic of Korea; Malaysia; Singapore; Taipei, Chinese and Thailand.

WTO Calls for New NAMA Text by April End

Luzius Wasescha, who leads the talks on Non-Agricultural Market Access (NAMA), opened the latest round of NAMA talks on 26 November by laying out the next steps in the process and urging delegates to enter into intensive negotiating mode. His comments came just ahead of a similar appeal by WTO Director-General Pascal Lamy, who spoke at the Trade Negotiations Committee.

Speaking to the members of the NAMA Negotiating Group, Swiss ambassador Wasescha said that following small group talks between ambassadors on the round as a whole, the ball was firmly back in the court of the negotiators. He called for intensified discussions to take place in small groups, which should develop a new text by the Easter break in order to leave time for members to wrap up the Doha Round at the end of the year. Intensification was key, he said: you can have a large group, which is small in terms of impact if it lacks energy. However, a group that is small in size but large in terms of energy can accomplish accordingly.

Wasescha provided three pointers on the way forward. First, he said that if Members felt some specific issues had not received enough attention, this should be brought up directly with him. Second, he stressed that the coordinators of the various country groupings should make it clear that time was running short, and so the coordination processes should be accelerated. Third, he asked negotiators to focus on the essentials. As such, delegates should avoid detailed and abstract discussions and concentrate on drafting concrete textual proposals.

The NAMA group has been focusing on non-tariff measures such as health and safety standards or technical regulations, seeking ways to prevent them from unduly restricting trade. Chair Wasescha said that while the 'NTB Brief' has

been 'easy' until now because members have mainly been introducing and discussing ideas, they will have to start the hard work.

Wasescha said that text-based negotiations should proceed with regard to a 'horizontal mechanism' - set to quickly mediate trade irritants arising from non-tariff measures and avoid the WTO's time-consuming and expensive formal dispute settlement process - as delegates have sufficient elements at hand. He said he would ask for delegations to help in this challenging endeavour and that he wanted a readable text, not unreadable brackets. He stressed that the horizontal mechanism would be an additional tool available to Members, but that its use would be by no means obligatory.

With regard to remanufacturing, he said the situation was similar, and that the only way forward was to focus on essential elements. He would look for a small group of people to help devise a neutral text. On transparency, he said this was an area to work on with regulators, and push the envelope, test new ideas and engage in constructive dialogue. He said he did not understand objections to efforts in this area. The idea, said Wasescha, was not to harmonise standards, conformity assessment requirements etc as such, but to create greater convergence. He stressed that the current talks represented the last opportunity to bring in conceptual inputs on transparency.

Wasescha stressed the need to also get officials in capitals on board and willing to compromise, placing some of the burden on the Geneva-based delegates in this regard. Finally, saying that what he offered was just "friendly advice from the chair," Wasescha called on delegates to be reasonable in the negotiations on the road ahead.

Australia to Comply with WTO Ruling on NZ Apple Ban

The WTO's Appellate Body has found in favour of New Zealand over Australia's 89-year trade ban on apples from its easterly neighbour. Last August, New Zealand's complaint that the ban to prevent the spread of fire blight was not in line with Australia's WTO commitments was supported by a dispute settlement panel.

Because of the unique flora and fauna in the two isolated countries, New Zealand and Australia are hyper-vigilant against diseases that could threaten agriculture. Australia says it has thus far prevented the



arrival of fire blight - a potentially devastating disease for apples and pears - and apple producers say New

Zealand imports will throw the door open to the disease.

The apple issue, which has elicited several large-scale protests by apple producers in the past, has been a blemish on an otherwise harmonious bilateral trade relationship. Canberra lifted the 1921 ban three years ago despite the public outcry, but Wellington has argued that in effect the embargo remains in place. Protective measures, such as chlorine baths and orchard inspections, are unreasonably protective, the New Zealand government has said. In August, the dispute settlement panel found that Australia's 16 quarantine measures and "import risk analysis" were not in line with the WTO's Sanitary and Phytosanitary (SPS) Agreement.

Australia has announced that it accepts the WTO decision and will conduct a science-based review of procedures. If Canberra fails to conform to SPS regulations, New Zealand will be in a position to impose punitive duties on Australian goods. But all indications are that Australia has given up the fight and will comply with the decision.

"As a country dependent on exports, we cannot turn our backs on the WTO rules that support our nation's prosperity and that we used to gain access to other countries' markets," said Craig Emerson, Australia's Minister for Trade. "Being a leading member and advocate of global trading rules, Australia must now abide by those rules."

New Zealand says the decision will be a boon to its producers, who have been forced to export to markets further afield. Groser says his government is anxiously awaiting the details of how Australia will respond to the WTO ruling.

Unemployment Stoking Protectionism warns WTO

High unemployment in many countries is fuelling demand for protectionist measures, which could potentially threaten jobs and growth worldwide, a WTO report warned last week.

The report, the global trade body's latest on developments in the international trading environment, noted that trade has bounced back strongly this year, following a sharp contraction in 2009. The WTO now forecasts a 13.5 percent increase in volume (measured by exports) from last year's level. Developing countries have been the main drivers of the recovery with exports rising by 16.5 percent, compared to 11.5 percent for industrialised countries. Developing countries in Asia recorded the strongest increase of 27 percent, higher than any other region.

The pattern mirrors the unequal distribution of economic growth more generally: while developing countries' total GDP is expected to rise by 7.1 percent in 2010, developed countries will achieve just a 2.7 percent increase. (Both groups are expected to achieve slightly slower GDP growth next year.)

Unemployment, imbalances erode confidence in trade

Most governments will continue to struggle with high unemployment for the foreseeable future. The ILO estimates that high-income economies will take until 2015 to reach pre-crisis levels of employment. In contrast, some emerging economies have already returned to 2008 levels. Globally, however, thirty million more people are estimated to be jobless than was the case two years ago, with youth unemployment twice the overall rate in most countries.

The report noted that global imbalances - huge trade surpluses in some economies and large deficits in others - were driving up protectionist pressures "at a time when the political consensus in favour of open trade and investment is already under strain from stubbornly high levels of unemployment in many countries." Such pressures are particularly acute in the US, where the House of Representatives has already passed legislation that would open the door to the imposition of countervailing duties on

Cont'd..416

Anti-dumping

Anti-dumping on CFLs will be Applicable on CKD/SKD Kits Also

Subject: Anti Dumping Duty on parts/components of Compact Fluorescent Lamps (CFL) from China and Hong Kong as per Customs Notification No.138/2002-Customs dated 10.12.2002.

43-CBEC It has been brought to the notice of the Board that (DoR) Board's letter dated 25.10.2007 issued vide F.No. 528/53/2007-Cus (TU) is being interpreted wrongly to mean that anti-dumping duty would not be imposed on CFLs if they are imported in CKD/SKD condition either together or in part shipments.

2. The matter has been examined by the Board. It is observed that the Board's letter dated 25.10.2007 (referred above) clarified that anti dumping duty on CFLs imported from Peoples Republic of China and Hong Kong was not leviable/recommended on parts/components of CFLs but only on complete CFLs as mentioned in the relevant Notification No.138/2002-Cus dated 10.12.2002. This was based on a clarification issued by the Directorate General of Anti Dumping and Allied Duties (DGAD) and was necessitated because of reports of confusion whether such duty is also levied on parts/components. However, it is now learnt that the said clarification in respect of parts/components of CFLs is being wrongly extended to import of CFLs in CKD/SKD condition.

3. In this regard, it is observed that Rule 2(a) of the General Interpretative Rules is relevant for



the purpose of classification of goods imported in CKD/SKD condition. In terms of the said Rule 2(a), any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, the incomplete or unfinished articles has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled. Thus, when any article such as CFL is imported in CKD/SKD condition, its classification for purpose of assessment would be done as complete or finished article in terms of the said Rule 2(a). Accordingly, when anti-dumping duty is attracted on any article then it is also to be levied if the said article is imported in CKD/SKD condition either together in one lot or in part shipments.

4. All pending assessments, if any, may be finalized accordingly.

5. Difficulty faced, if any, may be brought to notice of the Board.

F.No.528/53/2007-Cus (TU)

Provisional Assessments Allowed to Giti Group on New Shipper Review in Anti-dumping Duty on Radial Tyre Imports from China Case

Ntfn 122 Whereas, in the matter of 02.12.2010 import of Bus and Truck Radial Tyres, (hereinafter referred to as the subject goods), falling under item numbers 40112010 (for tyres) and 40131020 and 40129049 (for tubes and flaps respectively) of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and originating in, or exported from the People's Republic of China (China PR) and Thailand (hereinafter referred to as the subject countries), the designated authority, vide its final findings in notification No. 14/17/2008-DGAD, dated the 1st January, 2010 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 1st January, 2010, had come to the conclusion that-

(a) there had been increase in the volume of dumped imports from the subject countries, both in absolute terms as also in relation to total production and market demand of the subject goods in India, resulting in a decline in the market share of the domestic industry;

(b) the imports were causing significant price undercutting resulting in price suppressing effect on the domestic industry;

(c) in spite of increase in production and sales, profitability of the domestic industry per unit of sales declined after increasing in 2006-07, resulting in deterioration in profits, cash profits and a decline in the return on capital employed;



(d) decline in the market share had resulted in increase in inventories with the domestic industry in spite of higher capacity utilization;

(e) this had led to domestic industry suffering material injury and imposition of final duty is required to offset dumping and injury;

and had recommended imposition of definitive anti-dumping duty on all imports of the subject goods, originating in, or exported from, the subject countries;

And whereas on the basis of the aforesaid findings of the designated authority, the Central Government had imposed an anti-dumping duty on subject goods falling under Chapter 40 of the First Schedule to the said Customs Tariff Act, 1975 originating in or exported from China PR and imported into India vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2010-Cus-

toms, dated the 19th February, 2010, published in Part II, section 3, sub-section (i) of the Gazette of India, Extraordinary, G.S.R. 93(E) dated the 19th February, 2010;

And whereas, in the said matter, M/s. Giti Tire(Anhui) Company Ltd ("Giti Anhui"), M/s. Giti Tire(Fujian) Company Ltd ("Giti Fujian") and M/s. Giti Tire(Chongqing) Company Ltd ("Giti Chongqing"), (All the three being both producers and exporters), have requested for review in terms of rule 22 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 in respect of exports made by them, and the designated authority, vide new shipper review initiation notification No. 15/25/2010-DGAD, dated the 21st September, 2010 published in the Gazette of India, Extraordinary, Part I, section 1, dated the 21st September, 2010 has recommended provisional assessment of all exports of Bus and Truck Radial Tyres, made by M/s. Giti Tire(Anhui) Company Ltd ("Giti Anhui"), M/s. Giti Tire(Fujian) Company Ltd ("Giti Fujian") and M/s. Giti Tire(Chongqing) Company Ltd ("Giti Chongqing"), (All the three being both producers and exporters), when imported in to India, till the completion of the said review;

Now, therefore, in exercise of the powers conferred by sub-rule (2) of rule 22 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid recommendation of the designated authority, hereby orders that pending the outcome of the said review by the designated authority, export of Bus and Truck Radial Tyres falling under item nos. 40112010 (for tyres) and 40131020 and 40129049 (for tubes and flaps respectively) of the First Schedule to the Customs Tariff Act, 1975, by M/s. Giti Tire(Anhui) Company Ltd ("Giti Anhui"), M/s. Giti Tire(Fujian) Company Ltd ("Giti Fujian") and M/s. Giti Tire(Chongqing) Company Ltd ("Giti Chongqing"), from China PR, when imported into India, shall be subjected to provisional assessment till the review is completed.

2. The provisional assessment may be subject to such security or guarantee as the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, deems fit for payment of the deficiency, if any, in case a definitive anti dumping duty is imposed retrospectively, on completion of investigation by the designated authority.

3. In case of recommendation of anti-dumping duty after completion of the said review by the designated authority, the importer shall be liable to pay the amount of such anti-dumping duty recommended on review and imposed on all imports of Bus and Truck Radial Tyres in to India, when exports made by M/s. Giti Tire(Anhui) Company Ltd ("Giti Anhui"), M/s. Giti Tire(Fujian) Company Ltd ("Giti Fujian") and M/s. Giti Tire(Chongqing) Company Ltd ("Giti Chongqing"), when imported in to India, from the date of initiation of the said review.

[F. No. 354/207/2009-TRU (Pt.1)]

Dumping Duty on Japan Hiked to US \$547/MT from \$179.43/MT

PTT Thailand Gets Relief in Final Finding on Phenol

Ntfn 120
01.12.2010
(DoR)

Whereas in the matter of imports of Phenol [hereinafter referred to as the subject goods], falling under sub heading 2907 11 10 or 2707 99 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, Thailand and Japan (hereinafter referred to as the subject countries) and imported into India, the designated authority in its preliminary findings vide notification No.14/27/2009-DGAD, dated the 3rd February, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 3rd February, 2010, had come to the conclusion that –

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

(b) the domestic industry had suffered material injury;

(c) the injury had been caused by the dumped imports from subject countries;

and had recommended imposition of provi-

sional anti-dumping duty on the imports of subject goods, originating in, or exported from, the subject countries;

And whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods vide notification No. 53/2010-Customs, dated the 19th April, 2010, published in the Gazette of India, Extraordinary Part II, Section 3, Sub-section (i), vide number G.S.R. 335(E), dated the 19th April, 2010;

And Whereas, the designated authority, in its final findings vide notification No. 14/27/2009-DGAD dated the 8th October, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 8th October, 2010, had come to the conclusion that various parameters have established positive dumping margin as well as material injury to the domestic industry caused by such dumped imports of Phenol originating in, or exported, from Thailand and Japan and imported into India;

Now, therefore, in exercise of the powers

conferred by sub-section (1) read with sub-section (5) of section 9A of the said Customs Tariff Act, 1975 read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (3) of the Table below, falling under subheading the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country specified in the corresponding entry in column (4), and exported from the country specified in the corresponding entry in column (5) and produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table.

Table

SNo	Sub-heading	Description of goods	Country of origin	Country of export	Producer	Exporter amount	Duty	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	2907 11 10 or 2707 99 00	PHENOL	Thailand	Thailand	M/s PTT Phenol Company Limited, Thailand	M/s PTT Phenol Company Limited, Thailand /M/s PTT Public Company Ltd.	10.03	MT.	USD
2.	2907 11 10 or 2707 99 00	PHENOL	Thailand	Thailand	M/s PTT Phenol Company Limited, Thailand	Mitsui & Co. Ltd., Japan (MBK) OR Mitsui & Co. (Asia Pacific) Pte. Ltd. Singapore	Nil	MT.	USD
3.	2907 11 10 or 2707 99 00	PHENOL	Thailand	Thailand	Any combination other than at Sl. no. 1 and 2 above	than at Sl. no. 1	172.53	MT.	USD
4.	2907 11 10 or 2707 99 00	PHENOL	Thailand	Any other than Singapore, USA, South Africa, EU, Korea, RP, Japan	Any	Any	172.53	MT.	USD
5.	2907 11 10 or 2707 99 00	PHENOL	Any other than Singapore, USA, South Africa, EU, Korea, RP, Japan	Thailand	Any	Any	172.53	MT.	USD
6.	2907 11 10 or 2707 99 00	PHENOL	Japan	Japan	M/s Mitsui Chemical Inc., Japan(MCI)	Mitsui & Co. Ltd., Japan (MBK) OR Mitsui & Co. (Asia Pacific) Pte. Ltd. Singapore	468.17	MT.	USD
7.	2907 11 10 or 2707 99 00	PHENOL	Japan	Japan	Any combination other than Sl.no.6 above	than Sl.no.6 above	547.03	MT.	USD
8.	2907 11 10 or 2707 99 00	PHENOL	Japan	Any other than Singapore, USA, South Africa, EU, Korea, RP, Thailand	Any	Any	547.03	MT.	USD
9.	2907 11 10 or 2707 99 00	PHENOL	Any other than Singapore, USA, South Africa, EU, Korea, RP, Thailand	Japan	Any	Any	547.03	MT.	USD

2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, the 19th April, 2010, and shall be payable in Indian currency.

Explanation. - For the purposes of this notifica-

tion, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers

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

[F.No.354/23/2010 –TRU]

Classification

Industrial Process Controllers (PXI) under 9032 89 00

Input-Output Modules, Signal Converters and Chassis under HS 9032 90 00

Subject: Classification of PXI Controllers, Input/Output Modules, Signal Converters and Chassis and its parts.

42-CBEC 29.11.2010 (DoR) It has been brought to the notice of the Board that there are divergent practices regarding classification of PXI Controllers, Input/Output Modules, Signal Converters and Chassis and its parts. Essentially, PXI Controllers are designed for measurement and automation applications, which require high performance and a rugged industrial form. Further, Input/Output Modules are tailored to a specific function as a part of a regulating and controlling apparatus like a sensor, thermostat etc. Therefore, one has to look at the PXI machine holistically for the purpose of classification but some field formations are classifying these under CTH 8471 as Automatic Data Processing machines while others are doing so under CTH 9032 as automatic or controlling instruments and apparatus.

2. In this regard, your attention is invited to Hon'ble Supreme Court order in CA No.5394/2010 (D No.4818/2010), reported in ELT vide 2010 (256) ELT 173 (SC). As per the said Hon'ble Supreme Court order, PXI Controller constitutes a complete system performing work of measurement-programmable Automation Controllers (PACs) by themselves are not measuring, regulating or controlling instrument but perform specific function as parts of sensors and are classifiable under CTH 9032 89 10. Chassis

of PXI provides connectivity and housing for embedded controllers and data acquisition modules allowing them to communicate with each other. Input/Output Module is tailored to a specific function and each of them is a part of regulating and controlling apparatus like sensor, thermostat etc. and their primary function is part of measuring and control system and are classifiable under CTH 9032 90 00. Accordingly, the Hon'ble Supreme Court set aside the impugned order of CESTAT and allowed the Appeal filed by the department.

3. Based on the above referred Hon'ble Supreme Court order, Industrial Process Controllers (PXI) is a measuring and control system classifiable under Tariff Item 9032 89 10 of Customs Tariff Act, 1975 while Input/Output Modules, Signal Converters and Chassis are parts of such system and are classifiable under Tariff Item 9032 90 00 of the said Act. Accordingly, Board desires that all Chief Commissioners may ensure uniform practice of assessment of PXI Controllers, Input/Output Modules, Signal Converters and Chassis.

4. All pending assessments, if any, may be finalized accordingly.

5. Difficulty faced, if any, may be brought to notice of the Board.

F.No.528/49/2010-STO (TU)

Additional Bond Required

Clarification on Execution of Bond-cum-Legal Undertaking by SEZ Units

Subject: Clarification on execution of Bond-cum-legal Undertaking by the SEZ Developer or SEZ Unit in terms of rule 22(1)(iv) of the SEZ Rules, 2006.

72-SEZ 30.11.2010 The undersigned is directed to say that the representations have been received from the SEZ Developer SEZ Unit seeking clarification on execution of bond-cum-Legal Undertaking by the SEZ Developer or SEZ unit in terms of Rule 22(1)(iv) of SEZ rules, 2006, as under:-

(i) Whether bond amount is required to be monitored by developer or unit itself or it is required to be monitored by the Office of the Development Commissioner;

(ii) Whether a developer or a unit can execute Bond-cum-Legal Undertaking for an amount, covering requirement of raw material etc., for a longer period (say 1 year or 5 year).

In this context, rule position is clarified as follows:-

(i) Rule 22(1)(iv)(d) prescribes that there shall be no debit and credit and the Bond-cum-Legal Undertaking amount shall be monitored quarterly or yearly on the basis of quarterly progress report or annual performance report submitted by the developer or unit, as the case may be, and in case of any shortfall in the Bond-cum-Legal Undertaking amount, a fresh or additional Bond-

cum-legal Undertaking shall be furnished. Hence as per this provision a developer or unit is required to monitor its own Bond-cum-Legal Undertaking amount on quarterly and yearly basis and in case there is shortfall, developer or unit is required to submit, on its own, additional Bond-cum-Legal Undertaking. This is the responsibility of the developer or unit to ensure that sufficient balance is available in the Bond-cum-Legal Undertaking.

(ii) Rule 22(1)(iv)(b) prescribes that a SEZ unit is required to give Bond-cum-Legal Undertaking to cover duties leviable on import or DTA procured raw material etc., for 3 months. In respect of SEZ developer this paragraph says that Bond-cum-Legal Undertaking should cover affective duty leviable on import or procurement from DTA of projected requirement of goods for the authorized operations. However, in case a unit or a developer wants to execute Bond-cum-Legal Undertaking for covering the requirement for 1 year or for 5 year, so that it does not have to monitor on quarterly or yearly basis, then there is no objection to it and the same can be executed.

[No. J-9/3/2010-SEZ(Pt.)]

Corrigendum to Ntfn 119/2010 dated 19.11.2010

[Corrigendum dated 1st December 2010]

In the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 119/2010-Customs, dated the 19th November, 2010 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 919(E), dated the 19th November, 2010, in the table, against Sl.No.18, in column (7) for the words "Sumitomo Corporation Asia Pte. Ltd", read "Sumitomo Chemical Asia Pte Ltd".

[F.No.354/140/2009 -TRU]

Edible Oil Export in Consumer Packs Ceiling of 10,000 MT is Independent of Exemptions to Castor Oil etc

Subject: Prohibition on export of edible oils—clarification regarding exemptions from export of edible oils.

05-Pol.Cir 02.12.2010 (DGFT) The export of all edible oils under Chapter 15 of Schedule 1 of ITC(HS) Classification of Export &

Import Items was prohibited initially for a period of one year vide Notification No. 85(RE-2007)/2004-09 dated 17.03.2008. The prohibition has been extended from time-to-time and is presently applicable upto 30.09.2011 in terms of Notification No. 07(RE-2010)/2009-14 dated 30.09.2010.

2. Vide Notification No. 92 dated 01.04.2008 and Notification No. 33 dated 19.08.2008, certain exports of edible oil were granted exemption from this prohibition, namely (a) export of Castor Oil (b) export of coconut oil from Cochin Port (c) Deemed export of edible oils(as input raw material) from DTA to 100% EOUs for production of non-edible goods to be exported and (d) export of oil produced out of minor forest produce even if edible, ITC(HS) Code 15159010, 15159020, 15159030, 15159040, 15179010 and 15219020.

3. Permission was also given for export of edible oils, in branded consumer packs of upto 5 Kgs with a ceiling of 10,000 tons through custom EDI Ports upto 31.10.2009. This was first notified on 20.11.2008 and extended from time-to-time. Presently as per Notification No. 09(RE-2010)/2009-14 of 01.11.2010 such export of edible oil in branded consumer packs of upto 5 Kgs is permissible upto 31.10.2011, subject to the limit of 10,000 tons.

4. The prohibition imposed on export of edible oils as mentioned in para(1) above or the ceiling of 10,000 tons as detailed in Para (3) above does not apply to the exemptions as described in para(2) above.

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

No More Export Registration on Cotton Yarn after 720 mn Kgs Ceiling

[Ref: Press Release regarding Govt. Decision on Cotton Yarn export registration issued by MoT vide OM No. 7/32/2010-CT-II dtd 01.12.2010]

Ministry of Textiles has been monitoring the cotton yarn production / consumption / export situation in the country very closely. The Cotton Yarn Advisory Board (CYAB) has been constituted in September 2010 to formulate the Cotton Yarn Balance sheet for the country. Following two meetings of the CYAB on October 1st and 29th 2010, the cotton yarn balance sheet formulated indicates the production/consumption/export figures as follows:

Cotton yarn supply / production:	3460 million kgs
Cotton yarn domestic demand:	2656 million kgs
Cotton yarn exports:	720 million kgs
Closing stock:	84 million kgs
Export as % of supply:	21%
Yarn exports at 720 million kgs for the year	

2010-11 would be the highest ever export performance achieved by the Indian spinning industry in comparison to the 589 million kgs in 2009-10 and 556 million kgs in 2008 09.

In the backdrop of the increased domestic demand and to the address the price volatility the Government has decided that there shall be no further registration of the cotton yarn exports beyond 720 million kgs. All applications in pipeline above the export registration of 720 million kgs shall not be considered by the Textiles Commissioner, Mumbai.

It is expected that this decision will provide adequate domestic availability of cotton yarn and ensure price stability which will benefit millions of Handloom weavers, Knitwear industry, Garment manufactures and Power loom weavers.

Forged Documents of Cotton Yarn Quota Force Customs to Verify Status from Textile Ministry

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Custom House on 22nd November 2010.

Sub: Proper verification of EARCs issued by Ministry of Textile for Export of cotton yarn.

121-PN Attention of all exporters,
22.11.2010 importers and custom hose agents is invited and members is invited to Ministry of Textiles Policy circular No.42(2)/2010/Policy (EARC)/615 dated 11.10.2010 wherein the subject of verification of EARC 's is issued by Ministry of Textile for export of cotton yarn has been examined by the textile Ministry and it has been found that the documents related to proof of shipments for export of cotton yarn submitted by an exporter are forged to extend the validity date to export

registered quantity.

2. The matter has been examined and it has been decided that the proper verification of EARC shall be done by the Customs through return fax from the concerned Textile authority before permitting the clearance of export consignment,

3. Any difficulty, if faced, in the implementation of this Public Notice may be brought to the notice of the undersigned.

F.No. S/12-Gen-42/08 AM(X)

Centralized Consolidated Certificate for 4% SAD Refund

The following Public Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Custom House on 1st December 2010.

123-PN Attention OF ALL Exporters,
01.12.2010 Importers, Custom House Agent and Member of Trade and all concerned is invited to the Notification No.102/2007-Customs dated 14.9.2007, Notification No.93/2008-Customs dated 1.8.2008 and Board's Circulars No. 6/2008-Customs dated 28.4.2008, No.16/2008-Customs dated 13.10.2008, No.6/2009-Customs dated 9.2.2009, No.18/2010-Customs dated 8.7.2010 and No.23/2010-Customs dated 29.7.2010 regarding procedure to be followed by the Customs field formations in case of 4% CVD refund claims.

2. Circular No.6/2008-Customs dated 28.4.2008 provides that the refund of 4% CVD paid at the time of import through DEPB scrips shall be disbursed by re-credit of the sanctioned refund amount to the relevant DEPB Licence. Further, Circular No.6/2009-Customs dated 9.2.2009 extends the facility of similar re-credit to the relevant scrip for disbursing SAD refund in

respect of other scrips like Vishesh Krishi and Gram Udyog Yojana (VKGUY), Focus Market Scheme (FMS) and Focus Product Scheme (FPS) also. However, it has been represented by the trade and industry that existing EDI facility does not allow re-credit of the amount of 4% CVD refund sanctioned in respect of these schemes in the relevant scrips and as a result of that, a large number of refund claims are held up in different customs houses. The matter was referred to DGFT for resolving the same.

3. DGFT have subsequently issued a Public Notice No.38/2009-2014 dated 3.2.2010 and also a Policy Circular No.22/2009-14 dated 3.2.2010 for extending the validity of Duty Credit Scrips. Accordingly, concerned Commissionerates of Customs are required to issue a consolidated certificate indicating total amount sanctioned as refund (4% CVD). As per Public Notice, concerned DGFT / Regional Licensing Authorities (RLA) are required to issue necessary re-credit on the scrip on the basis of con-

Pulses Quota of 60 MTs to Maldives for MMTC

Subject: Prohibition on export of Pulses – Exemption for export of 60 MTs of pulses to the Republic of Maldives.

11-Ntn(RE) In exercise of the powers
03.12.2010 conferred by Section 5 of
(DGFT) the Foreign Trade (Develop-
ment & Regulation) Act,

1992 (No.22 of 1992) as amended, read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes the following amendment in the Notification No. 15 (RE-2006)/2004-09 dated 27.06.2006 read with Notification No. 35 /2009-14 dated 30.03.2010.

2. The export of pulses had been prohibited vide Notification No. 15(RE-2006)/2004-09 dated 27.06.2006 which had initially been imposed for a period of 6 months and is presently extended till 31.03.2011 vide Notification No. 35 /2009-14 dated 30.03.2010.

3. Now, export of 60 MTs of pulses (Dal) is being allowed for export to the Republic of Maldives through M/s. MMTC Ltd which is an exception to the prohibition imposed by the above notifications.

Central African Republic Included in 40% Off Tariff Scheme for LDCs

Ntnf 121 In exercise of the powers
01.12.2010 conferred by sub-section (1)
(DoR) of section 25 of the Customs
Act, 1962 (52 of 1962), the

Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 96/2008-Customs, dated the 13th August, 2008 which was published in the Gazette of India, Extraordinary, vide number G.S.R. 590 (E), dated the 13th August, 2008, namely:-

In the said notification, in the Schedule, after serial number 25 and the entries relating thereto, the following serial number and entries shall be added, namely:-

S. No.	Name of the Country
"26	Central African Republic"

F. No. 354/189/2005-TRU (Vol. II)]

solidated certificate issued by Commissionerate. Policy Circular No.22/2009-14 dated 3.2.2010 issued by DGFT also provides for sending a copy of such duty scrips where re-credit was allowed along with the details of original duty scrips so that the Customs authorities can compare the details before allowing clearance of import consignment against the scrips.

4. It has come to the notice of the Board that even after issue of the Public Notice and Policy Circular by DGFT on the issue of re-crediting DEPB scrips on account of 4% CVD refund,

difficulties are still being faced by trade and industry as EDI, at present, does not have facility to register such re-credited scrips issued by DGFT in the system.

5. The matter has been examined in the Board. Board has considered the difficulties associated with change in EDI System to allow re-credit of scrips in case of 4% CVD refund and also the view of DGFT that modification in software at the end of DGFT for the purpose of re-credit of 4% CVD through Electronic Message System and its transmission to the Customs is not feasible at present.

6. Considering the large scale pendency of such refund claims and in order to address the difficulties in getting 4% CVD refund by re-crediting scrips, it has been decided by the Board that registration of re-credited duty scrips issued by DGFT on the basis of consolidated certificate furnished by Customs should be allowed on manual basis. The facility of manual filing of Bill of Entry for utilizing the amount of re-credited CVD refund for payment of duty is also allowed. This facility has been extended up to 30.12.2010 as a one-time measure with a view to liquidate all such pendencies by that time.

7. It has been decided that the re-credit amount of CVD refund should be used for payment of BCD and CVD only and not for 4% CVD so as to avoid cascading of subsequent re-credit of 4% CVD in the relevant scrips. Further, it is decided that in the interest of ensuring expeditious grant of refund of 4% CVD in cash, the importers are advised to make the initial payment of 4% CVD in cash.

8. The existing EDI software does not permit re-credit of such amount to the relevant scrips directly without re-assessment of the relevant B/E. Jawahar Custom House had prescribed a specific procedure for re-credit of such amount to the relevant scrips directly after re-assessment of the relevant B/E vide Standing Order No. 41/2009 dt. 09.09.2009.

9. It is decided that only those B/Es will be allowed for manual processing wherein the duty involved is equal to or less than the balance amount in the re-credited scrip. It has also been decided that re-credit amount of CVD refund will be used for payment of BCD and CVD only and not for 4% CVD so as to avoid cascading of subsequent re-credit of 4% CVD in the relevant scrips.

10. In order to streamline the process of issuing the centralized Consolidated Certificate and in order to have a proper monitoring system to ensure that the amount actually debiting to the relevant scrip manually, the following guidelines are prescribed:

(i) Importer will submit item wise calculation work sheet while filing of refund in new and pending refund claims under scrips;

(ii) Every file shall be checked by Compist for verification of refund amount claimed by the applicant;

(iii) A centralized Consolidated Certificate to be issued to the applicant mentioning all the

details as per Order-in-original passed by the DC/AC, CRC such as: License No., License dt. amount sanctioned against each License;

(iv) A centralized Register to be maintained in CRC section and a centralized Consolidated Certificate Number to be issued and a copy of the same to be pasted in the register;

(v) At the time of registration of re-credited License issued by DGFT, the importer has to verify the details of re-credited amount from the centralized Consolidated Certificate maintained at CRC Section;

(vi) The importer files the manual B's/E, wherein the duty involved is equal to or less than the balance amount in the re-credited scrip, to get the benefit of re-credit amount of the sanctioned SAD refund amount;

(vii) The re-credit amount of CVD refund can be used for payment of BCD and CVD only and not for 4% CVD so as to avoid cascading of subsequent re-credit of 4% CVD in the relevant scrips;

(viii) No RA / TRA is allowed against the said re-credited amount;

11. In order to streamline the process of debit-

ing of scrips Manually and in order to have a proper monitoring system to ensure that the amount actually debiting to the relevant scrip, the following guidelines are prescribed:

(i) At the time of verification of the re-credited amount at CRC section and debiting of Consolidated Certificate/manual scrips utmost care shall be taken to ensure that the amount should not beyond the amount sanctioned;

(ii) The License Section will maintain a separate record while debiting of these manual scrips;

(iii) The import noting section will maintain a separate record for allowing the manual B's/E;

(iv) All B's/E would be forwarded to PCA section for Pre-audit before assessing the said B's/e.

12. The format of Consolidated Certificate is enclosed herewith as Annexure 'A'.

13. The Public Notice No. 65/2009 dated 14.09.2009 is dispensed with immediate effect.

15. Difficulties faced if any in implementation of this Circular may be brought to the notice to the concerned Deputy/Assistant Commissioner of Customs.

F.No.S/26-Misc-27/2010-11 CRC(SAD) JNCH

**Office of the Commissioner of Customs (Import)
Jawaharlal Nehru Custom House, Tal – Uran, Nhava –
Sheva, Dist: Raigad, Navi Mumbai 400 707, Maharashtra**

F. No. S/12-Misc-...../10-11 CRC II B SAD

Date:.....12.10

Certificate No. _____.

To,

The Office of Jt. Director General Foreign Trade,
New CGO Building,
New Marine Lines,
Mumbai – 400 020

Sir,

Sub :- Consolidated Certificate for M/s.....-
reg.

With reference to DGFT Policy Circular No. 22/2009-14 dated 03.02.10 and CBEC Circular No. 27/2010-Customs dated 13.08.10, the refund amount of Rs.....of 4% SAD vide F.No.....Order – in – original No..... dt.....(copy enclosed) to be re-credited on the basis of Consolidated Certificate issued by the

Jawaharlal Nehru Custom House (JNPT).

Accordingly, the subject re-credit may be allowed on manual basis as detailed below:-

Name of Importer:

Order-in-Original No. & Date:

Bill of Entry No. & Date:

Scrip/Lic. No. & Date:

4% SAD Amount to be re-credited:

Total

Yours truly,

()

Dy. Commissioner of Customs
Centralized Refund Section

Format of Manual Bill of Entry in Legal Size Paper

The following Public Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Custom House on 24th November 2010.

119-PN The Members of the Trade had
24.11.2010 sought in the Open House
 Meeting that a compressed
 mode of Manual Bill of Entry in A4 size paper
 may be devised for their convenience.

2. Accordingly, the issue was examined and a format of Manual Bill of Entry has been devised in legal size paper, which contains all the fields in terms of Bill of Entry Regulations, 1976. In addition, the fields like Anti Dumping Duty, Cess, TTA, Health CVD, NCD Duty, Safeguard Duty,

Scd 2 Spl Exc Duty and GSIA have also been incorporated. The copy of the said format of Manual Bill of Entry in Legal size paper is attached herewith.

3. The members of the trade, if they so desire, may use the new format for filing Manual Bill of Entry in JNCH, Nhava Sheva.

4. Difficulties faced, if any, may be brought to the notice of the ADC, CCO, JNCH.

F.No.S/I-22(04)2010 CCO M-II

Only Three Documents Required for Waste Paper Clearance Now

The following Public Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Custom House on 24th November 2010.

120-PN Kind attention is invited to the
24.11.2010 Public Notice No. 113/2010 dated 10.11.2010. Representations have been received from the Trade regarding difficulty w.r.t. compliance of para (8) of the said Public Notice for testing of each consignment before clearance. The matter has been examined in consultation with the representatives of Trade and the MOEF approved labs and it is decided to clear the consignments of waste paper as per earlier practice on production of following documents:-

a. Shipment Movement Documents i.e. Form-9

b. Registration of the importer with SPCB(State Pollution Control Board)

c. Pre-shipment Inspection Certificate (PSIC) by Inspection and Certification Agency approved by the DGFT.

2. It has also been decided that the Pre-shipment Inspection Certificate (PSIC) by Inspection and Certification Agency approved by the DGFT in respect of each consignments must mention the description of waste paper in accordance with the description mentioned in the OM dated 11.05.2010, issued by the MOEF, with respect to Bills of Lading issued after 30.11.2010.

3. The Public Notice No. 113/2010 dated 10.11.2010 stands modified to the above extent.

4. The Trade and the concerned associations are requested to take note of the above for necessary compliance.

F. No. S/26-Misc-144/2010 Gr. II B

Contractors Police Verification Reports at Private Terminals Required by 30 December 2010

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Custom House on 1st December 2010.

Sub – Information regarding Ground Handling Operators.

122-PN It is brought to the notice
01.12.2010 of all Container Freight Stations and Port Terminal

Operators operating within the jurisdiction of Jawaharlal Nehru Custom House that they should invariably verify the antecedents of the Firms including its Proprietor/ Directors / Partners or owner of the firm or company as the case may be before awarding any contracts to them for receipt, storage, delivery, dispatch or otherwise handling of imported goods and export goods. For this purpose a Police Verification report must be obtained from Police Stations confirming that these persons do not have any criminal cases pending against them. The police verification has become necessary in view of re-

ported involvement of some of the directors of a firm engaged in providing such services in criminal activities.

2. All Container Freight Stations and Port Terminal Operators are further directed to obtain the police verification report from all existing contractors engaged in above mentioned activities.

3. A compliance report is required to be forwarded to this office at the earliest but not later than 30.12.2010, failing which action under the Handling of Cargo in Customs Area Regulations, 2009(as amended) shall be initiated.

FILE NO- S/5-GEN-23/10 CFS CELL

Money Laundering in Forex Operations – I

Sub: Know Your Customer (KYC) norms/ Anti-Money Laundering (AML) standards/ Combating the Financing of Terrorism (CFT)/ Obligation of Authorised Persons under Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009- Money changing activities

AP(DIR Srs) Attention of the Authorized
Cir.20 Persons is invited to the A.P.
30.11.2010 (DIR Series) Circular No. 17
(RBI) [A.P.(FL/ RL Series) Circular
No. 04] dated November 27,

2009_on Know Your Customer (KYC) norms/ Anti-Money Laundering (AML) standards/ Combating the Financing of Terrorism (CFT)/ Obligation of Authorised Persons under Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009 in respect of money changing activities.

Countries which do not or insufficiently apply the FATF recommendations

2. In F-Part-I, paragraph 4.10 (b) of the circular dated November 27, 2009 referred to above, Authorised Persons (APs) have been advised to take into account the risks arising from the deficiencies in the AML/ CFT regime of certain

jurisdictions, as identified in the Financial Action Task Force (FATF) Statement, issued from time to time, while dealing with the individuals or businesses from these jurisdictions. It is advised that APs should, in addition to the FATF Statements, issued from time to time, also consider using publicly available information for identifying countries, which do not or insufficiently apply the FATF Recommendations. Further, it is clarified that APs should also give special attention to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries that do not or insufficiently apply the FATF recommendations and jurisdictions included in FATF Statements.

3. In terms of F-Part-I, paragraph 4.6 of the circular dated November 27, 2009 referred to above, it is advised that ongoing monitoring is an essential element of effective KYC procedures. In this regard, it is advised that APs should

E-Payment of Customs Duties at the Mumbai Port

The following Facility Notice was issued by the Commissioner of Customs (Import) New Custom House, Mumbai on 1st December 2010.

07-FN Attention of the trade is
01.12.2010 invited to the fact that New Custom House, Mumbai, has migrated to ICES V1.5 with effect from 15.11.2010. The Public Notice No. 89/2010 Dtd. 09.11.2010 has already been issued in this regard by this Commissionerate.

Also, attention of the trade is invited to the Facility Notice No. 07/2007 dtd. 05.11.07 & 04/2008 dtd. 10.07.08 issued by this Commissionerate whereby e-payment of Customs Duty through net banking has been started through three banks viz. Bank of India, Ballard Estate Branch, Mumbai and Bank of Baroda, Orient House, Adi Marzban Marg, Mumbai & Union Bank of India, 66/80, Mumbai Samachar Marg, Fort, Mumbai-400 001.

This service of e-payment through net banking is offered by the above banks without any extra cost. It will reduce the transaction cost of the importers and expedite the time taken for Customs Clearance.

Therefore, all importers are requested to take benefit of the said facility as much as possible.

The procedure for e-payment remains the same as outlined in the above-said Facility Notices.

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examine the background and purpose of transactions with persons (including legal persons and other financial institutions) from jurisdictions included in FATF Statements and countries that do not or insufficiently apply the FATF Recommendations. Further, if the transactions have no apparent economic or visible lawful purpose, the background and purpose of such transactions should, as far as possible, be examined and written findings together with all the documents should be retained and made available to the Reserve Bank/ other relevant authorities, on request.

4. These guidelines would also be applicable mutatis mutandis to all agents/ franchisees of Authorised Persons and it will be the sole responsibility of the Authorised Persons (franchisers) to ensure that their agents/ franchisees also adhere to these guidelines.

5. Authorised Persons should bring the contents of this circular to the notice of their constituents concerned.

6. The directions contained in this Circular are issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009 and Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and

Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries)

Rules, 2005, as amended from time to time. Non-compliance with the guidelines would attract penal provisions of the Acts concerned or Rules made there under.

Money Laundering in Forex Operations – II

Sub: Know Your Customer (KYC) norms/ Anti-Money Laundering (AML) standards/ Combating the Financing of Terrorism (CFT)/ Obligation of Authorised Persons under Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009- Cross Border Inward Remittance under Money Transfer Service Scheme

AP(DIR Srs) Cir.21 Attention of all the Authorised Persons, who are Indian Agents [APs (Indian Agents)] under the Money Transfer Service Scheme (MTSS) is invited to the A.P. (DIR (RBI) Series) Circular No. 18 [A.P. (FL/ RL Series) Circular No. 05] dated November 27, 2009 on Know Your

Customer (KYC) norms/ Anti-Money Laundering (AML) standards/ Combating the Financing of Terrorism (CFT)/ Obligation of Authorised Persons under Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009 in respect of cross border inward remittances under Money Transfer Service Scheme (MTSS).

Countries which do not or insufficiently apply the FATF recommendations

2. In Annex – I, paragraph 5.10 (b) of the circular dated November 27, 2009 referred to above, Authorised Persons (Indian Agents) [APs (Indian Agents)] have been advised to take into account the risks arising from the deficiencies in AML/ CFT regime of the jurisdictions as identified in the FATF Statement issued from time to time, while dealing with individuals from these jurisdictions. It is advised that APs (Indian Agents) should, in addition to the FATF Statements issued from time to time, also consider using publicly available information for identifying the countries, which do not or insufficiently apply the FATF Recommendations. Further, it is clarified that APs (Indian Agents) should also give special attention to business relationships and transactions with persons (including legal persons and other financial institutions) from or in countries that do not or insufficiently apply the FATF recommendations and jurisdictions included in FATF Statements.

3. In terms of Annex – I, paragraph 5.6 of the circular dated November 27, 2009 referred to above, it is advised that ongoing monitoring is an essential element of effective KYC procedures. In this regard, it is advised that APs (Indian Agents) should examine the background and purpose of transactions with persons (including legal persons and other financial institutions) from jurisdictions included in the FATF Statements and countries that do not or insufficiently apply the FATF Recommendations. Further, if the transactions have no apparent economic or visible lawful purpose, the background and purpose of such transactions should, as far as possible, be examined and written findings together with all the documents should be retained and made available to the Reserve Bank/

Customs Valuation Exchange Rates

December 2010	Imports	Exports	
Schedule I			
1 Australian Dollar	45.35	44.00	
2 Canadian Dollar	45.95	44.60	
3 Danish Kroner	8.30	8.05	
4 EURO	61.75	60.10	
5 Hong Kong Dollar	5.95	5.85	
6 Norwegian Kroner	7.65	7.35	
7 Pound Sterling	72.95	71.05	
8 Swedish Kroner	6.70	6.45	
9 Swiss Franc	46.50	45.25	
10 Singapore Dollar	35.40	34.40	
11 U.S. Dollar	46.15	45.25	
Schedule II			
1 Japanese Yen	55.55	53.95	

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 98(NT)/26.11.2010)

Commodity Spot Prices in India – 04-07 December 2010

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day.

						(Rs.)
Commodity	Unit	Market	04-Dec	06-Dec	07-Dec	
CER (Carbon Trading)	1 MT	Mumbai	689.5	689.5	696.5	
Chana	100 KGS	Delhi	2463	2475	2448	
Masur	100 KGS	Indore	3017	3000	3000	
Potato	100 KGS	Agra	NA	NA	NA	
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA	
Arecanut	100 KGS	Mangalore	NA	NA	NA	
Cashewkern	1 KGS	Quilon	NA	NA	NA	
Cardamom	1 KGS	Vandanmedu	1172.3	1190.9	1177	
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA	
Jeera	100 KGS	Unjha	NA	NA	NA	
Pepper	100 KGS	Kochi	NA	NA	NA	
Red Chili	100 KGS	Guntur	NA	NA	NA	
Turmeric	100 KGS	Nzmbad	16925	16823	16825	
Guar Gum	100 KGS	Jodhpur	NA	NA	NA	
Maize	100 KGS	Nzmbad	951	957.5	956	
Wheat	100 KGS	Delhi	1320.8	1310	1305	
Mentha Oil	1 KGS	Chandausi	1352.8	1327.2	1305.3	
Cotton Seed	100 KGS	Akola	NA	NA	NA	
Castorsd RJK	100 KGS	Rajkot	3971.5	3986.5	3986.5	
Guar Seed	100 KGS	Bikaner	2440	2500	2409	
Soya Bean	100 KGS	Indore	2222	2230.5	2228.5	
Mustrdsd JPR	20 KGS	Jaipur	577	576.2	575	
Sesame Seed	100 KGS	Rajkot	5838	5838	5842	
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA	
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA	
Kapaskhali	50 KGS	Akola	974	989.4	973	
Coconut Oil	100 KGS	Kochi	8424	8424	8424	
Refsoy Oil	10 KGS	Indore	571.2	575.25	577.5	
CPO	10 KGS	Kandla	520	524	526.5	
Mustard Oil	10 KGS	Jaipur	584.6	585.7	583.7	
Gnutoilexp	10 KGS	Rajkot	766	765	760	
Castor Oil	10 KGS	Kandla	NA	NA	NA	
Crude Oil	1 BBL	Mumbai	4022	4022	4009	
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA	
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA	
Brent Crude	1 BBL	Mumbai	4122	4122	4102	
Gur	40 KGS	Muzngr	NA	NA	NA	
Sugars	100 KGS	Kolhapur	2808	NA	NA	
Sugarm	100 KGS	Delhi	3033	3030	3055	
Natural Gas	1 mmBtu	Hazirabad	196.1	196.1	201.3	
Rubber	100 KGS	Kochi	19853	19896	19771	
Cotton Long	1 Candy	Kadi	NA	NA	NA	
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA	
Jute	100 KGS	Kolkata	3604	3608	3600.5	
Gold	10 GRMS	Ahmd	20710	20715	20782	
Gold Guinea	8 GRMS	Ahmd	16635	16638	16692	
Silver	1 KGS	Ahmd	44512	44575	45450	
Sponge Iron	1 MT	Raipur	NA	NA	NA	
Steel Flat	1000 KGS	Mumbai	NA	NA	NA	
Steel Long	1 MT	Gobindgarh	26090	25990	26055	
Copper	1 KGS	Mumbai	397.55	397.55	396.3	
Nickel	1 KGS	Mumbai	1059.7	1055.1	1057	
Aluminium	1 KGS	Mumbai	104.75	103.35	102.75	
Lead	1 KGS	Mumbai	105.05	104.4	104.45	
Zinc	1 KGS	Mumbai	99.65	99.6	99.1	
Tin	1 KGS	Mumbai	1146.5	1150	1142	

(Source: MCX Spot Prices)

other relevant authorities, on request.

4. These guidelines would also be applicable mutatis mutandis to all Sub-agents of the Indian Agents under MTSS and it will be the sole responsibility of the APs (Indian Agents) to ensure that their Sub-agents also adhere to these guidelines.

5. Authorised Persons (Indian Agents) should bring the contents of this circular to the notice of their constituents concerned.

6. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the

Prevention of Money Laundering Act, (PMLA), 2002 as amended by Prevention of Money Laundering (Amendment) Act, 2009 and Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as amended from time to time. Non-compliance with the guidelines would attract penal provisions of the Acts concerned or Rules made there under.

dated and inaccurate assumptions. The value of imports from a given source may be overestimated, the report suggested, since customs figures only look at where a shipment originated from - not at whether the product in question was merely assembled in the source country from components manufactured elsewhere. For instance, it was widely reported that each Apple iPad imported to the United States from China worsened the US trade deficit by some US\$287, while in fact only about US\$12 of value is added to each unit in China.

Members should wind down crisis response measures

The WTO also expressed concern over "the danger of a steady accumulation over time of measures that restrict or distort trade and investment. Since the end of 2008, new trade restrictions have built up to cover 1.9 percent of total imports, while only 15 percent of the temporary crisis response measures introduced since the outbreak of the crisis have been removed so far.

Like previous updates, the November report urged Members prepare exit strategies to unwind stimulus and bail-out measures taken in response to the crisis. The effects of those measures on trade and competition will be examined by the Trade Policy Review Body early next spring. In the meantime, the schemes should not be used as a pretext to discriminate, directly or indirectly, against foreign traders or investors, the report said.

New trade restrictions

The report also surveyed WTO Members' use of import restrictions, including trade remedies. Governments introduced more than 200 new import restrictions between November 2009 and October 2010. Around 1.2 percent of total world imports were covered by these measures in mid-October 2010, up from 1 percent in the previous twelve-month period. Trade remedy investigations that may lead to the imposition of anti-dumping or countervailing duties represent the biggest chunk of the restrictions, followed by tariff increases, export restrictions (on grain and rare earth minerals), as well as non-tariff barriers. The report noted that just three measures accounted for almost half of the 1.2 percent trade coverage for 2009-2010: the EU's renewal of its prior surveillance system on steel imports, China's temporary tariff hike on fuel oil and jet fuel, and Beijing's initiation of a countervailing duty investigation on imports of wireless wide-area networking modems.

In terms of numbers, the sectors most frequently affected are machinery and mechanical appliances (19 measures); iron and steel (18 measures); articles of iron and steel (17 measures); organic chemicals (14 measures); electrical machinery and equipment (14 measures); cereals (13 measures); and plastic products. Import restrictions on base metals and their products (iron and steel); machinery and mechanical appliances; minerals (fuels and oils); and transport equipment (vehicles) counted the most in terms of trade coverage.

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Chinese goods on the grounds that the low value of the yuan acts as an illegal subsidy to exports.

However, the WTO stressed that restricting trade would do little to address the underlying causes of large trade imbalances, persistent high levels of unemployment and disorderly cur-

rency movements. Indeed, trade restrictions "could easily provoke retaliation, which would seriously threaten jobs and growth worldwide," the report said.

Another issue picked up by the WTO secretariat was that heated debates over trade balances might actually be operating under out-

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