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The Riddle of Falling Rupee Coexisting with Crashing Exports

– Arun Goyal –

Dr. HAC Prasad is a trade expert who is now with the Office of the Chief Economic Advisor as Sr. Economic Advisor in the Ministry of Finance. In his October 2012 paper on the **Emerging Global Economic Situation: Its Impact on India's Trade and Some Policy Issues**, he rues the sharp fall in the export growth rate since May 2012. Thus in September 2012 alone, outward shipments declined by 10.8 percent over corresponding 2011. At the same time, the rupee fell 7.8 percent in September 2012 compared to the March 2012 rate six months ago. The devaluation should have boosted exports because conventional economics says that currency fall brings down prices making exports competitive. The expected rise in exports did not take place. In fact, they turned negative by a steep 10 percent! This is the riddle for trade experts to solve.

The phenomenon of falling export growth in India in spite of rupee devaluation is visible even in services sector which grew by a meagre 1.2 percent in the April-June 2012 quarter. On the pattern of the balance of trade, the numbers in the current account deficit and also FDI growth are not encouraging. The blame for falling exports cannot be placed at the door of world trade in goods and services which are set to grow at 3.2 percent in 2012. The US market too shows signs of coming out of recession phase.

In the monograph on India's trade, Dr. Prasad specifies macro issues like lackadaisical traditional labour intensive exports of textiles, leather, handicrafts and carpets as a factor behind the export fall. He also lists the inefficiencies in the working of the Government agencies at Chennai port and JNPT. Lethargy in reform in the use of the out moded documentation, retrospective amendments to export incentives to deny benefits already granted are some other factors pointed out by him. The many breaks in the movement of export goods

due to the intervening holidays on Saturday and Sunday when official agencies desert their posts are highlighted. Practical suggestions are offered in the monograph which could relieve some of these problems.

On the subject of high interest rates, Dr. Prasad suggests that the Reserve Bank allow commercial banks to borrow short term in the world market to pipe the credit to the hungry exporters.

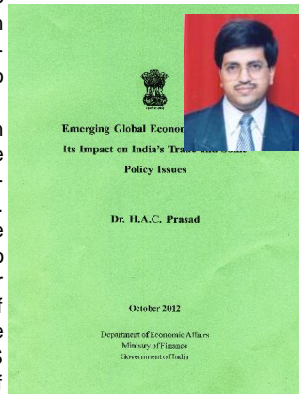
Aggregation of Issues – Need for Structural Reform

In our view, a larger exercise to aggregate the specific problems of the exporters will show up an agenda for structural reform. These results will be the key to the riddle of falling exports coexisting with depreciation of the rupee. (We may well find the prescription for a DGTD type excision of the Reserve Bank of India to free the money market. A drastic overhaul of ports, railways and customs to remove hurdles in the path of exports may be in order. Timely deliveries to foreign buyers must be made, the manmade barriers must go!).

The problem aggregation exercise will also show that the burden of taxation on service sector must be lightened, a universal taxation system on the "one size fits all" will not do. Export oriented services must be exempted in toto.

Last, and most important, retrospective amendments to any law must be banned. The practice is a violation of the promissory estoppel and is also immoral, to use an out of fashion word.

India must join the global mainstream as a willing swimmer. Half-hearted measures of export promotion only result in ingestion of excess water into the body of the amateur swimmer. India is floundering in the shallow waters of world trade missing the mainstream. With its skilled and cheap labour, India can take its rightful place as leader in world trade in goods and services. For this, structural reform and tough measures on the part of the Government is the way forward.



Tajiks to Join WTO as 159th Member Afghans, Azeris are Next in the Queue

The General Council on 10 December 2012 paved the way for Tajikistan's membership of the WTO by approving its accession package. Tajikistan would have to ratify the deal by 7 June 2013 and would become a WTO member 30 days after the ratification.

Tajikistan's President, Emomali Rahmon declared "Today constitutes a landmark in Tajikistan's history and lays solid foundations for further promotion of sustainable social and economic growth. Applying for WTO membership 11 years

Bali WTO Ministerial on 3-6 Dec 2013

The General Council, on 11 December 2012, agreed that the 9th WTO Ministerial Conference in Bali, Indonesia will take place on 3-6 December 2013.

ago was the right step forward for Tajikistan as it transforms itself into a market economy. Tajikistan will use its WTO membership as a means of fostering future economic growth and prosperity".

WTO members congratulated Tajikistan for completing its accession process.

Tajikistan applied for WTO membership on 29 May 2001 and the Working Party concluded the negotiations on 26 October 2012.

Tajikistan's accession package contains the Working Party report outlining its reformed trade regime and its commitments as a WTO member, its market access schedules on goods and services, the General Council Decision and the Protocol of Accession.

Afghanistan's WTO accession negotiations accelerate

At the third meeting of the Afghanistan accession working party, held on 7 December 2012, WTO members expressed their willingness to make this accession a priority in 2013.

The working party examined the latest state of play in Afghanistan's accession negotiations, including bilateral market access negotiations and legislative developments, and discussed next steps in the work of the working party.

In his opening remarks, Afghanistan's Deputy Minister of Commerce and Industry, H.E. Mozammil Shinwari, updated the working party on measures undertaken in Kabul regarding economic, trade and legislative reforms. He also outlined future legislative work.

Azerbaijan

The 10th meeting of the Working Party on the

Accession of Azerbaijan on 7 December 2012 was the second meeting in 2012 (the 9th meeting took place in late February). Members reviewed the state of play in the bilateral market access negotiations on goods and services, examined the country's foreign trade regime and reviewed legislative developments.

Mr Mahmud Mammad-Guliyev, Deputy Minister of Foreign Affairs and Chief Negotiator of Azerbaijan, provided an overview of Azerbaijan's economy and the development of WTO-related legislation. The objective of the Azerbaijani Government, he said, was to diversify and modernize the economy to reduce its dependence on the oil and gas sector.

On the bilateral market access negotiations, Mr Mammad-Guliyev noted that Azerbaijan had signed a bilateral agreement with the Kyrgyz Republic, in March 2012, and had recently concluded bilateral negotiations with China. It had also held bilateral negotiations with Brazil, Canada, the European Union, Japan, Norway and the United States on the margins of the meeting of the Working Party.

Dollars Exports Fall by 4.17%, Import Up by 6.35% in Nov 2012

Exports (including re-exports)

Exports during November, 2012 were valued at US \$ 22299.63 million (Rs. 122148.03 crore) which was 4.17 per cent lower in Dollar terms (3.22 per cent higher in Rupee terms) than the level of US \$ 23269.71 million (Rs. 118341.35 crore) during November, 2011. Cumulative value of exports for the period April-November 2012 - 13 was US \$ 189222.20 million (Rs 1030488.22 crore) as against US \$ 201185.40 million (Rs 933049.70 crore) registering a negative growth of 5.95 per cent in Dollar terms and growth of 10.44 per cent in Rupee terms over the same period last year.

Imports

Imports during November, 2012 were valued at US \$ 41586.90 million (Rs.227795.59 crore) representing a growth of 6.35 per cent in Dollar terms and 14.55 per cent in Rupee terms over the level of imports valued at US \$ 39102.48 million (Rs. 198861.13 crore) in November, 2011. Cumulative value of imports for the period April-November, 2012-13 was US \$ 318722.38 million (Rs. 1734998.17 crore) as against US \$ 323823.75 million (Rs. 1503492.73 crore) registering a negative growth of 1.58 per cent in Dollar terms and growth of 15.40 per cent in Rupee terms over the same period last year.

Iran Oil Exports Slump 46% as US Sanctions Bite



Iranian oil tankers are contending with longer delays in shipments and some are idled amid increasing pressure on buyers to curb purchases from what was once OPEC's second-biggest producer.

NITC, the Tehran-based tanker owner, has 42 crude oil carriers and 13 were delayed in transit since Oct. 21, according to data compiled by Richard Hurley, a senior maritime consultant at IHS Fairplay in London who has tracked vessel movements for two decades. Four NITC ships with cargoes are idling while they await orders and four others have switched off their signals and are presumed to be anchored, the data show.

Iran is reliant on NITC ships because EU sanctions imposed in July barred about 95 percent of the global tanker fleet from carrying the nation's crude. NITC has renamed vessels, switched their flag states and signaled inaccurate information about where they are registered, according to the data from IHS, which maintains the United Nations' shipping database.

Nuclear Program

Oil exports from Iran slumped 46 percent this year compared with 2011, according to data from Clarkson Plc (CKN), the world's largest shipbroker. No NITC vessels delivered cargoes to Turkey since Nov. 22 or to India since Nov. 12, according to data from IHS Fairplay, a unit of Englewood, Colorado-based IHS Inc. (IHS) Banks in countries that fail to cut imports risk losing access to dollars under a U.S. law that took effect June 28. China and India have waivers that expire this month.

The U.S. and 27-nation EU want to curb Iran's nuclear activities, which they say are aimed at producing weapons, a charge the government in Tehran has denied. The sanctions are costing Iran about \$98.9 million a day in lost oil sales. The exports once provided about half of government revenue.

Signals from 31 NITC tankers show they are registered in Tanzania-Zanzibar, according to IHS data. A Zanzibar government official said in October that no Iranian ships were registered in the east African territory and the country's ship registry confirmed the vessels aren't entitled to fly the flag.

Crude Oil and Non-Oil Imports

Oil imports during November, 2012 were valued at US \$ 14522.1 million which was 16.77 per cent higher than oil imports valued at US \$ 12436.6 million in the corresponding period last year. Oil imports during April-November, 2012-13 were valued at US \$ 110091.1 million which was 10.84 per cent higher than the oil imports of US \$ 99324.2 million in the corresponding period last year.

Non-oil imports during November, 2012 were estimated at US \$ 27064.8 million which was 1.50 per cent higher than non-oil imports of US \$ 26665.9 million in November, 2011. Non-oil imports during April - November, 2012-13 were valued at US \$ 208631.3 million which was 7.07 per cent lower than the level of such imports valued at US \$ 224499.5 million in April - November, 2011-12.

Trade Balance

The trade deficit for April - November, 2012-13 was estimated at US \$ 129500.18 million which was higher than the deficit of US \$ 122638.35 million during April -November, 2011-12.

Exports & Imports: (US \$ Million)

	(Provisional)	
	November	April-November
		November
Exports (including re-exports)		
2011-12	23269.71	201185.40
2012-13	22299.63	189222.20
% Growth 2012-13/ 2011-2012	-4.17	-5.95
Imports		
2011-12	39102.48	323823.75
2012-13	41586.90	318722.38
% Growth 2012-13/ 2011-2012	6.35	-1.58
Trade Balance		
2011-12	-15832.77	-122638.35
2012-13	-19287.27	-129500.18

Satellite Signals

The Baikal, an NITC vessel that called at the Greek island of Syros last week, was flying the Tanzanian flag, according to Panayiotis Karamitsos, the local harbor master. It left without unloading or refueling. The Majestic, another NITC vessel, was sighted by an IHS employee near Singapore on Nov. 24 with its stern painted to show it was flagged in Zanzibar, Hurley said.

NITC tankers are also signaling that they are classified by the Korean Register of Shipping, Germany's Germanischer Lloyd or France's Bureau Veritas, according to IHS data. The three so-called classification societies, which verify compliance with international safety and security rules, have said they are no longer providing services to Iranian vessels or intend to end the relationship. One NITC ship isn't signaling a known classification society.

The International Monetary Fund said in October it expected Iran's economy to contract 0.9 percent this year. The forecast was based on data from before the slump in the country's rial, which "will likely have a further negative impact on economic outcomes in the coming year," Masood Ahmed, head of the IMF's Middle East and Central Asia department, said in an interview in Dubai on Nov. 11.

WEEKLY INDEX OF CHANGES



Another Five Years of Anti-dumping Duty on Digital Offset Printing Plates from China

Japan Out of Digital Offset Printing Plates Anti-dumping Net After Review

Ntfn 51-ADD 03.12.2012 (DoR) Whereas in the matter of import of Digital Offset Printing Plates (hereinafter referred to as the subject goods),

originating in or exported from the Peoples' Republic of China (China PR) and Japan (hereinafter referred to as the subject countries) and imported into India, the designated authority, vide its preliminary findings F.No. 14/7/2011-DGAD, dated the 16th March, 2012, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 16th March, 2012, had come to the conclusion that -

(a) the product under consideration has been exported to India from the subject countries below normal values;

(b) the domestic industry has suffered material injury on account of subject imports from subject countries;

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

and had recommended imposition of provisional 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 preliminary findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods, originated in or exported, from the subject countries, vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 31/2012-Customs(ADD), dated the 4th June, 2012, published in the Gazette of

India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.416 (E), dated the 4th June, 2012;

And whereas, the designated authority in its final findings vide notification number 14/7/2011-DGAD, dated the 3rd October, 2012, has come to the conclusion that -

(a) the product under consideration has been exported to India from the subject countries below their normal values;

(b) the domestic industry has suffered material injury on account of subject imports from subject countries. The material injury has been caused by the dumped imports of subject goods from the subject countries. However, the injury margin was negative for the goods exported from Japan as the landed value of those goods were higher than the non-injurious price determined for the domestic industry and in view of the same anti dumping duty on the subject goods imported from Japan is not being recommended.

Now, therefore, in exercise of the powers conferred by sub-section (1), read with sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid final findings of the designated authority, hereby imposes on the subject goods of specification as provided in column (8) of the following Table, the descrip-

Table

SNo.	Sub-heading or tariff item	Description of goods	Country of origin	Country of export	Producer	Exporter	Specification	Amount	Currency	Unit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	8442.5020, 3701.3000, 3704.0090, 3705.1000, 7606.9190, 7606.9290	Digital Offset Printing Plates*	China PR	China PR	Fuji Film Printing Plate Co. Ltd	Fuji Film Printing Plate Co.Ltd	Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
2.	-do-	-do-	China PR	China PR	Any combination other than serial no 1		Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
3.	-do-	-do-	China PR	China PR	Fuji Film (China) Corporation Ltd. (FFPS)	Fuji Film (China) Corporation Ltd. (FFPS)	Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
4.	-do-	-do-	China PR	China PR	Any combination other than serial no 3		Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
5.	-do-	-do-	China PR	China PR	M/s Kodak (China) graphics communication system Ltd.	M/s Kodak (China) graphics communication system Ltd.	Violet Thermal CtCP**	N/A*** N/A*** N/A***	US\$ US\$ US\$	Sqm Sqm Sqm
6.	-do-	-do-	China PR	China PR	M/s Kodak (China) graphics communication system Ltd	Kodak Singapore PTe. Ltd.	Violet Thermal CtCP**	N/A*** N/A*** N/A***	US\$ US\$ US\$	Sqm Sqm Sqm

Reimports from Bhutan for Repairs must be within 10 Years

Ntfn 60 06.12.2012 (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, 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) number G.S.R. 744 (E), dated the 14th November, 1995 (No. 158/95-Customs, dated the 14th November, 1995), namely:-

In the said notification, in the Table, against serial number 1, in column (3), in item 1, in the proviso, for the word "Nepal", the words "Nepal and Bhutan" shall be substituted.

[F.No. 354/261/2011-TRU]

tion whereof is specified in the corresponding entry in column (3), falling under sub-headings of the First Schedule to the Customs Tariff Act as mentioned in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), and produced by the producers as specified in the corresponding entry in column (6), when exported from the country as specified in the corresponding entry in column (5), by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty which shall be equivalent to the difference between the amount specified in the corresponding entry in column (9), in the currency as specified in the corresponding entry in column (10), per unit of measurement as specified in the corresponding entry in column (11), of the said Table and the landed value of such imported goods in like currency as per like unit of measurement, namely:-

World Prices of Energy, Food and Sugar Fall in November

In November 2012, energy and non-energy prices fell by 1.6% and 2.0%, respectively. Food prices are down by 1.9%, beverages declined by 3.2%, raw materials dropped by 2.2%, metals eased by 1.6%, precious metals plummeted 12.4% and fertilizers fell by 3.5%.

Up ↑

Coal; Natural gas
Cocoa; Rice, Sorghum and Wheat
Fishmeal Beef and Chicken meat; Shrimp
Malaysian Logs, Plywood and Woodpulp
Iron ore, Lead and Zinc

Down ↓

Crude oil ; Coffee and Tea

Coconut oil, Copra, Groundnuts, Groundnut oil, Palm oil, Palm kernel oil, Soybeans, Soybean oil and Soybean meal
Bananas and Oranges; Sheep meat; World Sugar
Cameroon Logs and Sawnwood
Cotton and Rubber; Fertilizers
Aluminium, Copper, Nickel and Tin
Gold, Silver and Platinum

Steady ↔

Barely, Maize; Rock Phosphate



	Monthly averages			Quarterly averages					Annual averages		
	2012			2011		2012			2010	2011	2012
	Sep	Oct	Nov	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Nov

Energy

Coal, Australia \$/mt	88.96	81.85	83.06	↑	121.32	114.91	113.65	95.54	89.40	98.97	121.45	96.42
Coal, Colombia \$/mt	81.10	77.80	78.21	↑	113.92	101.18	91.77	82.22	82.68	77.97	111.50	84.19
Coal, South Africa \$/mt	85.82	82.80	86.46	↑	116.72	106.85	105.00	93.47	87.42	91.62	116.30	93.36
Crude oil, average \$/bbl	106.28	103.41	101.17	↓	103.07	103.16	112.52	102.83	102.77	79.04	104.01	105.36
Crude oil, Brent \$/bbl	113.38	111.97	109.71	↓	112.47	109.29	118.60	108.86	109.95	79.64	110.94	112.17
Crude oil, Dubai \$/bbl	110.96	108.73	107.13	↓	107.01	106.16	116.07	106.18	106.18	78.06	106.03	109.20
Crude oil, West Texas Int. \$/bbl	94.51	89.52	86.68	↓	89.73	94.03	102.88	93.44	92.17	79.43	95.05	94.70
Natural gas Index 2005=100	106.60	112.40	116.00	↑	112.50	111.30	106.40	106.30	108.00	91.10	107.30	108.20
Natural gas, Europe \$/mmbtu	11.08	11.58	11.83	↑	10.88	11.42	11.51	11.52	11.13	8.29	10.52	11.44
Natural gas, US \$/mmbtu	2.84	3.32	3.54	↑	4.12	3.32	2.46	2.28	2.88	4.39	4.00	2.70
Natural gas LNG \$/mmbtu	16.83	16.65	17.30	↑	16.35	16.58	16.36	17.06	17.56	10.85	14.66	16.99

Beverages

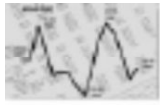
Cocoa ¢/kg	262.0	246.4	247.8	↑	303.5	246.8	234.1	228.2	249.4	313.3	298.0	239.0
Coffee, arabica ¢/kg	394.6	382.1	352.5	↓	597.7	536.2	486.9	400.4	400.0	432.0	597.6	417.9
Coffee, robusta ¢/kg	231.4	230.3	215.3	↓	243.1	215.9	222.1	231.0	234.1	173.6	240.8	227.9
Tea, auctions (3) avg. ¢/kg	310.4	300.9	299.5	↓	300.3	279.5	254.9	292.2	308.4	288.5	292.1	287.9
Tea, Colombo auctions ¢/kg	318.8	315.9	311.6	↓	313.0	316.7	292.7	304.7	308.1	329.0	326.4	304.0
Tea, Kolkata auctions ¢/kg	308.9	298.9	282.8	↓	312.8	256.4	205.3	289.9	313.4	280.5	277.9	273.4
Tea, Mombasa auctions ¢/kg	303.5	288.0	304.3	↑	275.3	265.4	266.7	282.0	303.5	256.0	271.9	286.3

Fats and Oils

Coconut oil \$/mt	967	898	850	↓	1,474	1,377	1,400	1,187	1,013	1,124	1,730	1,141
Copra \$/mt	645	591	577	↓	991	917	933	793	672	750	1,157	760
Groundnuts \$/mt	1,550	1,488	1,418	↓	2,234	2,646	2,800	2,617	1,858	1,284	2,086	2,248
Groundnut oil \$/mt	2,408	2,375	2,303	↓	2,155	2,245	n.a.	n.a.	2,476	1,404	1,988	n.a.
Palm oil \$/mt	967	839	814	↓	1,079	1,025	1,107	1,088	993	901	1,125	1,020
Palmkernel oil \$/mt	984	862	817	↓	1,338	1,250	1,366	1,242	1,020	1,184	1,648	1,142
Soybean meal \$/mt	646	601	579	↓	399	357	392	488	630	378	398	519
Soybean oil \$/mt	1,283	1,175	1,133	↓	1,324	1,214	1,253	1,236	1,258	1,005	1,299	1,232
Soybeans \$/mt	670	617	589	↓	553	488	518	572	672	450	541	590

Grains

Barley \$/mt	256.2	252.9	252.1	↔	210.4	210.9	215.6	237.8	258.4	158.4	207.2	240.0
Maize \$/mt	320.8	321.2	321.6	↔	302.1	269.3	277.7	270.2	328.6	185.9	291.7	297.5
Rice, Thailand, 5% \$/mt	563.3	558.3	559.3	↑	567.7	600.1	542.5	582.8	568.3	488.9	543.0	563.5
Rice, Thailand, 25% \$/mt	543.8	533.0	530.0	↓	532.0	570.0	534.0	n.a.	548.0	441.5	506.0	n.a.
Rice, Thai, A.1 \$/mt	512.0	520.3	523.0	↑	476.2	527.6	520.4	545.4	513.3	383.7	458.6	525.5
Rice, Vietnam 5% \$/mt	455.2	453.7	457.4	↑	544.8	551.2	436.9	428.7	433.6	429.2	513.6	437.1



	Monthly averages			Quarterly averages					Annual averages		
	2012			2011		2012			2010	2011	2012
	Sep	Oct	Nov	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Nov
Sorghum \$/mt	278.2	283.1	289.0	↑ 287.5	261.8	269.6	259.4	273.4	165.4	268.7	270.8
Wheat, Canada \$/mt	n.a.	n.a.	n.a.	429.8	405.2	378.1	n.a.	n.a.	312.4	439.6	n.a.
Wheat, US, HRW \$/mt	353.4	358.2	360.8	↑ 315.6	279.7	278.8	269.0	349.5	223.6	316.3	310.1
Wheat, US, SRW \$/mt	343.6	340.2	346.5	↑ 270.5	250.5	258.9	251.8	333.4	229.7	285.9	292.7
Other Food											
Bananas, Europe \$/mt	1,112	1,117	1,068	↓ 1,030	968	1,143	1,171	982	1,002	1,125	1,098
Bananas, US \$/mt	965	956	934	↓ 953	951	1,052	979	960	868	968	988
Fishmeal \$/mt	1,675	1,635	1,810	↑ 1,426	1,336	1,300	1,481	1,677	1,688	1,537	1,529
Meat, beef ¢/kg	397.4	401.0	424.7	↑ 393.8	407.2	424.7	413.0	400.1	335.1	404.2	412.7
Meat, chicken ¢/kg	210.9	211.3	213.0	↑ 194.3	197.0	201.6	207.1	209.7	189.2	192.6	207.2
Meat, sheep ¢/kg	588.2	586.6	582.7	↓ 686.5	660.2	644.5	618.3	587.5	531.4	663.1	610.9
Oranges \$/mt	1,001	981	847	↓ 1,038	824	771	844	995	1,033	891	878
Shrimp ¢/kg	970	981	1,025	↑ 1,198	1,085	1,055	977	970	1,004	1,193	1,001
Sugar, EU ¢/kg	42.04	42.35	41.93	↓ 46.13	44.01	42.85	41.91	40.9	44.18	45.46	41.93
Sugar, US ¢/kg	57.9	52.54	48.79	↓ 86.72	82.09	75.66	66.63	61.5	79.25	83.92	64.79
Sugar, world ¢/kg	44.07	44.78	42.64	↓ 60.72	53.29	52.75	47.05	46.85	46.93	57.32	47.94
Timber											
Logs, Cameroon \$/cum	447.4	450.7	449.3	↓ 515.1	483.0	463.6	452.6	436.2	428.6	484.8	450.7
Logs, Malaysia \$/cum	353.3	350.2	353.0	↑ 444.7	409.0	373.3	361.0	355.1	278.2	390.5	361.0
Plywood ¢/sheets	608.1	610.2	611.5	↑ 621.0	617.5	612.8	609.9	607.1	569.1	607.5	610.1
Sawnwood, Cameroon \$/cum	768.5	766.5	761.3	↓ 823.1	774.6	755.5	760.7	755.2	812.7	825.8	758.4
Sawnwood, Malaysia \$/cum	878.2	873.4	870.0	↓ 965.2	911.8	882.9	883.8	864.3	848.3	939.4	876.0
Woodpulp \$/mt	720.3	726.0	740.6	↑ 930.5	834.6	781.1	786.8	735.2	866.8	899.6	761.5
Other Raw Materials											
Cotton ¢/kg	185.5	180.8	178.2	↓ 259.4	228.4	221.5	198.9	185.6	228.3	332.9	197.9
Rubber, RSS3 ¢/kg	303.8	320.4	297.4	↓ 465.3	360.6	385.3	359.1	297.0	365.4	482.3	340.2
Rubber, TSR20 ¢/kg	276.3	295.4	280.0	↓ 456.5	358.7	368.8	330.1	275.0	338.1	451.9	317.9
Fertilizers											
DAP \$/mt	573.0	573.0	524.8	↓ 650.8	605.7	516.6	545.2	565.0	500.7	618.9	543.5
Phosphate rock \$/mt	185.0	185.0	185.0	↔ 197.5	201.3	195.8	179.4	183.3	123.0	184.9	186.0
Potassium chloride \$/mt	464.3	440.2	425.0	↓ 471.3	473.0	479.8	461.3	464.8	331.9	435.3	462.0
TSP \$/mt	485.0	474.0	447.5	↓ 558.3	564.2	440.4	470.4	485.0	381.9	538.3	464.5
Urea \$/mt	384.5	396.0	374.2	↓ 485.4	437.3	387.3	470.0	381.3	288.6	421.0	407.8
Metals and Minerals											
Aluminum \$/mt	2,064	1,974	1,949	↓ 2,399	2,094	2,179	1,982	1,929	2,173	2,401	2,018
Copper \$/mt	8,088	8,062	7,711	↓ 8,984	7,514	8,318	7,889	7,729	7,535	8,828	7,962
Iron ore \$/dmt	99.5	114.0	120.4	↑ 175.9	140.8	141.8	139.6	111.6	145.9	167.8	128.5
Lead ¢/kg	217.8	214.2	218.2	↑ 245.5	199.2	209.1	197.9	198.7	214.8	240.1	204.5
Nickel \$/mt	17,288	17,169	16,335	↓ 22,024	18,393	19,636	17,186	16,384	21,809	22,910	17,557
Tin ¢/kg	2,077	2,123	2,071	↓ 2,466	2,085	2,291	2,063	1,936	2,041	2,605	2,097
Zinc ¢/kg	201.0	190.4	191.2	↑ 222.4	190.4	202.5	193.2	189.2	216.1	219.4	194.2
Precious Metals											
Gold \$/toz	1,745	1,747	1,722	↓ 1,701	1,682	1,692	1,612	1,656	1,225	1,569	1,668
Platinum \$/toz	1,624	1,636	1,576	↓ 1,771	1,529	1,604	1,500	1,501	1,610	1,719	1,548
Silver ¢/toz	3,361	3,319	3,277	↓ 3,880	3,179	3,258	2,941	2,995	2,015	3,522	3,107

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

Cont'd..283

7.	-do-	-do-	China PR	China PR	Any other combination of producer and exporter at 6 above		Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
8.	-do-	-do-	China PR	China PR	Lucky Huanguang Graphics Co. Ltd.	Lucky Huanguang Graphics Co. Ltd.	Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
9.	-do-	-do-	China PR	China PR	Any combination other than serial no 7		Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
10.	-do-	-do-	China PR	China PR	Any combination other than all above		Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
11.	-do-	-do-	China PR	Any other than subject countries	Any	Any	Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm
12.	-do-	-do-	Any other than subject countries	China PR	Any	Any	Violet Thermal CtCP**	5.81 5.39 4.87	US\$ US\$ US\$	Sqm Sqm Sqm

*Conversion factor From Kg to Sq mtr is 1 Kg=1.318 sq mts, for 28 mm thickness plate. If the thickness of the plate varies, the square meter for kg of the product will vary proportionately. 1 Sq mtr=0.7588 kg.

**Computer to Conventional Plate also known as UV-CTP plate.

***N/A stands for 'Not Applicable'.

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 4th June, 2012 for the imports of the subject goods originating in or exported from the subject countries and the anti-dumping duty imposed shall be payable in Indian currency.

Explanation.- For the purposes of this notification,-

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

(ii) "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.354/45/2012 -TRU]

Anti-dumping Duty on PVC Suspension Grade from Taiwan, China, USA and Others Extended for One More Year After Review i.e., upto Jan 2014

Ntfn 52-ADD 06.12.2012 (DoR) Whereas, the designated authority vide notification No. 21/29/2011-DGAD, dated the 5th October, 2012, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 5th October, 2012, had initiated review, in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) read with rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, in the matter of continuation of anti-dumping duty on imports of 'Polyvinyl Chloride (PVC) Suspension Grade', originating in, or exported from, Taiwan, People's Republic of China, Indonesia, Japan, Korea RP, Malaysia, Thailand and USA, imposed vide notification of the Government of India in the Ministry of Finance (Department of Revenue), number G.S.R. 52 (E), dated the 23rd January, 2008 (No. 11/2008-Customs, dated the 23rd January, 2008), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) and had requested for extension of anti-dumping duty upto one more year, in terms of sub-section (5) of section 9A of the said Customs Tariff Act;

NOW, THEREFORE, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) read with rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), number G.S.R. 52 (E), dated the 23rd January, 2008 (No. 11/2008-Customs, dated the 23rd January, 2008), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide, namely:-

In the said notification, in paragraph 2, for the words "five years", the words "six years" shall be substituted.

[F.No.354/70/2007-TRU (Pt-I)]

SVB Valuation at Ports Now under Mumbai DG from New Year, Local Commissioner to Decide on SVB Recco

Subject: Functional control of Special Valuation Branches.

29-CBEC 07.12.2012 (DoR) Kind attention is invited to Board Circular No. 11/2001-07.12.2012 Customs dated 23rd February 2001 issued from F. No. 467/32/2000-Customs V, prescribing conditions and procedure regarding cases to be taken up for

investigation by Special Valuation Branches (SVB) and their manner of processing and disposal. Presently SVBs are located in the Customs Commissionerates of Mumbai, New Delhi, Chennai, Kolkata and Bangalore and are functioning under the administrative control of the respective Commissioners of Customs.

2. The functioning of SVBs was reviewed by the Board with a view to strengthen their working.

3. It has been decided to vest the Directorate General of Valuation (DGOV) with functional control over the SVBs. Consequently, the presently existing SVB sections with their existing staff will henceforth function under the supervisory control of the DGOV.

4. The Board has also decided that the officers posted in SVBs shall not be given any additional responsibilities and they shall exclusively handle work relating to SVB investigations and related issues. The office of the DGOV shall closely monitor the pendency of the SVBs, approve the initiation of SVB inquiries, and supervise the investigations. Furthermore, the Board has desired that the DGOV continuously endeavor for qualitative improvement of SVB investigations/orders.

5. It is envisaged that on completion of investigation in a case, the proper officer in SVB will issue an order for determination of value under Section 14 of the Customs Act, 1962. The order will be sent to the importer concerned, the Custom House which had referred the case and to DGOV.

6. The work relating to review, appeal and other legal matters arising out of cases investigated and orders passed by the proper officer in SVBs, shall continue to be handled by the jurisdictional Commissioners of Customs. Directorate General of Valuation will provide its views on the

orders passed by the proper officer to the jurisdictional Commissioner of Customs, which will be given due consideration, when the orders are examined by Commissioners of Customs for review or acceptance under section 129D of the Customs Act, 1962.

7. These instructions shall take effect from 1st January, 2013.
8. Publicity to this Circular may be given by way of issuance of public notice and standing order.
9. Difficulties, if any, faced in the implementation of this circular, may be immediately brought to the notice of the Board.

F. No. 465/12/2010 Cus. V

Lead Free Powder SION Notified

35-PN(RE) In exercise of the powers conferred under Paragraph 06.12.2012 2.4 of the Foreign Trade Policy, 2009-14 and Paragraph (DGFT) 1.1 of the Handbook of Procedures (Vol.1), the Directorate General of Foreign Trade hereby notifies a new SION bearing number C- 2056 in respect of the export product "Lead Free Powder CuSn8Ni1". The new entry would be as under:-

Export Item	Quantity	Import Items	Quantity allowed
Lead Free Powder	100 Kg.	1. Copper Ingot Or	92.82Kg
		Copper Scrap	94.64Kg
		2. Tin Ingot Or	8.13 Kg
		Tin Scrap	8.29 Kg
		3. Nickel Ingot Or	1.05 Kg
		Nickel Scrap	1.07 Kg

2. Effect of Public Notice

There was no SION earlier for the export product "Lead Free Powder CuSn8Ni1" in the Engineering Product Group. This has been notified now.

Sodium Silicate in Liquid Form SION Notified

Subject: Amendment in SION A-1189.

34-PN(RE) In exercise of the powers conferred under Paragraph 05.12.2012 2.4 of the Foreign Trade Policy, 2009-14 and Paragraph (DGFT) 1.1 of the Handbook of Procedures (Vol. 1), the Directorate General of Foreign Trade hereby amends SION A-1189, as under:

SION No.	Export Product	Quantity	SNo.	Import Product	Quantity
A-1189	(a) Sodium Silicate (Liquid)	1 Kg.	1.	Soda Ash	0.50 Kg.
	(b) Sodium Silicate (Lumps/Crystals/Soluble Glass in solid form)	1 Kg.	1.	Soda Ash (light/dense)	0.956 Kg.

2. Effect of Public Notice

The existing SION A-1189 is applicable for Sodium Silicate in Liquid form, but does not say so specifically. To make the SIONs more specific, separate norms for liquid and solid forms are notified.

Australia Lifts 2013 Iron Ore Price Forecast on China Demand

Australia, the world's biggest iron ore exporter, raised its price estimate for next year on expectation that infrastructure projects and stimulus spending by China, the world's biggest buyer, will boost demand.

Prices will average \$106 a metric ton in 2013, compared with a September estimate of \$101 a ton, the Bureau of Resources and Energy Economics said in a report on 12 December. Prices are set to average \$128 a ton in 2012 from \$126 a ton forecast in September, the Canberra-based bureau said. Australia may ship 481 million tons in 2012 and 543 million tons in 2013, from 483 million tons and 528 million tons predicted in September, it said.

Iron ore climbed on 11 December to the highest price in more than four months on signs China will rebound after a seven-quarter slowdown. Industrial output and retail sales rose faster than economists estimated, data showed Dec. 9, bolstering prospects for a sustained pickup. China imported 65.78 million tons of the ore last month, the customs bureau said Dec. 10, the second-highest level after a record 68.97 million tons in January 2011.

BIG's Weekly Index of Changes No 38/12-18 December 2012

Exchange Rates for Customs Valuation

Rupee Rises to Rs. 55 for Customs Valuation on Imports w.e.f. 7 December 2012

108-Cus(NT) In exercise of the powers conferred by section 14 of the 06.12.2012 Customs Act, 1962 (52 of 1962), and in supersession of (DoR) the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 99/ 2012-CUSTOMS (N.T.), dated the 16th November, 2012 vide number S.O. 2719(E), dated the 16th November, 2012, except as respects things done or omitted to be done before such super session, 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 7th December, 2012** 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.

SNo.	Currency	Imported Goods		Exported Goods	
		Current	Previous	Current	Previous
Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees					
1.	Australian Dollar	57.90	57.85	56.30	56.45
2.	Bahrain Dinar	148.85	150.25	140.45	141.80
3.	Canadian Dollar	55.70	55.65	54.10	54.10
4.	Danish Kroner	9.75	9.55	9.40	9.25
5.	EURO	72.30	70.90	70.50	69.25
6.	Hong Kong Dollar	7.10	7.15	6.95	7.05
7.	Kenya Shilling	65.50	66.40	61.55	62.30
8.	Kuwait Dinar	199.55	200.95	188.15	189.05
9.	New Zealand Dollar	45.65	45.35	44.30	44.05
10.	Norwegian Kroner	9.85	9.70	9.55	9.40
11.	Pound Sterling	88.80	88.25	86.85	86.15
12.	Singapore Dollar	45.25	45.60	44.20	44.40
13.	South African Rand	6.40	6.35	6.00	6.00
14.	Saudi Arabian Riyal	14.95	15.10	14.10	14.25
15.	Swedish Kroner	8.40	8.25	8.15	8.00
16.	Swiss Franc	59.60	59.05	57.95	57.40
17.	UAE Dirham	15.30	15.40	14.40	14.55
18.	US Dollar	55.00	55.50	54.00	54.55
Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees					
1.	Japanese Yen	67.20	69.55	65.35	67.65

[F.No.468/18/2012-Cus.V]



Export Credit of US\$13.095mn to Togo

Sub: Exim Bank's Line of Credit of USD 13.095 million to the Govt. of the Republic of Togo

AP(DIR Srs) Export-Import Bank of India (Exim Bank) has concluded Cir.56 an Agreement dated January 12, 2012 with the 27.11.2012 Government of the Republic of Togo, making available (RBI) to the latter, a Line of Credit (LOC) of USD 13.095 million (USD thirteen million ninety five thousand) for the purpose of Farming and Cultivation of Rice, Maize and Sorghum in Togo. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 per cent goods and services (other than consultancy services) may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from April 27, 2012 and the date of execution of Agreement is January 12, 2012. Under the

LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (January 11, 2018) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow

such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to www.eximbankindia.in.

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

EU-Japan FTA in the Making

EU trade ministers have formally given the green light for Brussels to begin negotiations with Tokyo for a bilateral trade deal, officials announced late last week. The news comes as the 27-country bloc continues its efforts to finalise trade pacts with Canada, Colombia, and Peru, among others, while exploring options for new negotiations with other trading partners in an effort to create jobs and foster economic growth in the struggling eurozone.

While momentum toward launching talks with

Japan has been building over the past few months, some EU legislators and member states have expressed concern that some sectors - particularly automobiles - might suffer as the result of a trade deal, unless Tokyo dramatically lowers non-tariff barriers in these areas. The massive influx of cars from South Korea after Brussels' FTA with Seoul took effect last year has fuelled these fears further among European automakers, especially those in France and Italy.

Bangladesh Perks Up!

Bangladesh's economy performed well in FY12 (July 2011-June 2012), with preliminary estimates pegging growth at 6.3 percent. Inflation pressures have eased, given moderate monetary tightening and lower food price inflation. The current account deficit has narrowed and foreign reserves have rebounded as a result of policy adjustments and remittance flows that compensated slowing export growth. To ensure stability, the government has pursued appropriate fiscal restraint, limiting its budget deficit (excluding grants) to an estimated 4.1 percent of GDP in FY12. Underpinning this has been strong revenue collection efforts and containment of fuel and electricity subsidies, as administered price increases helped narrow losses at energy-related state-owned enterprises.

Obama Shields for EU Emissions Rule

US President Barack Obama signed into law last week a bill that would give the US Transportation Secretary the authority to shield US airlines from the EU's Emissions Trading System (ETS), should the secretary find that it is in the public interest to do so. The news comes just weeks after the European Commission decided to temporarily suspend the aviation component of its ETS for non-EU flights landing in or departing from the 27-country bloc.

The EU had originally decided to include airline emissions from intra-EU flights, as well as non-EU flights landing or taking off from the 27-member bloc, into its ETS in order to spur action in an area that has seen notoriously little progress in emissions reductions over many years.

Rice Imports by China Set to Jump Fourfold on Local Prices

Rice purchases by China, the largest producer, may soar fourfold this year after a government policy to support farm incomes drove up domestic prices, the United Nations said.

Shipments may reach 2.3 million metric tons to 2.4 million tons, said Concepcion Calpe, a senior economist at the UN's Food & Agriculture Organization. That compares a prediction of 2 million tons last month and 600,000 tons in 2011, according to the FAO. While there's no shortage in China, processors increased imports to profit from the difference between domestic and overseas rates, said Bai Peipei, an analyst at Beijing Shennong Kexin Agribusiness Consulting Co.

Rising imports by China may bolster prices even as world inventories tracked by the FAO swell to a record, boosted by the biggest global crop ever. While rice, the staple for half the world, has risen 4 percent in Chicago this year, it is 17 percent below a three-year high in September 2011. Most purchases by China, which typically imports from Thailand, were of Vietnamese origin this year.

WIndex and DIndex – No. 38 - 12 to 18 December 2012

World Trade

	DIndex Code*	WIndex Page
The Riddle of Falling Rupee Coexisting with Crashing Exports	1831	281
Tajiks to Join WTO as 159th Member – Afghans, Azeris are Next in the Queue	1832	281
Bali WTO Ministerial on 3-6 December 2013	1833	281
Dollars Exports Fall by 4.17%, Import Up by 6.35% in Nov 2012	1834	282
Iran Oil Exports Slump 46% as US Sanctions Bite	1835	282
World Bank Pink Sheet – December 2012	1828	284
Australia Lifts 2013 Iron Ore Price Forecast on China Demand	1836	287
EU-Japan FTA in the Making	1837	288
Bangladesh Perks Up!	1838	288
Obama Shields for EU Emissions Rule	1839	288
Rice Imports by China Set to Jump Fourfold on Local Prices	1840	288

Foreign Trade Policy

Sodium Silicate in Liquid Form SION Notified – 34-PN(RE)/05.12.2012	1824	287
Lead Free Powder SION Notified – 35-PN(RE)/06.12.2012	1825	287

Customs

Reimports from Bhutan for Repairs must be within 10 Years – Ntn 60/06.12.2012	1821	283
Another Five Years of Anti-dumping Duty on Digital Offset Printing Plates from China – 51-ADD/03.12.2012	1822	283
Anti-dumping Duty on PVC Suspension Grade from Taiwan, China, USA and Others Extended for One More Year After Review i.e., upto Jan 2014 – 52-ADD/06.12.2012	1823	286
Katargam, Chauryasi (Surat) ICD Notified for Loading and Unloading Goods – 107-Cus(NT)/04.12.2012	1827	-
Exchange Rates for Customs Valuation – Exports and Imports – 108-Cus(NT)/06.12.2012	1826	287

CBEC Circulars

SVB Valuation at Ports Now under Mumbai DG from New Year, Local Commissioner to Decide on SVB Recco – 29-CBEC/07.12.2012	1829	286
--	------	-----

RBI Circulars [AP(DIR Series)]

Export Credit of US\$13.095mn to Togo – Cir.56/27.11.2012	1830	287
---	------	-----

*See details in www.worldtradescanner.com