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Cotton and Cotton Yarn Export Contract Registration with DGFT Dropped



Subject:- Amendment in export policy of cotton.

102-Ntfn(RE) In exercise of the powers conferred by Section 5 of the Foreign
08.12.2014 Trade (Development & Regulation) Act, 1992 (No.22 of 1992)
(DGFT) read with Para 1.3 of the Foreign Trade Policy, 2009-14, as
amended, the Central Government hereby makes, with
immediate effect, the following amendments in respect of Sl. No.
197 & 199 of Chapter 52 of Schedule 2 of ITC (HS) Classification of Export &
Import Items:-

2. The existing entries stipulated against Sl. No. 197 & 199 in Chapter 52 of Schedule 2 of ITC(HS) Classification of Export & Import Items are substituted as follows:-

Chapter 52 – Cotton

S. No.	Tariff Item Code	Unit	Item of Description	Export Policy	Nature of Restriction
197	5201		Cotton neither carded nor combed	Free	
199	5203		Cotton, carded or combed	Free	

3. The effect of this notification:-

The registration requirement for export of cotton (Tariff Codes 5201 & 5203) has been dispensed with.

Subject:- Amendment in export policy of cotton yarn.

103-Ntfn(RE) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act,
08.12.2014 1992 (No.22 of 1992) read with Para 1.3 of the Foreign Trade Policy, 2009-14, as amended, the Central
(DGFT) Government hereby makes, with immediate effect, the following amendments in respect of Sl. No. 200, 201
& 202 of Chapter 52 of Schedule 2 of ITC (HS) Classification of Export & Import Items:-

2. The existing entries stipulated against Sl. No. 200, 201 & 202 in Chapter 52 of Schedule 2 of ITC(HS) Classification of Export & Import Items are substituted as follows:-

Chapter 52 – Cotton

S. No.	Tariff Item Code	Unit	Item of Description	Export Policy	Nature of Restriction
200	5205	Kgs	Cotton yarn (other than sewing thread), containing 85% or more by weight or cotton not put up for retail sale	Free	
201	5206	Kgs	Cotton yarn (other than sewing thread), containing less than 85% by weight or cotton not put up for retail sale	Free	
202	5207	Kgs	Cotton yarn (other than sewing thread), put up for retail sale	Free	

. The effect of this notification:-

The registration requirement for export of cotton yarn (Tariff Codes 5205, 5206 & 5207) has been dispensed with.

Oil Crashes as OPEC Maintains Output

Oil is trading in a bear market amid signs that U.S. output is expanding even after the Organization of Petroleum Exporting Countries opted not to reduce its production target. The 12-member group is responsible for about 40 percent of the world's supply. Falling prices will put "short-term pressure" on Iran's budget, President Hassan Rouhani said in parliament on 7 December.

"This is primarily a supply-side issue," Ric Spooner, a chief strategist at CMC Markets in Sydney, said by phone today. "Current supplies are too large for any foreseeable improvement in demand. The price needs to fall to a level that starts to really give the market some comfort that new projects are going to be

put on the backburner and delayed."

WTI for January delivery dropped as much as \$1.21 to \$64.63 a barrel in electronic trading on the New York Mercantile Exchange and was at \$65.18. It slid 97 cents to \$65.84 on Dec. 5, the lowest close since July 2009. The volume of all futures traded was about 9 percent above the 100-day average. Prices have decreased 34 percent this year.

Rig Count

The number of U.S. rigs in operation rose to 1,575 through Dec. 5, the first gain in three weeks, according to Baker Hughes, a Houston-based field services company. The

PMO Writes to Ministries to Quantify Agro Subsidies

India Prepares Food Subsidy Data for WTO

New Delhi plans to quantify all subsidies and farm support falling under the WTO's Agreement on Agriculture by 15 January 2015, according to a letter dated 17 November 2014 from the prime minister's office cited by the Indian Express.

(It may be recalled that the Bali deal at WTO when India raised the question of food subsidies had a negative impact. The final wordings allowed India to continue with subsidies till a settlement is reached. In return, India is enjoined to report regularly on the quantum of subsidy thus opening the agri sector to scrutiny and comment from the 150 plus WTO members! Thus India is saddled with reporting aid).

The letters follows an agreement last Thursday at the WTO, which clarified that a prior commitment not to challenge developing country public food stockholding schemes under the trade body's farm subsidy rules would not expire in 2017 but will continue till a settlement is reached.

The deal also reaffirmed that countries benefitting from this "peace clause" would share data and information on their agricultural subsidies. Meanwhile, WTO members will ramp up efforts to negotiate a "permanent solution" to developing countries' concerns in this area, with a new target date of end-2015 for such an outcome.

As part of a move spearheaded by India, developing countries in the G-33 coalition have complained that price inflation over the last two decades has eroded their ability under WTO rules to buy food at government-set prices as part of public stockholding schemes.

Quantification a first step

Quantifying farm support is "a first step in

understanding the extent of support that this sector needs," Principal Secretary Nripendra Misra in the Prime Minister's office reportedly told other senior policymakers in the letter, according to the Indian Express.

The newspaper cites a letter from the Principal Secretary in the prime minister's office, Nripendra Misra, addressed to the Secretaries of the departments of Commerce, Agriculture, Food and Public Distribution, Fertilizers, and Expenditure.

"It would be useful if this exercise is completed in two months' time, i.e. by 15.1.2015," Misra reportedly writes.

The letter adds that the review should "study the existing support measures for agriculture, examine the possibilities that are there under the Agreement on Agriculture for promoting agriculture, classify all the ongoing support activities in the context of the various permissible and regulated activities under the WTO, and suggest possible changes and improvements that may be needed in future."

(According to Indian Express, India has admitted to \$56.13bn agro subsidy in 2010-11 in a Sept 10, 2014 filing at to WTO).

The September report indicated that trade-distorting support fell consistently below WTO ceilings for the seven-year period up to 2010-11. However, the government has warned that plans to expand subsidies to poor consumers under its new Food Security Act could mean that ceilings on farm support for rice might be breached if the food continues to be procured at administered prices.

The official figures presented in September revealed that just below US\$14 billion of government spending was allocated for public stockholding for food security purposes – more than doubling support levels seven years previously.

nation's oil boom has been driven by a combination of horizontal drilling and hydraulic fracturing, which has unlocked supplies from shale formations including the Eagle Ford in Texas and the Bakken in North Dakota.

U.S. oil production accelerated to 9.08 million barrels a day through Nov. 28, according to data from the Energy Information Administration data. That's the fastest rate in weekly records that started in January 1983.

OPEC Quota

Saudi Arabia led OPEC's decision to maintain output at a meeting in Vienna, citing the threat from U.S. shale, Iranian Oil Minister Bijan Namdar Zanganeh said on Nov. 28. The group pumped 30.56 million barrels a day in November, exceeding its quota of 30 million for a sixth straight month.

In Algeria, another OPEC member, Sonatrach will press ahead with its \$90 billion investment plan in the country's oil and gas industry even as crude trades near five-year lows, Said Sahnoun, the interim chief executive officer of the state-run energy producer, said at a

conference in Algiers on 7 December.

China, the world's second-biggest oil consumer, imported 25.41 million metric tons of crude last month, according to preliminary data from the General Administration of Customs in Beijing on 8 December. Shipments increased to about 6.21 million barrels a day, up 9 percent from a month earlier.

Parliament Question on Pulses

The Government has taken a number of policy decisions recently to augment domestic availability of pulses and thereby moderate their prices which include followings;

- Ban on export of Pulses until further orders with certain exemptions,
- Extension of Zero Import Duty on Pulses till 31.03.2015, except for Gram which has been extended till 31.12.2014, and
- Stock limits imposed for pulses extended till 30.9.2015

This information was given by the Minister of State for Consumer Affairs, Food and Public Distribution, Raosaheb Patil Danve in a written reply in Rajya Sabha on 28 November 2014.

USTR Raises MRP Labelling Issue with Nirmala



Minister of Commerce and Industry of India . Nirmala Sitharaman and U.S. Trade Representative Ambassador Mr. Michael Froman met in New Delhi on November 25, 2014

for the eighth ministerial-level meeting of the India-United States Trade Policy Forum (TPF).

The USTR wants potential reconciliation of the definition of wholesale pack between Departments, forthcoming rules to allow stickering of maximum retail price at the port, and timely implementation efforts concerning these issues.

The United States took note of India's interest in engaging on social security totalization, and agreed to review any information provided by India about developments in its social security regime. They decided to continue their engagement on visa issues, and the United States took note of India's interest in ensuring easier access for Indian professionals in the United States.

Intellectual Property and related issues

Recognizing the shared interest of our creative industries, India and the United States agreed to deepen cooperation to build capacity and generate awareness in the field of copyright.

Minister Sitharaman highlighted India's work on a new intellectual property rights (IPR) policy which would stimulate innovation across sectors in the country. The United States agreed to share information on this subject to support India's on-going efforts.

India and the United States recognize the importance of trade secrets protection to attracting investment and agree to exchange information on best legal practices in this area.

World Trade Organization

Minister Sitharaman and Ambassador Froman expressed satisfaction at the recent understanding between India and the United States on the issue of public stockholding for food security purposes and the Trade Facilitation Agreement as a follow-up to the discussions between Prime Minister Modi and President Obama. They committed to working with other WTO Members to ensure that the WTO General Council takes this understanding forward towards a satisfactory outcome.

Private Sector Advisory Group

Minister Sitharaman and Ambassador Froman encouraged the continued work of the United States-India Private Sector Advisory Group (PSAG), which had been created under the TPF to provide strategic advice. Minister Sitharaman and Ambassador Froman expect that the work of TPF will benefit from the depth, breadth, and diversity of expertise of the PSAG in trade and international affairs in advance of the 2015 TPF meeting to be held in Washington, DC.

WEEKLY INDEX OF CHANGES

Polished Marble above 20mm Thickness not allowed for Import

Subject : Import policy of Worked monumental or building stone (except slate) and articles thereof, other than goods of heading 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing; artificially coloured granules, chippings and powder, of natural stone (including slate)

100-Ntfn(RE) In exercise of the powers
05.12.2014 conferred by Section 5 of the
(DGFT) Foreign Trade (Development
and Regulation) Act, 1992

read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes the following amendments in the Schedule 1 (Imports) of the ITC (HS) Classifications of Export and Import Items.

2. Existing policy conditions (prior to this amendment) as available at page 545 of ITC(HS) Classification of Export and Import Items (as updated on 18.04.2012), for the Exim Codes 6802 10 00, 6802 21 10, 6802 21 20, 6802 21 90, 6802 91 00 and 6802 92 00 of Chapter 68 are

extracted below (earlier policy conditions) :

"Import permitted freely provided cif value is US\$ 60 & above per square metre."

3 After amendment the entry would read as below (amended policy conditions):

"Import (maximum thickness of slab 20mm) permitted freely provided cif value is US\$ 60 & above per square metre."

4. The effect of this Notification:-

Now the import of items under the Exim Codes specified above is permitted freely if cif value is US\$ 60 and above per square meter with the condition that maximum thickness of slab be 20 mm.

ADG Order Appeals Lie with DGFT

101-Ntfn(RE) In exercise of the powers conferred by clause (b) of sub-section (1) of
05.12.2014 Section 15 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of
(DGFT) 1992) and in supersession of the earlier Notifications referred below, the
Central Government hereby authorizes the officers specified in column 3 of the
Table below to function as Appellate Authority against the orders passed by the Adjudicating
Authorities authorized by the Central Government under Section 13 of the said Act and specified
in column 2 of the said Table:-

Table

Sl. No.	Designation of Adjudicating Authority	Appellate Authority
1.	Assistant Director General of Foreign Trade	Additional Director General of Foreign Trade
2.	Deputy Director General of Foreign Trade	Additional Director General of Foreign Trade
3.	Joint Director General of Foreign Trade	Additional Director General of Foreign Trade
4.	Additional Director General of Foreign Trade	Director General of Foreign Trade
5.	Development Commissioner, Special Economic Zones	Trade aided by one Addl. DGFT in the Directorate General of Foreign Trade.
6.	Designated Officer, Department of Electronics & Information Technology	Trade aided by one Addl. DGFT in the Directorate General of Foreign Trade.

Earlier Notifications which stand superseded:

1. Notification S.O. 1059(E) dated 31st December, 1993.
2. Notification S.O. 193(E) dated 6th March, 2000.
3. Notification No. 21 (RE-2013)/2009-2014 dated 13th June, 2013.

Income Tax Clearance Certificate for Asset Remittance

Sub: Remittance of Assets – Submission of Auditor's certificate

AP(DIR Srs) Attention of Authorised Dealer
Cir.43 Category-I (AD Category-I)
02.12.2014 banks is invited to the Foreign
(RBI) Exchange Management
(Remittance of Assets)

Regulations, 2000, notified vide Notification No. FEMA 13/2000-RB dated May 3, 2000, as amended from time to time, which required submission of certificates in the formats prescribed by Central Board of Direct Taxes, Ministry of Finance, Government of India specified in their circular No. 10/2002 dated October 9, 2002.

2. The instructions by Central Board of Direct Taxes (CBDT) regarding submission of certificates have undergone significant changes over the years. Also it is pertinent to note that CBDT vide its notification dated September 2, 2013 has revised the instructions regarding furnishing

of tax declarations and submission of Form 15CA and 15 CB.

3. Accordingly, Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Remittance of Assets) (Amendment) Regulations, 2014 notified vide Notification No. FEMA. 324/2014-RB dated October 31, 2014, c.f. G.S.R. No. 803 (E) dated November 14, 2014, with respect to submitting certificates on tax payments.

4. In this connection, Authorised Dealer banks may refer to the instructions contained in A.P (DIR Series) Circular No. 151 dated June 30, 2014. The conditions stipulated therein shall be complied with while making remittances.

5. AD Category- I banks may bring the contents of the circular to the notice of their constituents concerned.

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

Service Tax Scrutiny Powers give to Nominated Cost Accountant and Chartered Accountant in Addition to Audit Party

23-ST In exercise of the powers
05.12.2014 conferred by clause (k) of
(DoR) sub-section (2), read with
sub-section (1) of section 94
of the Finance Act, 1994 (32 of 1994), the
Central Government hereby makes the following
rules further to amend the Service Tax Rules,
1994, namely:-

1. (1) These rules may be called the Service Tax (Third Amendment) Rules, 2014.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Service Tax Rules, 1994, in rule 5A, for sub-rule (2), the following sub-rule shall be substituted, namely:-

"(2) Every assessee, shall, on demand make available to the officer empowered under sub-rule (1) or the audit party deputed by the Commissioner or the Comptroller and Auditor General of India, or a cost accountant or chartered accountant nominated under section 72A of the Finance Act, 1994,-

- (i) the records maintained or prepared by him in terms of sub-rule (2) of rule 5;
- (ii) the cost audit reports, if any, under section 148 of the Companies Act, 2013 (18 of 2013); and
- (iii) the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961 (43 of 1961),

for the scrutiny of the officer or the audit party, or the cost accountant or chartered accountant, within the time limit specified by the said officer or the audit party or the cost accountant or chartered accountant, as the case may be."

[F.No 137/46/2014-Service Tax]

Mangalore Service Tax Commissionerate Arrests Builder for Rs. 1 Crore Plus Evasion Case

[Commissioner of Central Excise & Service Tax, Mangalore Press Note dated 26th November 2014]

On specific information recorded by the officers of the Central Excise & Service Tax Commissionerate, Mangalore, which was further developed, a proprietor of one of the major construction companies has been arrested for service tax evasion of over one crore. Out of the amount evaded, about Rs.84 lakhs of service tax has been collected from the customers but the same has not been credited to the Government exchequer.

Cont'd.278

Crude Crashes, NG, Coal, Metals, Fertilizers and Precious Metals Fall Edible Oils Gains

Up ↑

Copra; Fishmeal; Groundnuts and Groundnut oil
Palm oil and Palmkernel oil; Soybean meal and Soybeans
Barley; Maize; Sorghum; Wheat
Rubber; Potassium chloride; Aluminium and Tin

Down ↓

Coal, Australia; Crude; Natural gas
Cocoa; Coffee and Tea; Coconut oil; Soybean oil
Rice; Meat beef and Sheep meat;

Logs Cameroon; Plywood and Sawnwood
Cotton; DAP, TSP and Urea
Copper, Iron Ore, Lead, Nickel and Zinc
Gold, Silver and Platinum

Steady ↔

Coal; Bananas; Chicken Meat; Shrimp; Oranges
Sugar; Logs Malaysia; Woodpulp
Rock phosphate



	Monthly averages			Quarterly averages					Annual averages		
	2014			2013		2014			2011	2012	2013
	Sep	Oct	Nov	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Dec

Energy

Coal, Australia \$/mt	65.9	63.7	62.6	↓	77.3	82.0	77.1	72.7	67.9	121.4	96.4	84.6
Coal, Colombia \$/mt	65.5	63.8	63.5	↔	65.8	71.1	68.4	64.8	66.8	111.5	84.0	71.9
Coal, South Africa \$/mt	67.9	65.7	65.7	↔	72.9	83.0	78.4	75.0	70.2	116.3	92.9	80.2
Crude oil, average \$/bbl	95.9	86.1	77.0	↓	107.4	104.5	103.7	106.3	100.4	104.0	105.0	104.1
Crude oil, Brent \$/bbl	97.3	87.3	78.4	↓	110.1	109.4	107.9	109.8	102.1	110.9	112.0	108.9
Crude oil, Dubai \$/bbl	97.0	86.6	76.7	↓	106.2	106.7	104.4	106.1	101.5	106.0	108.9	105.4
Crude oil, WTI \$/bbl	93.2	84.4	75.8	↓	105.8	97.4	98.7	103.1	97.5	95.1	94.2	97.9
Natural gas, Index 2010=100	101.8	102.7	101.5	↓	108.3	111.9	127.8	115.5	102.0	108.5	99.2	112.1
Natural gas, Europe \$/mmbtu	9.2	9.8	8.9	↓	11.5	11.4	11.3	10.2	9.2	10.5	11.5	11.8
Natural gas, US \$/mmbtu	3.9	3.8	4.1	↑	3.6	3.9	5.2	4.6	3.9	4.0	2.8	3.7
Natural gas, LNG Japan \$/mmbtu	15.2	15.4	13.9	↓	15.6	15.7	16.7	16.4	15.4	14.7	16.6	16.0

Beverages

Cocoa \$/kg	3.21	3.10	2.91	↓	2.47	2.77	2.95	3.08	3.23	2.98	2.39	2.44
Coffee, arabica \$/kg	4.64	4.97	4.62	↓	2.98	2.77	3.82	4.67	4.56	5.98	4.11	3.08
Coffee, robusta \$/kg	2.22	2.31	2.27	↓	2.04	1.85	2.12	2.26	2.22	2.41	2.27	2.08
Tea, average \$/kg	2.64	2.65	2.65	↔	2.79	2.82	2.65	2.80	2.80	2.92	2.90	2.86
Tea, Colombo auctions \$/kg	3.37	3.42	3.33	↓	3.37	3.77	3.72	3.60	3.45	3.26	3.06	3.45
Tea, Kolkata auctions \$/kg	2.65	2.61	2.70	↑	2.76	2.56	1.94	2.81	2.93	2.78	2.75	2.73
Tea, Mombasa auctions \$/kg	1.89	1.91	1.90	↓	2.23	2.14	2.29	1.98	2.01	2.72	2.88	2.40

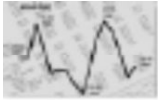
Food

Oils and Meals

Coconut oil \$/mt	1,181	1,144	1,193	↓	912	1,175	1,343	1,387	1,204	1,730	1,111	941
Copra \$/mt	785	769	795	↑	603	791	896	923	805	1,157	741	627
Fishmeal \$/mt	1,723	1,689	1,848	↑	1,699	1,600	1,583	1,693	1,767	1,537	1,558	1,747
Groundnuts \$/mt	1,308	1,338	1,360	↑	1,380	1,370	1,329	1,224	1,276	2,086	2,175	1,378
Groundnut oil \$/mt	1,360	1,365	1,366	↑	1,694	1,537	1,311	1,228	1,345	1,988	2,436	1,773
Palm oil \$/mt	709	722	728	↑	827	897	911	887	772	1,125	999	857
Palmkernel oil \$/mt	904	935	969	↑	871	1,057	1,278	1,262	988	1,648	1,110	897
Soybean meal \$/mt	468	459	485	↑	552	570	582	566	493	398	524	545
Soybean oil \$/mt	851	835	825	↓	1,006	991	977	967	865	1,299	1,226	1,057
Soybeans \$/mt	432	424	447	↑	527	555	552	518	457	541	591	538

Grains

Barley \$/mt	123.5	124.6	158.4	↑	191.0	150.7	129.5	137.9	130.1	207.2	240.3	202.2
Maize \$/mt	163.1	163.1	178.7	↑	241.9	199.4	209.9	214.0	174.1	291.7	298.4	259.4



	Monthly averages			Quarterly averages						Annual averages		
	2014			2013		2014			2011	2012	2013	
	Sep	Oct	Nov	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Dec	
Rice, Thailand 5% \$/mt	432.0	428.0	418.0	↓ 477.3	442.7	443.7	393.3	433.0	543.0	563.0	505.9	
Rice, Thailand 25% \$/mt	411.0	409.0	400.0	↓ 435.7	408.9	375.0	351.3	400.0	506.0	543.8	473.0	
Rice, Thailand A1 \$/mt	449.9	437.6	423.8	↓ 440.5	411.8	426.7	397.8	448.6	458.6	525.1	474.0	
Rice, Vietnam 5% \$/mt	442.1	437.0	422.0	↓ 383.1	397.2	391.2	388.6	435.2	513.6	434.4	392.4	
Sorghum \$/mt	174.3	187.8	199.6	↑ 219.2	202.1	224.2	219.4	184.3	268.7	271.9	243.3	
Wheat, US HRW \$/mt	243.7	245.4	258.7	↑ 305.8	308.0	297.1	322.1	262.5	316.3	313.2	312.2	
Wheat, US SRW \$/mt	202.8	220.1	236.0	↑ 257.7	276.4	264.0	263.7	213.8	285.9	295.4	276.7	
Other Food												
Bananas, EU \$/kg	0.97	1.01	1.00	« 0.98	0.94	1.05	1.14	0.99	1.12	1.10	1.02	
Bananas, US \$/kg	0.92	0.90	0.90	↔ 0.93	0.93	0.95	0.92	0.94	0.97	0.98	0.92	
Meat, beef \$/kg	6.00	5.90	5.77	↓ 3.89	4.03	4.23	4.30	5.58	4.04	4.14	4.07	
Meat, chicken \$/kg	2.50	2.51	2.51	↔ 2.34	2.31	2.31	2.40	2.49	1.93	2.08	2.29	
Meat, sheep \$/kg	6.28	6.19	6.07	↓ 5.56	6.06	6.32	6.70	6.49	6.63	6.09	5.65	
Oranges \$/kg	0.77	0.73	0.72	↔ 1.14	0.83	0.78	0.84	0.77	0.89	0.87	0.97	
Shrimp, Mexico \$/kg	18.08	16.04	16.09	↔ 15.15	16.70	17.09	17.75	18.08	11.93	10.06	13.84	
Sugar, EU domestic \$/kg	0.42	0.41	0.41	↔ 0.43	0.44	0.45	0.45	0.43	0.45	0.42	0.43	
Sugar, US domestic \$/kg	0.56	0.58	0.53	↓ 0.45	0.46	0.47	0.55	0.56	0.84	0.64	0.45	
Sugar, World \$/kg	0.35	0.37	0.36	↔ 0.38	0.39	0.37	0.40	0.38	0.57	0.47	0.39	
Timber												
Logs, Cameroon \$/cum	451.8	443.5	436.6	↓ 464.1	476.5	479.6	480.0	464.0	484.8	451.4	463.5	
Logs, Malaysia \$/cum	277.6	275.6	275.6	↔ 301.1	296.3	289.8	291.5	286.5	390.5	360.5	305.4	
Plywood ¢/sheets	509.1	505.6	469.8	↓ 552.3	543.6	531.5	534.7	525.5	607.5	610.3	560.2	
Sawnwood, Cameroon \$/cum	781.6	770.0	756.0	↓ 743.8	776.0	792.9	806.5	800.0	825.8	759.3	749.2	
Sawnwood, Malaysia \$/cum	889.0	875.8	859.9	↓ 846.0	882.7	901.9	917.3	910.0	939.4	876.3	852.8	
Woodpulp \$/mt	875.0	875.0	875.0	↔ 830.9	858.7	870.2	887.5	875.0	899.6	762.8	823.1	
Other Raw Materials												
Cotton, A Index \$/kg	1.62	1.55	1.49	↓ 2.02	1.92	2.07	2.04	1.70	3.33	1.97	1.99	
Rubber, RSS3 \$/kg	1.64	1.62	1.64	↑ 2.59	2.53	2.25	2.12	1.84	4.82	3.38	2.79	
Rubber, TSR20 \$/kg	1.53	1.51	1.54	↑ 2.35	2.31	1.98	1.73	1.63	4.52	3.16	2.52	
Fertilizers												
DAP \$/mt	481.6	466.5	452.8	↓ 432.1	366.1	476.1	458.9	495.3	618.9	539.8	444.9	
Phosphate rock \$/mt	115.0	115.0	115.0	↔ 143.2	110.0	104.4	110.0	111.7	184.9	185.9	148.1	
Potassium chloride \$/mt	287.0	290.7	305.5	↑ 391.9	341.6	314.0	287.0	287.0	435.3	459.0	379.2	
TSP \$/mt	410.0	410.0	405.0	↓ 366.0	301.3	365.9	369.2	413.0	538.3	462.0	382.1	
Urea, E. Europe \$/mt	325.6	321.1	311.3	↓ 307.5	313.9	337.5	296.0	316.4	421.0	405.4	340.1	
Metals and Minerals												
Aluminum \$/mt	1,990	1,946	2,056	↑ 1,783	1,767	1,709	1,800	1,990	2,401	2,023	1,847	
Copper \$/mt	6,872	6,737	6,713	↓ 7,086	7,163	7,030	6,795	6,996	8,828	7,962	7,332	
Iron ore \$/dmt	82	81	74	↓ 133	135	120	103	90	168	128	135	
Lead \$/mt	2,117	2,034	2,030	↓ 2,102	2,114	2,101	2,097	2,182	2,401	2,065	2,140	
Nickel \$/mt	18,035	15,812	15,807	↓ 13,956	13,909	14,661	18,468	18,584	22,910	17,548	15,032	
Tin \$/mt	21,091	19,830	20,033	↑ 21,314	22,897	22,636	23,146	21,915	26,054	21,126	22,283	
Zinc \$/mt	2,295	2,277	2,253	↓ 1,861	1,909	2,026	2,071	2,311	2,194	1,950	1,910	
Precious Metals												
Gold \$/toz	1,237	1,222	1,175	↓ 1,329	1,271	1,293	1,289	1,281	1,569	1,670	1,411	
Platinum \$/toz	1,359	1,260	1,208	↓ 1,451	1,396	1,427	1,446	1,433	1,719	1,551	1,487	
Silver \$/toz	18.4	17.2	16.0	↓ 21.4	20.8	20.5	19.7	19.7	35.2	31.1	23.8	

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

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2. During the detailed investigation carried out by the officers of the Commissionerate, it has been revealed that the service provider though had been providing taxable service of works contract service and others, failed to take service tax registration which was taken only after the lapse of considerable period. Further he has not been filing the statutory returns to the department regularly and neither discharged the appropriate service tax liability. It needs to be highlighted that the service provider has not even been crediting the service tax collected from the customers to the Government exchequer. The service provider though has been providing the taxable services to various customers including their sister concern, the details have neither been properly captured in their financial accounts nor correctly declared to the department. During the investigation, the service provider has admitted to the contraventions.

3. As the service tax collected but not paid to the exchequer for more than six months exceeded Rs.50 lakhs, the acts of omission and commission on the part of the service provider constituted an offence prescribed under Section 89(1)(d) of the Finance Act, 1994 thereby attracting imprisonment extending to seven years in terms of Section 89(1)(ii) of the said

Act. Further such offences shall be cognizable as per Section 90 of the Finance Act.

4. The service provider was therefore, arrested today, the 26th November, 2014 under Section 91 of the Finance Act, 1994 and produced before the Hon'ble Principal Civil Judge Senior Division and Chief Judicial Magistrate, Mangalore who remanded him to judicial custody. Further investigation is under progress.

5. The Commissionerate equipped with data received from various sources has been proactively developing the data base of assessee providing various services including service tax payment particulars on regular basis. The investigations initiated have prompted a few of such defaulters to discharge their liability during the stages of investigation itself. However, in instances where the service providers who had not credited the service tax amount collected to the Government exchequer and where the contraventions attracted Section 89(1)(ii) as aforesaid, arrest of such defaulters have been resorted to pending further investigations. It may be recalled that this is the fourth arrest made by the Commissionerate in the recent past for such gross and intentional violations of statutory provisions to evade payment of service tax.

C.No. IV/06/56 /2013-14 SIV Cell

Chinese Hurdles on GMO Corn Import

The world's largest seed-making firms, Syngenta AG and Dow AgroSciences, are reportedly putting in place tighter controls on US biotech seed sales as a result of Chinese import barriers around some of the genetically engineered crops in question. The sales will now come with strict planting and use instructions, the multinationals both said at the end of November.

The move comes as the latest step in an international trade saga on China's hesitation towards letting certain types of genetically modified corn enter its market. While imports of GMO crops are not banned outright in the Asian giant, they are subject to a strict approval process by Beijing.

US global food processing company Archer Daniels Midland (ADM) at the end of November filed a lawsuit against Swiss-based agribusiness firm Syngenta for losses resulting from the latter's sale of genetically engineered corn in the US, which has not yet won regulatory approval in China.

According to media reports, ADM has claimed that Syngenta's actions have resulted in "substantial economic losses and damages," after some US corn shipments were later turned away by Chinese customs following the detection of unapproved modified strains late last year.

ADM's suit suggests that the losses were a result of Syngenta's failure to properly manage and separate the modified corn in question from other varieties – a charge that a Syngenta spokesman has said is "without merit." The Swiss company added it strongly upholds "the

right of growers to have access to approved new technologies."

The corn in question, dubbed Viptera, is geared towards preventing crop losses from certain pests. The biotech product represents around 30 percent of Syngenta's North American corn-seed sales.

The lawsuit is being increasingly watched by experts given its potential implications for the biotechnology debate and international trade policy, and is one of several cases filed in over 10 US states alleging losses of more than US\$1 billion for American farmers, due to China's reluctance in buying US corn following the discovery of the unapproved Viptera strain.

US corn exports to China fell by around 87 percent in the first nine months of 2014 compared with the previous year, according to US agriculture department data, though how much of that was due to the Viptera issue is unclear. China accounted for around 12 percent of the US total corn exports in 2012.

China's vice-minister of agriculture Yu Xinrong also recently announced his support towards removing a decade-old domestic ban on foreign investment into GMO research, following a move by the National Development and Reform Commission to include such research in an updated version of a draft catalogue of industries where international investments would be allowed.

This would, however, keep in place current restrictions on the actual development and growth of crops. The draft catalogue is now under consultation.

China Announces 2014-2015 Maize Stockpiling Scheme

China Launches Price Support for Maize, Runs Out of Storage Space



China has revived its annual maize stockpiling programme for 2014-2015, now in its seventh consecutive year. The government will continue to purchase corn from farmers until at least April 2015, the State Administration for Grain said last week.

The move comes after analysts noted an apparent shift away from stockpiling earlier this year, with the introduction of a new policy for cotton.

Annual stockpiling programme for corn

Beijing will offer farmers 2220-2260 yuan (US\$362-368) per tonne for farmers in its northeast provinces - the same price offered by last year's scheme – in an effort to support domestic prices and lift rural incomes.

China Grain Reserves Corp, also known as Sinograin, along with two other state-owned enterprises will join the stockpiling scheme.

Government officials have said that China is facing shortages in grain storage following abundant harvests over the last decade.

"There is serious shortage of storage space particularly in the northeast, where a large volume of grain has been stored in the open air," said Gen Shuhai, an official at the National Development and Reform Commission (NDRC).

According to the State Administration for Grain, Beijing will also offer subsidies for constructing temporary grain storage facilities.

A shift away from stockpiling?

Policymakers and analysts will likely be keeping a keen eye on China's agricultural purchases, particularly given the indications earlier this year that Beijing seemed to be moving away from stockpiling programmes.

Such schemes were notably absent from China's "No. 1 Central Document" at the beginning of 2014, which is the annual official document that outlines the country's agricultural policy.

The Chinese government had decided to pilot a target price programme for cotton in place of stockholding. Nevertheless, rural development policy remains a complex political issue in China, home to almost 700 million farmers.

Beijing's push for state-owned enterprises to join the corn stockpiling schemes and subsidisation of storage facilities may be seen as running opposite to this trend.

Gautam Ray, Former TRU Commissioner in Committee for Clarification in Tax Laws

(The committee will consider issues based on representations from trade bodies. The recommendations will be put up to the Finance Minister for approval. The respective Boards are duty bound to implement the recommendations within two months – Ed.).

In his Budget Speech 2014-15, the Union Finance Minister Shri Arun Jaitley had announced the setting-up of a High Level Committee to interact with trade and industry and ascertain areas where clarity on tax laws is required.

Accordingly, a High Level Committee has been constituted with the following composition:-

(i) Shri Ashok Lahiri, Former Chief Economic Advisor(CEA), Ministry of Finance	- Chairman
(ii) Shri Sidhartha Pradhan, Retired Member, Settlement Commission (Income Tax & Wealth Tax)	- Member
(iii) Shri Gautam Ray, Retired DG(Audit) Customs and Central Excise	- Member

The Terms of Reference (ToR) of the Committee are as follows:-

- The High Level Committee (HLC) will interact with trade and industry on regular basis and ascertain areas where clarity in tax laws is required.
- The HLC will give recommendations to the CBDT/CBEC for issuance of appropriate clarifications by way of circulars, instructions etc. on tax issues.
- The CBDT/CBEC will issue the required clarifications, circulars, instructions etc. within a period of 2 months from the date of receipt of recommendations of the HLC.
- The HLC will be assisted by two Nodal Officers not below the rank of Joint Secretary/Commissioner, one each from Income Tax and Customs & Central Excise. The choice of Nodal Officers will be recommended by CBDT and CBEC. The appointment of the Nodal Officers will be made with the approval of Revenue Secretary.
- The HLC shall set its own procedures for regulating its work
- The HLC may consult experts and tax professionals from outside as it may consider appropriate. The HLC may also invite officers from Department of Revenue, including CBEC and CBDT and other Government Departments/Agencies for interaction, as may be necessary.
- The Chairman and two members of the Committee will function on part time basis.
- The term of the Committee shall be for one year from the date of its constitution, subject to further extensions, as may be considered appropriate by the Department of Revenue, Ministry of Finance.
- The HLC shall submit half-yearly reports to the Finance Minister.

SEZ Reform Measures Listed

The Department of Commerce has initiated various measures to improve India's ranking under "Trade Across Border" indicator in World Bank's "Doing Business Report", in consultation with CBEC, RBI and other central government Departments.

Following initiatives have been taken for Special Economic Zones (SEZs) which are presently under implementation:

- Service Delivery - Activities related to Developers and Units in SEZs were identified and timelines for completion of the said activities were prescribed and implemented. It was launched on 14.08.2014 in all Zones. This is being monitored by Development Commissioners regularly.
- Digitization and online processing of various activities relating to SEZ Developers and Units has been introduced in all Zones from 01.11.2014. The option of either filing applications online or in hardcopy is available to Developers/Units till 31.12.2014. Thereafter, from 01.01.2015, only online applications for all activities (except for setting up of new SEZs) will be entertained from Developers and Units.
- Standardisation of procedures, practices and forms in all SEZs has been implemented from 28.10.2014. Procedures for regulating certain activities which were not indicated in SEZ Act and Rules have been standardised, e.g.:-
 - Utilization of goods by the Developer / Co-Developer,
 - Approval of material for authorised operations by Developer / Co-Developer

BIG's Weekly Index of Changes No 38/10-16 December 2014

Exchange Rates for Customs Valuation

Exchange Rates for Customs Valuation w.e.f. 5 Dec 2014

113-Cus(NT) In exercise of the powers conferred by section 14 of 04.12.2014 the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in (DoR) the Ministry of Finance (Department of Revenue) No.

111/2014-CUSTOMS (N.T.), dated the 20th November, 2014 vide number S.O. 2943(E), dated the 20th November, 2014, 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 5th December, 2014** 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
(1)	(2)	(3)			
		(a)		(b)	

Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees

1.	Australian Dollar	52.65	54.00	51.35	52.70
2.	Bahrain Dinar	169.15	169.45	159.90	160.20
3.	Canadian Dollar	55.20	55.40	53.95	54.05
4.	Danish Kroner	10.40	10.60	10.10	10.30
5.	EURO	77.20	78.90	75.35	77.00
6.	Hong Kong Dollar	8.05	8.10	7.95	7.95
7.	Kuwait Dinar	218.75	219.65	206.25	207.45
8.	Newzeland Dollar	48.75	49.30	47.35	48.05
9.	Norwegian Kroner	8.95	9.30	8.70	9.00
10.	Pound Sterling	98.30	98.45	96.10	96.25
11.	Singapore Dollar	47.70	48.25	46.70	47.10
12.	South African Rand	5.70	5.75	5.35	5.45
13.	Saudi Arabian Riyal	17.00	17.05	16.05	16.10
14.	Swedish Kroner	8.35	8.50	8.15	8.30
15.	Swiss Franc	64.25	65.75	62.60	64.00
16.	UAE Dirham	17.35	17.40	16.40	16.45
17.	US Dollar	62.50	62.60	61.50	61.60

Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

1.	Japanese Yen	52.30	53.10	51.10	51.85
2.	Kenya Shilling	70.80	71.00	66.75	66.90

[F.No.468/01/2014-Cus.V]

- Information required for renewal of LoA for 5 years
 - Format for lease deed and its renewal, and
 - Format for Annual Performance Report of the Units has been revised and simplified.
4. The mechanism for redressal of grievances of SEZ Developers / Units and its monitoring has been revisited and implemented in all the Zones. In order to reduce the number of documents for exports CBEC has taken measures to merge Foreign Exchange Control Form (SDF) with shipping bill and packing list with commercial invoice. Accordingly, necessary changes in the software would be made by 31st March, 2015. Further, in order to dispense with terminal handling receipt at JNPT, Ministry of Shipping would automate this activity by 31st January, 2015. With these reform initiatives the mandatory documents required for exports would be reduced from seven at present to only three. Similarly, for the purposes of import, efforts are being made to reduce the mandatory documents from 10 at present to 4. An inter-ministerial team headed by DGFT is also visiting JNPT next week for understanding the various processes in the field and streamlining the same. It has also been decided to make the process of applying for Importer Exporter Code (IEC) mandatorily online w.e.f. 1st January, 2015 and issue IEC within two working days. This would not only obviate the need for paper application but also expedite the decision making.

SAARC Summit for Power Grid, No Deal on Road and Rail

A brief meeting between India's Prime Minister Narendra Modi and his Pakistani counterpart on Thursday salvaged a summit of South Asian leaders, with all eight countries clinching a last-minute deal to create a regional electricity grid.

Pakistan, which still refused to sign two other planned pacts to boost cross border road and rail traffic, was increasingly sidelined at the summit.

India and Pakistan have been trying for years to strike a deal to share energy across their heavily militarized border in Punjab, but Pakistan's army has resisted the effort. After Thursday's pact it was not immediately clear if the army was on board.

The pact at the summit's closing ceremony in the Nepali capital, will buttress Modi's ambition for South Asia to become a viable economic counterweight to China, which has made sweeping inroads in the region.

Modi shook hands with Pakistani Prime Minister Nawaz Sharif at Dhulikhel mountain retreat outside Kathmandu and then again before the

curtain went down on the conference. Television showed the two men smiling and exchanging a few words.

Except for these brief exchanges, the two leaders had spent most of the summit cold-shouldering each other, however.

Despite a free trade pact in force since 2006, high tariffs and curbs on movement limit trade among South Asian nations to just five percent of their total trade.

The grouping's failure to foster closer ties over the past three decades has left the way open for China to step in, by helping to build ports and roads.

China has observer status at SAARC. Vice Foreign Minister Liu Zhenmin on Wednesday promised \$30 billion for road building in South Asia over five years, and suggested increasing trade to \$150 billion over the same period.

Modi announced an easier regime for business and medical visas and promised to lower India's trade surplus.

EU-Canada in FTA, ISDS in Focus

Just weeks after threatening to block the ratification of the EU's planned free trade deal with Canada (CETA) over its investor-state dispute settlement (ISDS) provisions, German Economy Minister Sigmar Gabriel has now said he is ready to back the agreement.

Some EU political parties, including the SPD, oppose ISDS in both CETA and the Transatlantic Trade and Investment Partnership (TTIP) which is currently being negotiated with the US. The EU and Canada signed CETA in late September, after five years of talks.

ISDS

The European Commission has noted in the past, as have others, that the EU's 28 member states combined have over 1400 bilateral investment treaties and nearly all feature ISDS.

But while proponents of ISDS argue that arbitration ensures unbiased adjudication and increases investor confidence in the business environment, among other benefits, critics argue that it is opaque, inadequate to defend the public interest, and unnecessary in countries with strong rule of law.

In the context of CETA, some ISDS detractors are particularly concerned that US companies with "substantial business interests" in Canada could be allowed to bring suits against EU member states.

"CETA will be a Trojan horse for US-based multinationals," predicted Cecile Toubeau, a sustainable trade policy officer at NGO watchdog Transport & Environment.

Responding to these criticisms, Canada's Ambassador to the EU, David Plunkett, emphasised that ISDS provisions are common in EU treaties and that "letter-box" companies would not qualify as investors under CETA.

While the US is insistent on the inclusion of an ISDS provision, French officials have been among those indicating their opposition to ISDS in TTIP. "France did not want the ISDS to be included in the negotiation mandate," France's Secretary of State for Foreign Trade Matthias Fekl told the French Senate last month.

China Steel Export Rise as Iron Ore Crashes

China's steel-product exports rose to a record as the economy cools while iron ore imports slid with prices.

Shipments in November increased 14 percent from the previous month to 9.72 million metric tons, according to data from the country's customs administration on 8 December. Total exports in the first 11 months of 2014 are 47 percent higher than the same period last year at 83.6 million tons. Imports of iron ore, the main material for steel making, fell 15 percent last month to the lowest since February.

China's steel exports have set records for three straight months as a slowing expansion and cooling construction sector damp demand. The country's economy is forecast to grow at the slowest pace since 1990. China's ruling Politburo last week said it will maintain a prudent monetary stance and keep growth within a reasonable range next year.

The price of iron ore, a feedstock for blast furnaces, slumped 47 percent this year in China, falling below \$70 for the first time since June 2009 on Nov. 25. Imports in November declined for the second month to 67.4 million tons, customs data showed.

The country's crude steel output rose 5 percent in the first 10 months of the year to 685 million tons, according to the latest figures from National Bureau of Statistics.

Baoshan Iron & Steel Co., China's biggest publicly-traded steelmaker, cautioned in October that this quarter would be difficult for the company, reflecting the challenges facing an industry beset by overcapacity, a slowing domestic market and simmering trade tensions.

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