Postal Regn.No. DL(C)-01/1251/09-11
Licence to Post without
Prepayment U(C)-30/09-11
RNI No. 42906/84

WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 $2

Vol. XXVI No 43 20-26 January 2010

Promoted by Indian Institute of Foreign Trade, World Trade Centre, Academy of Business Studies

Annual subscription Rs 650

New Year Bonanza

ASEAN Advances to India, China in FTA Deals in New Year

India notifies ASEAN Free Trade Agreement covering 1575 items at the beginning of New Year. On many industrial raw materials and intermediate, the rate varies from five to six percent as against 7.5 percent in normal case. In the case of leather, the rate of duty will be only 7.5 percent for semi-finished and finished leather as against 10 percent in the normal case. The same situation of 7.5 percent duty is applicable for articles of leather also. In the case of footwear, coverage as yet limited to only specialized items. Footwear of composite items and parts of footwear will be charged at 7.5 percent as against 10 percent normal duty. The notification prescribes a cut of five percent on agri products. In the case of fabrics and garments, the ASEAN rates are lower at 7.5% than the normal effective rates which have a specific rate of duty to prevent import of low value goods.

Other ASEAN countries such as Brunei, Thailand, and Singapore are expected to ratify the pact soon. As of now only Singapore, Thailand, and Malaysia are covered. The other seven members namely, Indonesia, Vietnam Brunei, Cambodia, Laos, Philippines and even Myanmar will be covered later.

The concessions are applicable on a regional value addition of 35 to 40% with a change of customs heading to reflect "substantial transformation" from the raw material stage to finished goods. In other words, goods exported from Singapore but manufactured in Malaysia from Indonesian raw material will qualify.

India and the ASEAN signed a free-trade agreement in August 2009, aimed at breaking duty barriers on goods traded. Ultimately, the ASEAN FTA would result in elimination of tariffs on more than 4,000 products, ranging from electronic goods and textiles to chemicals and capital goods over six years. Bilateral trade between India and the 10-member ASEAN now stands at $48 billion annually.

India has, meanwhile, lined up a series of meetings with the ASEAN members over the next seven months to reach a deal on opening up services trade, after signing an agreement to liberalise merchandise commerce.

Negotiators are expected to meet in New Delhi from January 12 to 16 to take forward the talks on services trade, a senior commerce ministry official said, adding that more interactions are scheduled for March, April, May and July.

So far, two rounds of negotiations have already taken place in this regard.

The Dragon too enters South East Asia

China is giving zero duty to ASEAN in a bid to absorb the region in its fold. The agreement expands a limited 2005 trade area between China and the 10-member ASEAN, scrapping tariffs on about 90 percent of goods. Even the so called "highly sensitive" goods by 2015, duties must be cut by 50 percent including ambulances in Brunei, popcorn in Indonesia and toilet paper in China.

China's economic clout in Southeast Asian countries has risen over the past decade as policy makers slashed tariffs on electronics, automobile parts and computer chips. India, along with Japan, India and Europe have followed China in courting ASEAN.

China's trade with ASEAN has jumped six-fold since 2000 to US$193 billion last year, surpassing that of the U.S. China's share of Southeast Asia's total commerce has increased to 11.3 percent from 4 percent in that time, whereas the U.S.'s portion of trade with the bloc fell to 10.6 percent from 15 percent.

Finished goods in high-tariff industries in Indonesia and the Philippines are more than other ASEAN countries. Trade in parts and components, the "central artery" of China-ASEAN economic ties, won't be affected much because most of those tariffs are already near zero.

(Indonesia may renegotiate the deal because the textile industry may see its domestic market share decline by 50 percent as cheaper Chinese goods enter the market.)

Indonesia, ASEAN's biggest economy and home to about 40 percent of the bloc's 584 million people, has required Chinese exports of garments, electronics, shoes, toys and food to be shipped from designated ports with every container inspected upon arrival. China, poised to overtake Germany as the world's largest exporter this year, faces 101 trade investigations in 19 countries, state-run Xinhua News Agency reported this month.

Problems in Korea FTA

The Korea FTA too was notified on the New Year to cover 104 items under zero duty. In this, most of the goods in the zero duty items are already in zero. The effective duties of 962 items in the other notification in most cases are higher than the normal duty today since the cuts are on the rates in the 2006 tariffs when the effective rates were much higher. Presumably, the effective duties will be lowered at a later date to provide an effective window for preferential preferences from Korea.

New Delhi has signed the an agreement on August 13, 2009 in Seoul with the 10 South East Asian nations that make up the Asean for duty-free import and export of as many as 4,000 products ranging from steel to apparel to sugar and tobacco over a period of eight years.

Ultimately, duties on 80 per cent of goods traded between the two regions be eliminated by 2016.

Under the trade pact, India has included 489 items from agriculture, textiles and chemicals in the negative list, meaning these products will be kept out of the duty reduction.

The country's exports to ASEAN were about US$17 billion in 2007-08 and imports US$23 billion.

Indian exporters can expect a one percent duty preference in exports.

All Zero between Six Majors within ASEAN

Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand can import and export almost all goods (99.11%) across their borders at no tariff.

Even agro products such as tobacco, coffee, live animals and animal products, which come under the Sensitive List (SL), will have their tariffs reduced to 5% on 2010 and to zero tariff by 2015. The Highly Sensitive List (HSL), comprising rice, will have their tariffs capped on a specified date. As for the General Exclusion List (GEL), the tariffs will remain based on factors such as national security and morals/health/aesthetic/archaeological grounds (e.g.: weapons and opium). As of today, only 487 tariff lines or 0.89% of tariff lines for ASEAN-6 still remain in the SL, HSL and GEL categories.

The tariff lines include final consumer products such as air conditioners; chilli, fish and soya sauces; as well as intermediate materials such as motorcycle components and motor car cylinders. Other products include iron and steel, plastics, machinery and mechanical appliances, chemicals, prepared foodstuff, paper, cement, ceramic and glass sectors.

The elimination of tariffs by ASEAN-6 underscores ASEAN's commitment to dismantle tariffs and keep intra-ASEAN trade open. It will also serve as a catalyst for the development of the single market and production base projected by the ASEAN Economic Community (AEC) Blueprint.

The actual impact and how much this final instalment will be translated as savings for consumers will depend on the market dynamics of the respective ASEAN-6 countries.

The remaining four countries, namely Cambodia, Lao PDR, Myanmar and Viet Nam will follow the zero track by 2015. In 2010, these countries will also see tariff reductions under the CEPT-AFTA commitments to 5%, where the average tariff rate will decrease from 3% in 2009 to 2.61%.

Besides tariff liberalization, ASEAN is also embarking on parallel initiatives in trade facilitation to complement tariff reduction. ASEAN is also actively working on formulating streamlined and simplified customs procedures for clearance of goods, eliminating non-tariff measures, developing the ASEAN Single Window and the ASEAN Trade Repository, improving investment protection, providing for dispute settlement and better Intellectual Property Rights regime and removing the obstacles hindering the movement of professional and skilled workers.

Conclusion

The entire East Asian region is now going through a trade war with many collisions and collusions. China is bent on capturing the ASEAN market but India too is not far behind. Both India and China are offering their internal markets to ASEAN as the price for preferential entry. The ASEAN too is its own integrating at a faster face with virtual free trade between six majors. Australia-New Zealand and Japan-Korea too are integrating. We may well see integration between India and China too which event will give rise to a new Asia emerging. Year 2010 is, truly speaking, a new beginning of the decade.

Standing Committee on Commerce Invites Suggestions on Foreign Trade (Development and Regulation) Amendment Bill, 2009

The Foreign Trade (Development and Regulation) Amendment Bill, 2009, introduced in the Rajya Sabha on the 25th November, 2009, has been referred to the Department Related Parliamentary Standing Committee on Commerce, with Shanta Kumar, Member, Rajya Sabha, as its Chairman, for examination and report.

The Bill seeks to amend the Foreign Trade (Development and Regulation) Act, 1992 with a view, *interalia,* to:-

i) Provide a statutory provision for safeguard measures enabling imposition of Quantitative Restrictions (QRs);

ii) Bring in tighter export or trade control in the case of dual-use goods and related technologies and to provide enabling provisions for establishing controls as in the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005;

iii) Bring "technology" and "services", including financial services, within the ambit of the Act for the purpose of administering incentive schemes and other provision of the Foreign Trade Policy;

iv) Dispense with the requirement of obtaining any licence or permit for import or export except as may be provided under the Act;

v) Enable swift and exemplary action in trade dispute matters;

vi) Further rationalise as well as improve the system of levying and realising fiscal penalties;

vii) Empower Customs and Central Excise Settlement Commission for settlement of customs and excise duty and interest dues;

viii) Broaden the scope of word "licence" defined in the Act;

ix) Provide a provision for review of all decisions of subordinate officers by Director General of Foreign Trade.

The Committee has decided to invite memoranda, containing views of the individuals/organizations, etc., interested in the subject-matter of the Bill, and also to hear oral evidence on the subject.

Those desirous of submitting memoranda to the Committee may send two copies (either in English or Hindi) thereof to Surinder Kumar Watts, Joint Secretary, Rajya Sabha Secretariat, Room No. 240, Second Floor, Parliament House Annexe, New Delhi (Tel: 23034240, E-mail: watts@sansad.nic.in) within fifteen days of publication of this advertisement, indicating whether they would also be interested in giving oral evidence before the Committee.

The memoranda submitted to the Committee would form part of the records of the Committee and will be treated as confidential. These are not to be disclosed to anyone, till the report of the Committee is presented to Parliament, violation of which would constitute a breach of privilege of the Committee.

The Bill was published in the Gazette in India, Extraordinary, Part II, section 2, dated the 25th November, 2009. Its copies can be had on written request to the above-mentioned Officer or can be downloaded from the official web-site of the Rajya Sabha (http://rajyasabha.nic.in), under the caption "Bills with the Committees".

Copy of the Bill is given in our website.

[Source: MoC&I Press Releases dated 13 January, 2010]

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
19-Jan-10	45.6400	45.8450	45.5900	45.8175	45.8175	367986	3429577	1567081	45.6200
18-Jan-10	45.8550	45.8675	45.5800	45.6975	45.6975	434293	2920009	1333917	45.6600
15-Jan-10	45.7200	45.8550	45.6275	45.8325	45.8325	456694	3067105	1402657	45.6700
14-Jan-10	45.5400	45.7025	45.4500	45.6500	45.6500	457160	3161912	1440674	45.4800
13-Jan-10	45.8600	45.8600	45.6050	45.6950	45.6950	467509	3054339	1395892	45.6800

[Source: NSE and RBI Website]

Trade Facilitation Draft Text Holds Promise for Developing Countries

Import duties and non-tariff barriers to trade - import bans, labelling requirements, and the like - are much less of an obstacle to the flow of international trade than they were a generation ago. Today, a different problem has come into focus, especially among developing nations: the numerous regulatory and logistical challenges to bringing goods to market overseas.

Last month, in a short press release from the WTO secretariat, the organisation announced that its Negotiating Group on Trade Facilitation - the committee charged with hammering out regulations to facilitate the movement of goods across national borders - had agreed upon a 'draft consolidated text' to guide the group's negotiations in 2010. The announcement drew little attention in the press, but it marks an important step for the talks, which, if concluded, could bring significant gains to the economies of the developing world.

Broadly speaking, the trade facilitation committee has been tasked with slicing through the red tape that causes the movement of goods to slow at international borders. In WTO terms, the group has been mandated to "review and as appropriate, clarify and improve" relevant sections of three articles of the General Agreement on Tariffs and Trade (1994): Article V (facilitating transit and trade), Article VII (limiting border fees and formalities), and Article X (making trade regulations transparent).

Updating and streamlining government regulations on these fronts could significantly boost exports from the developing world. According to the World Bank's 'Doing Business' rankings, it takes an average of more than seven weeks for exporters in Venezuela, Zimbabwe and the Central African Republic to ship their goods overseas. The same process takes just five days in Denmark and Singapore. Meanwhile, producers in many developing countries often have to pay US$ 2,000 or more in fees for each 20-foot container they export. The price is generally much lower in most rich nations, with some exceptions.

Proponents of the trade facilitation talks say that new global trade rules to regulate government policies at the border would make developing countries more attractive to investors and could go a long way toward helping poorer nations play a more active role in the global economy. But certain critical pieces of the puzzle - in-country transportation, warehousing infrastructure, etc. - are beyond the jurisdiction of the WTO.

Given the obvious economic benefits to trade facilitation, engaging in talks on the issue may seem like a no-brainer for any trading nation - but the issue has encountered its share of controversy since it was initially tabled at the WTO's first ministerial meeting, held in Singapore in 1996. From the outset, several developing countries fought the prospect of dedicated negotiations on trade facilitation. A new agreement on the matter could impose heavy administrative burdens on poorer countries, they argued, and additional legal obligations would make them more vulnerable to trade disputes.

But those concerns were ultimately assuaged and official talks commenced during the summer of 2004. But developing countries managed to secure three major concessions: any new regulations would be accompanied by generous technical and financial support; the WTO would help them participate fully in the talks; and they would not have to take on any new commitments until they had been provided with the assistance they needed to help them do so.

'The home stretch'

The 'draft consolidated text' (WTO document TN/TF/W/165) that was released in December reflects all of the proposals that delegations have put forward to date. This means that actually reading through the document's 52 heavily bracketed pages is a challenge, but all of the elements of a final agreement are contained within it. Now, it only remains for negotiators to bring those elements into focus.

WTO Director-General Pascal Lamy - who fought hard for the trade facilitation talks to be included in the Doha Round agenda when he was the European Trade Commissioner - warmly welcomed the news of the new draft. "This provides us, for the first time, with a clear picture of what the new [trade facilitation] agreement will contain," Lamy told a meeting of the full WTO membership last month. "Much still remains to be done in the next months…but we are clearly now on the home stretch."

When the trade facilitation negotiations pick back up during the second week of February, negotiators will have their work cut out for them. While many of the bracketed sections "can probably be resolved pretty easily," according to a WTO official, some issues could be more difficult to crack. The negotiations on Special and Differential Treatment for developing and least developed countries will also need particular attention in order to ensure that this area of the talks does not "lag behind," the official added.

But overall, progress thus far has been good. Indeed, trade facilitation is widely seen as "the golden boy" of the Doha Round negotiations, the official said, as the seemingly win-win negotiations have moved steadily over the past few years, even as other areas of the Doha talks have stalled.

US-China Disputes Round-Up

Washington and Beijing's sometimes-fractious trade relationship saw several new developments over the winter holidays. One dispute ended as China pulled back from its 'famous brands' subsidies; another came to a close after a WTO Appellate Body upheld a ruling on piracy; a third - a complaint over China's export restrictions on raw materials - picked up speed with the establishment of a panel of judges to hear the case; and a fourth, a Chinese complaint over Washington's new tyre tariffs, loomed on the horizon.

'Famous brands' fight ends

The week before Christmas saw the end of a year-old spat over the support that China provides for domestic companies that ship their goods overseas. The office of the US Trade Representative reported on 18 December that Washington and Beijing had signed an agreement to resolve the dispute, which the US, joined by Mexico, had filed 12 months earlier.

In that complaint, Washington and Mexico City accused Beijing of violating world trade rules by offering export subsidies for companies that participated in the government's 'Famous Export Brand' and 'China World Top Brand' programmes. Through those initiatives, Beijing offered up state aid to producers of goods ranging from textiles and apparel to chemicals, medicines and food products.

Much of the government support was made contingent on export activity, and it was on this point that Washington raised its principal objection.

"Export subsidies are illegal under WTO rules," the USTR said in a statement.

Under the deal struck last month, China agreed to either "eliminate the measures of concern" or remove any export contingencies, the USTR statement said.

Appellate Body upholds piracy ruling

Drawing the curtain on another Sino-American dispute, the WTO Appellate Body - the organisation's highest court - upheld an earlier panel ruling that largely supported several US complaints about China's treatment of copyrighted goods.

Beijing requires copyrighted publications and audiovisual products - things like books, journals, video games, music, DVDs - to be distributed within China by only a handful of state-approved or state-run actors. US producers of music, films and the like have complained that these restrictions have hamstrung their efforts to tap into the world's fastest-growing major market.

The US filed suit against Beijing's restrictions in April 2007. More than two years later, a WTO dispute settlement panel concluded that the measures violated the commitments China had made when it joined the WTO in 2001. The panel also found that the policies were at odds with the WTO's 'national treatment' requirements, which forbid countries from privileging domestic goods and services over imported ones. The measure is spelled out in the General Agreement on Trade in Services (GATS).

China appealed that decision in September, but the Appellate Body largely upheld the earlier ruling.

The Motion Picture Association of America predictably hailed the Appellate Body's ruling as "a landmark victory," saying that the decisions marked "a major step forward in levelling the playing field for America's creative industries seeking to do business in China."

But Beijing can claim victory on one aspect of the judgement: the Appellate Body ruling did not explicitly find fault with China's invocation of the 'public morals' argument in defending its IP restrictions. (Article XX(a) of the General Agreement on Tariffs and Trade allows WTO members to deviate from their normal trade obligations if doing so is "necessary to protect public morals.")

To the contrary, the Appellate Body concluded that China may rely on a public morals defence to justify the violation of the terms of its accession, as long as the country can demonstrate a "clearly discernable, objective link to the regulation of trade in the goods at issue."

In this dispute, the Appellate Body concluded that China had failed to prove that its trade restrictions were 'necessary' to protect public morals. Nevertheless, the ruling has established the 'public morals' argument as a legitimate defence.

Raw materials panel established

Just as the 'famous brands' and IP suits came to a close, a raw materials case between the US and China heated up, and a potential dispute on tyre tariffs loomed on the horizon.

On 21 December, the WTO's Dispute Settlement Body established a panel that will consider a complaint against China's export duties and quotas on certain raw materials. Washington and Brussels filed the suit jointly over the summer, claiming that Beijing illegally restricts exports of several raw materials that are critical to manufacturers in the US and the EU. Mexico has joined the US and the EU in the complaint, while several other countries have become third parties to the dispute.

The WTO does not generally regulate the use of export taxes, which can act as indirect subsidies to domestic industries. But when China became a WTO member in December 2001, it promised to eliminate "all taxes and charges applied to exports" on all but 84 of its goods. The products targeted in the WTO challenge are not included in that list of exceptions, but China has countered that the export restrictions are necessary on environmental grounds, as the country does not want to over-exploit its natural resources. The panel established on 21 December will now consider the case.

And another dispute looms. At the next meeting of the Dispute Settlement Body, scheduled for 19 January, China is expected to request that a panel be established to hear its complaint against tariffs that the White House slapped onto imports of Chinese tyres earlier this year.

The US blocked the request at the DSB's last meeting, on 21 December, but WTO rules do not allow it to do so again.

Chile Joins the OECD

In a signing ceremony on Monday, Chile became the first South American country to win membership into the Organisation for Economic Cooperation and Development, the exclusive club of industrialised nations.

The ceremony in Santiago followed more than two and a half years of intensive negotiations, government reforms and economic and policy reviews. The country's membership will be finalised once the Chilean parliament ratifies the OECD's convention.

All countries seeking membership in the Paris-based group must meet the organisation's strict admissions requirements on a range of topics, so as to ensure coherence between the newcomer's policies and those of the organisation's current members.

To that end, Chile implemented numerous reforms over the course of the negotiations, including lifting restrictions to the exchange of banking information; making it possible for companies to be prosecuted for bribery; and increasing the independence of the country's largest state-owned enterprise, Codelco, a copper mining firm.

The Chilean economy has registered an annual growth rate of more than 5 percent each year for the past two decades. Moreover, the country has weathered the recent financial crisis well, according to the OECD, thanks to its "prudent tax policies," which helped generate the revenue necessary to fund government stimulus measures.

Membership in the nearly 50-year-old OECD will allow Chile to participate in the group's policy discussions and be included in the many economic and statistical analyses for which the organisation is known. Perhaps more important, membership in the prestigious economic group is widely considered a significant mark of prestige.

Mexico is the only other Latin American nation in the OECD, which now, with the addition of Chile, counts 31 countries as members. Slovakia, which joined in 2000, was the most recent country to join before Chile signed up.

The OECD has officially invited four other countries - Estonia, Israel, Russia and Slovenia - to begin membership negotiations. All but Russia are expected to join the organisation this year. Preliminary talks are also underway with Brazil, China, India, Indonesia and South Africa.

China's Foreign Direct Investment more than Doubles

Foreign direct investment in China more than doubled in December from a year earlier as the effects of the financial crisis fade.

Investment rose 103 percent from a year earlier to $12.1 billion, the Ministry of Commerce said at a briefing in Beijing on 15 January. That compared with a 32 percent increase in November. Investment fell 2.6 percent in all of 2009 to $90.03 billion, the government said.

Friction between the Chinese government and overseas companies such as Google Inc. and Rio Tinto Group may not be enough to temper investor enthusiasm for the world's fastest- growing major economy. Rupert Stadler, CEO of Volkswagen AG's Audi division, said this month that China is the best answer when seeking growth, after the nation supplanted the U.S. as the world's No.1 auto market in 2009.

China's $586 billion stimulus package, record lending last year and tax breaks on consumer spending are bolstering sales and profits. The nation may overtake Japan as the world's second-largest economy this year, according to International Monetary Fund projections.

China's growth probably quickened to 10.5 percent in the final quarter of 2009 from 8.9 percent in the previous three months, according to a News survey of economists.

Industry Secrets

Google, the owner of the most-used Internet search engine, said on Jan. 12 that it will end self-censorship in China after attacks on e-mail accounts of human-rights activists and may exit the nation. Separately, Chinese prosecutors are deciding whether employees of Rio Tinto, the world's third-largest mining company, will go to trial for allegedly stealing secrets related to the steel industry.

VW, which sold 6.29 million cars and sport-utility vehicles worldwide last year, reported a 37 percent surge in China to 1.4 million autos, helping offset declining European deliveries. The German automaker plans to invest more than 4 billion euros ($5.8 billion) in the country by 2011, while Ford Motor Co. is spending $490 million building its third plant in the nation.

Foreign direct investment adds to the flood of cash in the financial system from record lending and the trade surplus, increasing the risk of bubbles forming in asset markets and inflation surging back. Property prices rose at the fastest pace in 18 months in December, a report showed.

Fan Gang, an academic member of the central bank's monetary policy committee, said on Dec. 28 that "hot money," or short- term speculative capital, is making China's stock and property markets more volatile. Zhang Xiaoqiang, deputy head of the National Development and Reform Commission, said on Jan. 5 that the nation may see "huge" inflows of hot money as foreign investors step up bets on gains of the Chinese currency.

Sapiro Confirmed as Dy USTR

The US Senate confirmed one key trade official and took steps toward filling two other critical trade posts over the winter holidays.

Miriam Sapiro was confirmed to the post of Deputy US Trade Representative, in which she will be responsible for trade negotiations with Europe, the Middle East and the Americas. Sapiro will also supervise the USTR's Office of WTO and Multilateral Affairs and oversee its work on intellectual property, services, and investment. Nominated by President Obama in April, Sapiro was confirmed by the Senate in a vote on Christmas Eve and sworn in on 11 January.

Two other appointees are still awaiting their final confirmation. Michael Punke, who has been nominated to serve as US ambassador to the WTO, and Islam Siddiqui, who is to become Washington's top agriculture negotiator, both won the unanimous approval of the Senate Finance Committee in a vote on 23 December. The two men must still be confirmed by the full

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Deemed Exports Benefit to Tariff Based Bidding as Against ICB Allowed to Mega Power Projects

Subject: Amendment in chapter 8 of FTP regarding mega power projects

24-Ntfn(RE) 14.01.2010 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 read with paragraph 1.3 of the Foreign Trade Policy (FTP), 2009-2014, the Central Government hereby makes the following amendments in FTP, 2009-2014.

(i) Following sentence shall be added at the end of **paragraph 8.2;-**

"However, in regard to mega power projects, the requirement of ICB would not be mandatory, if the requisite quantum of power has been tied up through tariff based competitive bidding or if the project has been awarded through tariff based competitive bidding."

(ii) Following sentence shall be added at the end of **para 8.4.4(iv):-**

"Further, supply of goods required for the expansion of existing mega power project as specified in Sl. no 400A of DoR Notification 21/2002- Customs dated 1.3.2002, as amended shall also be eligible for deemed export benefits as mentioned in paragraph 8.3 (a), (b) and (c) of FTP, whichever is applicable."

This issues in public interest.

Machine Tufted Bathmats to be Treated as "Hand Made"

Sub: Eligibility of cotton bathmats/rugs for grant of duty credit scrip under VKGUY/FPS of FTP.

21-Pol.Cir 12.01.2010 (DGFT) Hand-made carpets and other textile floor coverings, covered under Chapter 57 of ITC (HS) Classification Book, are eligible for duty credit scrip under Focus Product Scheme at the rate of 5% for exports made with effect from 23-2-2009. Before 23-2-2009, these were eligible for duty credit scrip under VKGUY/FPS at different rates.

2. The Trade and Industry have represented that cotton bathmats/rugs are covered under ITC (HS) Codes 5703 and 5705, but exports of cotton bathmats/rugs which are described in the shipping document as only cotton bathmats/rugs or machine-made or machine-tufted cotton bathmats/rugs, are being denied the benefit under Chapter 3 of the Foreign Trade Policy by the RAs on the ground that the policy allows the benefit only to 'hand-made' category. In this regard, the Trade and Industry have represented that though for tufting, a motor operated tufting machine (similar to table-top type sewing machine) is being used, yet the entire process of making such tufted bathmats/rugs requires elaborate manual handling. In this regard, the Trade and Industry have elaborated that marking of the outlines on the base fabric as per the design and colour combination is done manually, the base fabric/canvas is cut manually to give it the desired shape;; filling of different colours with the needle of the sewing machine is done by moving the base fabric/canvas by hands; after finishing the tufting, uneven threads are cut by hands with the help of a scissor and shearing and embossing is also done by hand with the help a scissor to produce a finished product. Thus, the entire process requires elaborate manual handling by a worker and this motor operated tufting machine is not the kind which can produce the tufted bath mats/rugs automatically without any manual handling. The Trade and Industry have, therefore, contended that such tufted cotton bathmats/rugs, even if described on the shipping documents as simply cotton bathmats/rugs or machine made or machine tufted cotton bathmats/rugs, are covered by the 'hand-made' category, and thus, should be entitled to benefits under VKGUY/FPS, as the case may be.

3. The matter has been examined in detail, and it is clarified that, in the case of cotton bathmats/rugs covered under ITC (HS) Codes 5703 or 5705, if the description of the export product on the export document is only cotton bathmats/rugs or machine-made cotton bathmats/rugs or machine-tufted cotton bathmats/rugs, the exports of the same should be considered for the benefit of duty credit scrip at the rate of 5% under the Focus Product Scheme for exports made from 23.2.2009 onwards, and earlier under VKGUY/FPS, at the applicable rates, after obtaining a self declaration from the exporter as under:

"It is certified that cotton bathmats/rugs, described in the Shipping Bill No——dated ——(to write all Shipping Bill Nos., if more than one), as "cotton bathmats/rugs" or "machine-made cotton bathmats/rugs" or "machine-tufted cotton bathmats/rugs"(to write whichever is applicable), and against which the benefit under FPS or VKGUY (to write whichever is applicable) under ITC (HS) Code 5703 or 5705 (to write whichever is applicable) is being claimed under the DGFT File No.____, have been tufted by a worker by using a table-top mounted sewing machine, and it is also certified that all other processes like cutting of the base fabric as per the design, sheering, embossing etc. have been done manually".

4. However, from the date of issuance of this Policy Circular, the exporters are required to describe the product in the shipping bill as tufted cotton bathmats/rugs and also to give a self declaration as under:

"It is certified that tufted cotton bathmats/rugs, exported under the Shipping Bill No.— dated ——(to write all Shipping Bill Nos., if more than one), and against which the benefit under Focus Product Scheme under ITC (HS) Code 5703 or 5705 (to write whichever is applicable) is being claimed under the DGFT File No.——— , have been tufted by a worker by using a table-top mounted sewing machine, and it is also certified that all other processes like cutting of the base fabric as per the design, sheering, embossing etc. have been done manually".

5. This issues with the approval of DGFT.

Export Obligation Period for Raw Sugar Advance Authorisation Extended upto 31 Dec 2011 – CBEC Clarification

Sub: Extension of Export Obligation period for the Advance License Holders who have imported raw sugar between 21.9.2004 and 15.4.2008.

01-CBEC 11.01.2010 (DoR) I am directed to invite your attention to the above mentioned subject and to say that, a reference was received from the Ministry of Agriculture Food & Public Distribution to consider extension of export obligation period for those Advance License Holders who had imported raw sugar between 21.9.2004 and 15.4.2008 but had not yet fulfilled their export obligations.

2. The reference was examined. The Cabinet Committee on Economic Affairs has decided that, the Advance Authorization Holder will be permitted to exercise either of the following options as he chooses in respect of pending unfulfilled export obligations:-

(a) Further extension of time upto **31.12.2011** for export without payment of composition fees. or

(b) Abolition of export obligation for past imports provided the importer pays the customs duties as applicable during the relevant period on normal imports, on the quantity of unfulfilled export obligation.

3. Accordingly, it is clarified that the Advance Authorization Holders who have imported raw sugar between 21.9.04 to 15.4.08 shall be allowed to avail either of the options stated at para 2 above. Director General Foreign Trade has issued Public Notice No. 29/2009-14, dated 7.1.2010 in this regard.

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

[F.NO.605/3/2009-DBK]

New Items for Market Incentives under VKGUY (5%)/FMS (3%)/FPS (2%)/Spl FPS (5%) and Market Linked Focus Products (2%)

China, Japan Included in Market Linked FPS

30-PN(RE) 12.01.2010 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in HBPv1, for benefits on exports made on or after 1.1.2010:

1. The following shall be added in **Appendix 37A**, **Table 3**:

Table 3: New Vkguy Products

SNo.	VKGUY Product Code	ITC HS Code	Items
2	2	23065010 & 23065020	Oil Cake and Oil Meal of Coconut or Copra
3	3	14149060	Coconut Shell Un-Worked
4	4	120740	Sesamum Seed I.E. Sesame Seed

2. The following shall be added in **Appendix 37C, Table 2**:

Table 2: New Focus Markets

SNo.	Focus Market Code	Country Code	Country
27	27	Timor Leste	

3. The following shall be added in **Appendix 37D, Table 4:**

SNo.	FPS Product Code	ITC (HS) Code	Description
67	67	851762	Machine for Reception, Conversion, and Regeneration of Voice, Images and other Data
68	68	851769	Parts of Telecom Transmission Equipment
69	69	852520	GSM / CDMA and UMTS Repeaters/Boosters
70	70	852560	Transmission Apparatus Incorporating Reception Apparatus
71	71	854420	Polythene Insulated Jelly Filled under-ground Telephone Cables
72	72	0408	Egg Powder
73	73	350211	Egg Albumin
74	74	730791	Flanges of Iron and Steel
75	75	73259100	Grinding Balls & Similar Articles for Mills of Malleable Cast Iron
76	76	73259920	Other Cast Articles of Alloy Steel Malleable
77	77	73259930	Other Cast Articles of Stainless Steel Malleable
78	78	4819	Carton Boxes
79	79	39211100	Extruded Polystyrene Insulated Board/XPS
80	80	39269099	Plastic Tarpaulins Made of Polyethylene
81	81	96151100	Combs, Hair Slides & Like of Hard-Rubber / Plastics
82	82	3303, 3304, 3305, 3306 and 3307	All Items of Perfumery Cosmetics or Toilet Preparations covered by the Codes 3303, 3304, 3305, 3306 and 3307
83	83	69071010	Vitrified Tiles
84	84	73071110, 73071120, 73259992, 73259993, 73269030, 73259910	Castings (Cast Fittings and Articles) Covered by Codes 73071110, 73071120, 73259992, 73259993, 73269030, 73259910
85	85	74199990	Coin Blanks (of Copper/Brass) Covered by Code 74199990
86	86	87019010	Agricultural Tractors (Other Tractors of Engine Capacity =<1800cc) Covered by Code 87019010
87	87	871491	Frames, Forks, and Parts thereof
88	88	871492	Wheel Rims and Spokes
89	89	871493	Hubs, other than Coaster Braking Hubs and Hub Brakes, and Free-Wheel Sprocket-wheels
90	90	871494	Brakes, Including Coaster Braking Hubs and Hub Brakes, and Parts thereof
91	91	871495	Bicycle Saddles
92	92	871496	Pedals and Crank-Gear, and Parts thereof
93	93	87149910	Bicycle Chains
94	94	87149920, 87149990	Bicycle Wheels; Mudguard and its Parts, Handle and its Parts, Chain Cover, Stand, Carrier, Bell, Pump, Mirror, Dynamo Lighting Set and Forkguard
95	95	8481	Items of a Kind Used on Bicycles: Taps, Cocks, Valves and Similar Applianes for Pipes, Boiler Shells, Tanks, Vats or the Like, Including Pressure- Reducing Valves and Thermostatically Controlled Valves;
96	96	401150	New Pneumatic Tyres, of Rubber, of a kind used on Bicycles;
97	97	401320	Inner Tubes of Rubber, of a kind used on Bicycles

4. The following shall be added in **Appendix 37D, Table 5:**

Table 5: New Special Focus Products

SNo.	FPS Product Code	ITC (HS) Code	Description
44	44	96147020	Coconut Hookah
Other Special Focus Products:			
45	45	871200	Bicycles and other Cycles (Including Delivery Tri-Cycles), Not Motorised
46	46	843290	Parts of Agrcltrl & Hortcultrl Machinery
47	47	8452	Sewng Mchns, Excl Book-Sewng Mchns of Hdg No 8440;Furntr,Bases & Covrs Spcly Dsgnd for Sewng Mchns;Sewng Mchns Nedls
48	48	8201 to 8206	All Types of Hand Tools Covered under ITC HS Codes 8201 to 8206.
49	49	8413	All Pumps for Liquids (Liquid Elevators)
50	50	73181500	Screws and Bolts, Whether or not with their Nuts or Washers, Threaded
51	51	73181600	Nuts, Threaded
52	52	73181900	Threaded Rods/Articles
53	53	73182200	Washers, Non-Threaded
54	54	73182300	Rivets, Non-Threaded
55	55	84729010	Stapling Machines (Staplers)
56	56	73170091	Staple Pins (Staples)
57	57	83052000	Staples in Strips
58	58		Staples other than in Strips
59	59	84689000	Parts of Machinery and Apparatus for Soldering, Brazing or Welding
60	60	85159000	Parts of Brazing or Soldering or Welding Machines and Apparatus

5. China and Japan are added for all products under **Table 6 of Appendix 37D.**

6. The following shall be added in **Appendix 37D, Table 6**:

Amendments in VKGUY/FMS/FPS Appendices

34-PN(RE) 15.01.2009 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in HBPv1.

1. In Appendices 37A, 37C, and 37D, Column Heading titled 'Admissible Date of Export' at the beginning of the Appendix is replaced as '**Admissible Date of Export/Period'.**

2. In Appendices 37A, 37C, and 37D, the following is added after the existing note(s).

"Note for Admissible Date of Export/ Period: The admissible date of export for claiming benefits is 27.8.2009, unless a specific date of export / period is specified by public notice/notification."

This amendment is with effect from 1.1.2010.

This issues in public interest.

Table 6: New Market Linked Focus Products

SNo.	Focus Product Code	Description of Product/Sector	ITC(HS) Code	Linked Market(s) For Focus Product (s) / Sector (s)
Auto Components:				
56	56	Machine Tools	8461	Algeria, Egypt, Kenya, Nigeria, Tanzania, South Africa, Ukraine, Mexico, Brazil, Australia, New Zealand, Cambodia, Vietnam, China and Japan
57	57	**Earth Moving Equipments-**Fork Lift Trucks, other Work Trucks, Self Propelled Bulldozers, Graders, Levelers and other Moving, Grading, Leveling, Excavating Machinery	8427, 8429 & 8430	
58	58	**Towers for Transmission Lines** Whether or not Assembled	83082011	
59	59	**Electrical and Power Equipments** – Electrical Ignition/Starting Equipment for Spark Engines etc., Electrical Lighting/ Signaling Equipments, Electrical Water and Emersion Heaters etc., Electro-Mechanical Domestic Appliances, Electric Generating Sets, Electrical Transformers, Static Converters, Electric Motors and Generators	8501, 8502, 8504, 8509, 8511, 8512 & 8516	
60	60	Steel Tubes/ Pipes	7304, 7305, 7306	
61	61	Galvanized Sheets Colour Coated All Items Covered by Codes 7210, 7212	7210, 7212	
62	62	**Compressors –** Compressors used in Refrigerating Equipment, Reciprocating Air Compressors, Centrifugal Air Compressors, Screw Air Compressors, Gas Compressors	8414	
63	63	**Structures and Parts of Structures of Iron or Steel** - Bridges, Bridge Sections, Lock Gates, Towers, Roofs, Roofing Frame Works, Pillars, Columns etc.	7308	
64	64	**Auto-Components-** Ignition Wiring Sets, Bumpers, Piston Rings, Ball Bearings, Valves, Exhausts, Mechanical Seals, Gaskets, Tubes, Pipes, Hoses, etc. Covered by the Mentioned Codes	84822090, 85443000, 84082010, 84081090, 87081010, 84099941, 87099000, 84829900, 84099199, 84099911, 84831099, 84839000, 84821090, 84099913, 85123010, 87141900, 84842000, 84841090, 84099930, 84099191, 87087000, 87119000, 83023090, 73261910	
65	65	Three Wheelers	87032120, 87032230 & 87032320	
66	66	Scaffoldings	73084000	
67	67	Vulcanized Rubber Items: Thread and Cord, Plates, Sheets, Strips, Rods etc, Articles of Clothing and Accessories, other Articles Covered by Codes 4007, 4008, 4015, 4016	4007, 4008, 4015, 4016	

This issues in public interest.

Chemicals Eligible for Market Linked Focus Products (2%) Incentives

31-PN(RE) 12.01.2010 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in HBPv1.

1. The following shall be added in **Appendix 37D, Table 6**; for benefits on exports made from 1.1.2010 till 30.6.2010:

Table 6: New Market Linked Focus Products

SNo.	Focus Product Code	Description of Product/ Sector	ITC(HS) Code	Linked Market (S) for Focus Product (S) / Sector (S)
Chemicals:				
68	68	Inorganic Chemicals; Organic or Inorganic Compounds of Precious Metals, of Rare-Earth Metals, or Radi. Elem. or of Isotopes. All Items Covered under Chapter 28	28	Algeria, Egypt, Kenya, Nigeria, Tanzania, South Africa, Ukraine, Mexico, Brazil, Australia, New Zealand, Cambodia, Vietnam, China and Japan
69	69	Organic Chemicals. All Items Covered under Chapter 29	29	

This issues in public interest.

Amendments in VKGUY/FMS/FPS Appendices

25-Ntfn(RE) 15.01.2010 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (No. 22 of 1992) read with Para 1.3 of the Foreign Trade Policy (FTP), 2009-14, the Central Government hereby makes the following amendment in Foreign Trade Policy:

1. The following is added replacing the words 'onwards.' at the end of second sub-para of Para 3.13.2; at the end of Para 3.14.2; at the end both sub-paras of Para 3.15.2; and at the end of Para 3.15.3 of FTP 2009-14:

"onwards, unless a specific date of export / period is specified by public notice/notification."

This amendment is with effect from 1.1.2010.

This issues in Public Interest.

Adjudication of Nidhi Textiles, Surat Case

[Ref: F.No.437/01/2010-Cus.IV dated 14th January 2010]

In exercise of the powers conferred under the Notification No. 37/ 2003-Customs (N.T.) dated 3rd June, 2003 issued under sub-section (1) of section 4 of the Customs Act, 1962 (52 of 1962), the Board hereby assigns the Show Cause Notice F.No. DRI/SRU/INV-09/2008/ NIDHI dated 07.12.2009 issued in case of M/s. Nidhi Textiles, Surat & others by the Additional Director General, DRI, Ahmedabad, to the Commissioner of Customs (Adjudication), Mumbai for adjudication.

Cotton Woven Fabrics Eligible for Market Linked Focus Products (2%) Incentives

33-PN(RE) 13.01.2010 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in HBPv1, for benefits on exports made on or after 1.1.2010:

1. The following shall be added in **Appendix 37D, Table 6**:

Table 6: New Market Linked Focus Products

SNo.	Focus Product Code	Description of Product/ Sector	ITC(HS) Code	Linked Market (S) for Focus Product (S) / Sector (S)
70	70	Cotton Woven Fabrics	5208 to 5212	Algeria, Egypt, Kenya, Nigeria, Tanzania, South Africa, Ukraine, Mexico, Brazil, Australia, New Zealand, Cambodia, Vietnam, China and Japan

This issues in public interest.

Final Anti-dumping Duty at the Rate of 10% of CIF Value of Imports Imposed on Tyre Curing Presses from China

Ntfn 01
08.01.2010
(DoR)

Whereas, in the matter of import of tyre curing presses also known as tyre vulcanisers or rubber processing machineries for tyres (hereinafter referred to as the subject goods), falling under tariff item 8477 51 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in or exported from, People's Republic of China (China PR) (hereinafter referred to as the subject country), the designated authority, in its preliminary findings vide notification No. 14/22/2007-DGAD, dated the 5th March, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 9th March, 2009, has come to the conclusion that–

the subject goods have entered the Indian market from the subject country at prices less than their normal values in the domestic market of the exporting country;

(i) the dumping margins of the subject goods imported from the subject country are substantial and above de minimis; and

(ii) the domestic industry has suffered material injury and the injury has been caused to the domestic industry, both by volume and price effect of dumped imports of the subject goods originating in or exported from the subject country;

And whereas, the designated authority, in its final findings vide notification No. 14/22/2007-DGAD, dated the 15th October, 2009, published in the Gazette of India, Extraordinary, Part I, Section I, dated the 15th October, 2009, has come to the conclusion that –

(i) the subject goods have entered the Indian market from the subject country at prices less than their normal values in the domestic market of the exporting country;

(ii) the dumping margins of the subject goods imported from the subject country are substantial and above de minimis; and

(iii) the domestic industry has suffered material injury and the injury has been caused to the domestic industry, both by volume and price effect of dumped imports of the subject goods originating in or exported from the subject country;

and has recommended to impose definitive anti-dumping duties on all imports of the subject goods, originating in or exported from the subject country.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said 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 goods, the description of which is specified in column **(3)** of the Table below, falling under tariff item of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (**2**), the specification of which is specified in column (**4**), originating in the country as specified in the corresponding entry in column (**5**) and produced by the producer as specified in the corresponding entry in column (**7**), when exported from the country as specified in the corresponding entry in column (**6**), by the exporter as specified in the corresponding entry in column (**8**), and imported into India, an anti-dumping duty at the rate to be worked out as percentage of the CIF value of imports of the subject goods as specified in the corresponding entry in column **(9)** of the said Table.

Table

SNo	Tariff item	Description of goods	Specification	Country of origin	Country of export	Producer	Exporter	% of CIF Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	8477 51 00	Tyre Curing Presses	All sizes upto 130 inches	China PR	China PR	Any	Any	10
2	8477 51 00	Tyre Curing Presses	All sizes upto 130 inches	China PR	Any	Any	Any	10
3	8477 51 00	Tyre Curing Presses	All sizes upto 130 inches	Any	China PR	Any	Any	10

2. The anti-dumping duty imposed under this notification shall be levied with effect from the date of issuance of this notification.

Note.- For the purposes of this notification, "CIF value" means assessable value as determined under section 14 of the Customs Act, 1962 (52 of 1962).

[F. No: 354/80/2009- TRU]

Zero Duty for 1400MWe Kakrapar Atomic Power Project

Ntfn 03
13.01.2010
(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), No. **21 / 2002-Customs, dated the 1st March, 2002** which was published in the Gazette of India, Extraordinary, vide number G.S.R.118 (E), dated the 1st March, 2002, namely:-

In the said notification, in **List 43**,

(a) for item (4) and entries relating thereto, the following shall be substituted:-

"(4) Rajasthan Atomic Power Project- Units 5 and 6 (Rawatbhata) - 440 MW, Units -7 and 8 (Rawatbhata) of 1400MWe";

(b) after item number (5) and the entries relating thereto, the following item shall be inserted:-

"(6) Kakrapar Atomic Power Project-Units 3 and 4 (Kakrapar) of 1400 MWe.".

[F. No.354/88/99-TRU]

Polytetrafluroethylene Anti-dumping Duty on Russia Imports Extended upto 17 Nov 2010

Ntfn 02
11.01.2010
(DoR)

Whereas, the designated authority vide notification No. 15/30/2008-DGAD, dated the 27th February, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 27th February, 2009 , has initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of Polytetrafluroethylene (PTFE), falling under sub-heading 3904 61 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from Russia imposed vide notification of the Government of India, in the Ministry of Finance (Department of Revenue),No. **110/2004-CUSTOMS, dated the 18th November, 2004**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R.752(E), dated the 18th November, 2004, and has requested for extension of anti-dumping duty upto 17th November, 2010, 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 said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 110/2004-CUSTOMS, dated the 18th November, 2004, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.752(E), dated the 18th November, 2004, namely: -

In the said notification, for **paragraph** 2, the following shall be **substituted**, namely: -

"2. This notification shall remain in force up to and inclusive of the 17th November, 2010, unless the notification is revoked earlier".

[F.No.354/106/2004-TRU]

Dumping Investigation on Thionyl Chloride from EU Terminated as Major Party in Domestic Industry Withdraws

[Ref: F.No. 14/1/2008-DGAD dated 11th December 2009]

Sub: Anti-Dumping Investigation involving imports of Thionyl Chloride originating in or exported from the European Union – Termination of Investigation.

Having regard to the Customs Tariff Act 1975 as amended in 1995 (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, (hereinafter referred to as the Rules) thereof:

1. WHEREAS M/s Gwalior Chemicals & Industries Ltd., Nagda and M/s. Transpek Industry Ltd., Vadodara (herein after referred to as the applicants) had filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Act, and the Rules, alleging dumping of Thionyl Chloride (hereinafter referred to as the subject goods), originating in or exported from the European Union (hereinafter referred to as subject country) and requested for initiation of an investigation for levy of anti dumping duties on the subject goods.

A. Procedure

2. Procedure described below has been followed with regard to this investigation by the Authority:

(i) The Authority on the basis of sufficient evidence submitted by the applicants had issued a public notice dated 23rd June, 2008, published in the Gazette of India, Extraordinary, initiating Anti-Dumping investigations concerning imports of the subject goods, originating in or exported from the subject country, in accordance with the sub-Rule 5(5) of the Rules and copies of initiation Notification were sent to the known interested parties and concerned embassies of the subject countries.

(ii) Investigation was carried out for the period starting from 1.01.2007 to 31.12.2007 (POI). The examination of trends in the context of injury analysis covered the periods April, 2004-March, 2005, April, 2005-March, 2006, April, 2006-March, 2007 and the POI.

(iii) The preliminary findings of the investigation were issued by the Designated Authority on 31st March, 2009.

(iv) The Authority held a public hearing on 5.05.09 to hear the interested parties orally, which was attended by representatives of the interested parties. Following the public hearing, written submissions and rejoinders were submitted by the interested parties.

B. Product under Consideration and Like Article

3. The Product under consideration in the present petition is Thionyl Chloride, having chemical formula SOCl2, also known as Sulfurous Oxychloride, Sulfurous Dichloride, Sulfinyl Chloride, Sulfinyl Dichloride, Dichlorosulfoxide etc. It is an inorganic chemical classified under Chapter 28 of the Customs Tariff Act, 1975 under subheading no. 28121047 of Indian Trade Classification (Based on Harmonized Commodity Description and Coding system).

C. Domestic Industry

4. The petition for imposition of anti dumping duty was jointly filed by M/S Transpek Industry Ltd. and M/s Gwalior Chemicals Industries Ltd. On the basis of the information received and examination, the Authority noted in the initiation Notification and preliiminary findings that the applicant companies constituted a major proportion (86.53% excluding the supporter) in Indian production and therefore the applicants constituted the domestic industry in terms of Rule 2(b) together with production figure of the supporters, the applicants had a clear standing in terms of Rule 5(3) of the Anti Diumping Rules.

5. During the public hearing held on dated 05th May,2009, M/S JSA Associates (Consultants to M/s Lanxees, the subject exporter) informed the Authority that Chemical Business of M/S Gwalior Chemicals Industries Limited is being taken over by M/S Lanxess India Pvt. Limited (i.e. subsidiary of the subject exporter from the subject country) and requested for termination of investigation.

6. On the above issue M/s A.K. Gupta, the authorised representatives of the domestic industries, in their post public hearing submissions, submitted as follows:

(i) Signing of Agreement is a post initiation development and does not vitiate the present investigations. Since Gwalior Chemicals has signed an Agreement with the exporter, the Authority may kindly be revised the scope of the domestic industry. It was also added that Gwalior Chemicals is now related to the sole exporter of the product under consideration from the subject country. Gwalior Chemicals may, therefore, be taken ineligible domestic industry and the scope of the domestic industry may be redefined to include Transpek industries and other domestic producers. Production of Transpek Industries represents a major share in Indian production and, therefore, qualifies as domestic industry. It was also added that the scope of domestic industry gets redefined at each stage of the proceedings. It is quite likely that the scope of the domestic industry at the stage of initiation, preliminary finding and final findings is different. as held by WTO as well.

7. M/S JSA Advocate & Solicitors, in their post public hearing submissions, submitted as follows:

(i) The entire petition, upon which the Hon'ble Authority has acted, proceeds on the basis that the petitioners comprise over 50% as a result of the two petitioners collectively having such a market share. The suggestion that Transpek would have over 50% if Gwalior Chemicals Industries Ltd. was now removed from the domestic calculations half-way through the investigation is both factually incorrect and unsustainable in law. They have also argued that even assuming whilst denying that a petition was maintainable at all by Transpek alone, the Hon'ble Authority would be required to commence a de novo fresh enquiry on the basis of figures provided by only Transpek and discard all calculations and reliance on any Gwalior input. It was also added that the suggestion that the petition can now be maintained by one out of two petitioners is contrary to law.

(ii) M/S JSA requested to rectify the name of the subject producer as Lanxess Deutschland Gmbh instead of Lanxess AG as mentioned in the preliminary findings.

D. Documents Relied upon for Examination

8. While examining the issue following documents were received and relied upon for examination by the Authority:

(i) M/S Gwalior Chemicals Industries Limited had intimated in writing vide their letter dated 26th August, 2009 the sale of their chemical business to M/s Lanxsess India Private Ltd., informed their withdrawal from the pettion and requested for termination of investigation.

(iii) Further, vide letter dated 02nd October, 2009, M/s Gwalior Chemical Industries Ltd. informed that they have sold their Chemical Business, located at Nagda, to M/S Lanxess india Pvt. Ltd. as on 1st September, 2009.

(iv) Subsequently, M/S Gwalior Chemical industries Limited, vide their letter dated 02nd September,2009 has informed the listing Department of Bombay Stock Exchange and National Stock Exchange of India Ltd. that the transfer of chemical business situated at Nagda to M/s Lanxess India Pvt. Limited has been completed w.e.f 01st September, 2009.

(v) M/S JSA, Advocate & Solicitors, vide their letter dated 27th October, 2009 have con-

Composition of Unit Approval Committee under Export Promotions

Subject: Insertion of Para 6.31 in HBP v 1 2009-14

32-PN(RE) 13.01.2010 (DGFT) In exercise of powers conferred under Para 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures (Vol. 1), 2009-14:-

1. The following shall be inserted before Paragraph 6.31.1:

"6.31 Composition of Unit Approval Committee shall be as under:

Development Commissioner	Chairperson
Jurisdictional Commissioner of Central Excise & Customs	Member
Joint DGFT	Member
Joint/Deputy Development Commissioner of the Zone	Member
Any other nominee of any Department/Agency as special invitee	

This issues in public interest

firmed that the sale/purchase of the business has been completed with the signing of the closing memorandum on 01st September, 2009.

(vi) Copy of the Business Transfer Agreement dated 08th June, 2009 and copy of Closing Memorandum dated 01st Sep.,2009 signed between M/S Gwalior Chemicals Industries Limited and M/S Lanxess India Pvt. Limited.

E. Examination by the Authority

9. In terms of Rules 2(b) "domestic industry" means the domestic producers as a whole engaged in the manufacture of the like article and any activity connected therewith or those whose collective output of the said article constitutes a major proportion of the total domestic production of that article except when such producers are related to the exporters or importers of the alleged dumped article or are themselves importers thereof in which case **s**uch producers may be deemed not to form part of domestic industry.

10. In terms of Rule 5- Initiation of Investigation.- (1) Except as provided in sub-rule (4), the designated authority shall initiate an investigation to determine the existence, degree and effect of any alleged dumping only upon receipt of a written application by or on behalf of the domestic industry.

Rule 5 (3) The designated authority shall not initiate an investigation pursuant to an application made under sub-rule (1) unless –

(a) it determines, on the basis of an examination of the degree of support for, or opposition to the application expressed by domestic producers of the like product, that the application has been made by or on behalf of the domestic industry.

Provided that no investigation shall be initiated if domestic producers expressly supporting the application account for less than twenty five per cent of the total production of the like article by the domestic industry, and

(b) it examines the accuracy and adequacy of the evidence provided in the application and satisfies itself that there is sufficient evidence regarding-

(i) dumping,

(ii) injury, where applicatable; and

(iii) where applicable, a casual link between such dumped imports and the alleged injury , to justify the initiation of an investigation.

Explanation. - For the purpose of this rule the application shall be deemed to have been made by or on behalf of the domestic industry, if it is supported by those domestic producers whose collective output constitute more than fifty per cent of the total production of the like article produced by that portion of the domestic industry expressing either support for or opposition, as the case may be, to the application.

11. In terms of Rule 14- The Designated Authority shall, by issue of a public notice, terminate an investigation immediately if-

"(a) it receives a request in writing for doing so from or on behalf of the domestic industry affected, at whose instance the investigation was initiated;"

12. While examining the various clauses laid down in the Business Transfer Agreement dated 08th June, 2009 and the Closing Memorandum dated 01st September,2009 signed between M/S Gwalior Chemicals Industries Limited and M/s Lanxess India Pvt. Ltd. and furnished by the concerned parties, it has been noted that the title to, and risk in, the Transferred Business has stood transferred and passed to the purchaser with effect from the signing of the Closing Memorandum i.e. 01st September,2009.

13. It has also been noted that at the time of initiation of investigation as well as Notification of preliminary finding of investigation, the standing of the constituents of the domestic industry was as follows:

	Production share during POI (in Mt)	Percentage of Share
Party	Jan07-Dec 07 (POI)	POI
Gwalior Chemicals	26,353	51.76
Transpek Industries	17,704	34.77
Total petitioners	44,057	86.53
Shree Sulphuric	6,861	13.47
Minakshi Chemicals	-	-
Emparco Chemicals	-	-
Total Indian production	50918	100

14. M/S Gwalior Chemicals Industries Limited had a major share (App. 52%) in the domestic production at the time of initiation of investigation as well as at the time of Notification of preliminary findings. Since the business transfer transaction was completed with the signing of the closing memorandum on 01st September,2009, it is observed that at the time of requesting for the termination of the investigation, M/S Gwalior chemicals Industries Limited had very much constituted part of the domestic industry in terms of Rule 2 (b).

15. It is noted that at the time of initiation of investigation the petitioners M/S Gwalior Chemicals Industries Limited and Transpek Industries Limited alongwith the support had clear standing in terms of Rule 5 and constituted domestic industry in terms of Rule 5(3) read with Rule 2(b) by virtue of accounting for 86.53% of total domestic production, but with the withdrawal of M/S Gwalior Chemicals Industries Limited from the petition, with effect from 26th August, 2009 i.e. the date on which they informed their withdrawal to the Authority in writing, the other petitioner i.e. M/S Transpek Industries Limited along with support constitutes less than 50% of total domestic production and therefore does not fulfill the criteria of standing laid down under Rule 5 (3) read with Rule 2(b).

16. On the basis of the facts mentioned above and examination, the Authority observes that the business transfer transaction has been completed on 01st September, 2009 with the signing of Closing Memorandum and therefore M/S Gwalior Chemicals Industries Limited had constituted domestic industry, by virtue of holding more than 51% share in the domestic production, as on the date on which they informed in writing their withdrawal from the petition and requested for termination of the investigation.

17. Authority observes that in para 78 of preliminary findings the name of M/S Lanxess AG has been erroneously mentioned as producer, which should be read as Lanxess Deutschland GmbH.

F. Conclusion

18. Therefore, under the Provisions of Rule 14(a) supra the Designated Authority hereby terminates this investigation which was initiated vide Notification No. F.N0. 14/1/2008-DGAD dated 23rd June, 2008 against imports of Thionyl Chloride originating in or exported from the European Union and recommends revocation of the provisional anti-dumping duty imposed vide Customs Notification No.40/2009-Customs dated 29th April, 2009.

Tariff Value on Poppy Seeds Up by $483/MT

06-Cus(NT) 15.01.2010 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely: -

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

Table

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3490
9	1207 91 00	Poppy seeds	3627"

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

Availment of Cenvat Credit on Inputs

Subject: Irregular availment of Cenvat credit on certain activities not amounting to manufacture.

911-CBEC 14.01.2010 (DoR) Reference has been received from field formations stating that though certain activities including connectorising, testing, repacking and relabeling of feeder cables, cutting of HR/CR coils into sheets or slitting into strips do not amount to manufacture, such processors are taking Cenvat credit and justifying their Cenvat availment on ground that they are paying duty on final products.

2. The matter has been examined. As per the provisions of Rule 3 of the CENVAT Credit Rules, 2004, read with Rule 6, credit of duty paid on the inputs is allowed only if these inputs are used in the **manufacture** of a final product. The Board vide circular dated 26.09.07 issued from F.No.93/1/2005-CX3, had clarified that if the process does not amount to manufacture, duty is not required to be paid and hence no Cenvat credit of duty paid on inputs is admissible. Attention is also invited to the provisions of Section 5B of the Central Excise Act, 1944, where an assessee, who has paid excise duty on a product under the belief that the same is excisable, but subsequently the process of making the said product, is held by the Court as not amounting to manufacture, in such cases, the Central Government may issue an order for non-reversal of such credit in past cases.

3. In view of above, following instructions are issued:-

(i) In cases where the process undertaken by an assessee indisputably does not amount to manufacture, the department should inform the assessee about the correct legal position and advise him not to pay duty and not to avail credit on inputs.

(ii) If the assessee has already paid duty, and in a situation where there is no manufacture as held by the Courts subsequently, and facts of the case are covered by the provisions of Section 5B of the Central Excise Act, 1944, the assessee is at liberty to approach the Central Govt. for issue of appropriate notification for regularization of the Cenvat credit availed.

4. Trade & Industry as well as field formations may be suitably informed.

F.No.267/116/2009-CX8

Person of Indian Origin Allowed to Own Property in India

Sub: Purchase of Immovable Property in India by Persons of Indian Origin (PIOs) – Amendment of the definition

AP(DIR Srs) Cir.25 13.01.2010 (RBI) Attention of Authorised Dealer Category-I banks is invited to clause (c) of Regulation 2 of Notification No. FEMA 21/2000-RB dated May 3, 2000 viz. Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India), Regulations, 2000, as amended from time to time, in terms of which ‘a Person of Indian Origin’ means an individual (not being a citizen of Pakistan or Bangladesh or Sri

Customs Valuation Exchange Rates

January 2010	Imports	Exports	
Schedule I			
1 Australian Dollar	41.90	40.60	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
2 Canadian Dollar	45.15	44.00	
3 Danish Kroner	9.15	8.85	
4 EURO	67.95	66.20	
5 Hong Kong Dollar	6.10	5.95	
6 Norwegian Kroner	8.15	7.90	
7 Pound Sterling	75.65	73.85	
8 Swedish Kroner	6.55	6.35	
9 Swiss Franc	45.60	44.40	
10 Singapore Dollar	33.65	32.75	
11 U.S. Dollar	47.20	46.30	
Schedule II			Rate of exchange of 100 units of foreign currency equivalent to Indian rupees
1 Japanese Yen	51.60	50.35	

(Source: Customs Notification 186(NT)/29.12.2009)

Commodity Spot Prices in India – 16-19 January 2010

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

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 16-19 January.

(Rs.)

Commodity	Unit	Market	16-Jan	18-Jan	19-Jan
CER (Carbon Trading)	1 MT	Mumbai	772	772	785
Chana	100 KGS	Delhi	2385	2378	2345
Masur	100 KGS	Indore	3950	3907	3902
Potato	100 KGS	Agra	NA	NA	NA
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	9668	9585	9450
Cashewkern	1 KGS	Quilon	305	307	307
Cardamom	1 KGS	Vandanmedu	1198.5	1168.5	1153.8
Coffee ROB	100 KGS	Kushalnagar	62.8	62.5	62.2
Jeera	100 KGS	Unjha	13295	13113	12833
Pepper	100 KGS	Kochi	13600	13490	13386
Red Chili	100 KGS	Guntur	6015	5656	5655
Turmeric	100 KGS	Nzmbad	10367	10075	10000
Guar Gum	100 KGS	Jodhpur	5325	5300	5125
Maize	100 KGS	Nzmbad	910	922	907
Wheat	100 KGS	Delhi	1461.7	1447.9	1440
Mentha Oil	1 KGS	Chandausi	648.7	650	646
Cotton Seed	100 KGS	Akola	1339	1323	1318
Castorsd RJK	100 KGS	Rajkot	2869	2868.5	2864.5
Guar Seed	100 KGS	Jodhpur	2510	2505	2440
Soya Bean	100 KGS	Indore	NA	NA	NA
Mustrdsd JPR	20 KGS	Jaipur	583.4	586.2	588.55
Sesame Seed	100 KGS	Rajkot	6025	6106	6142
Coconut Oil Cake	100 KGS	Kochi	1092	1092	1092
RCBR Oil Cake	1 MT	Raipur	5181	5191	5171
Kapaskhali	50 KGS	Akola	1157.1	1148.8	1143.2
Coconut Oil	100 KGS	Kochi	5278	5278	5252
Refsoy Oil	10 KGS	Indore	465.65	464.5	463.6
CPO	10 KGS	Kandla	348.4	349.5	350.6
Mustard Oil	10 KGS	Jaipur	535.5	530.4	530.4
Gnutoilexp	10 KGS	Rajkot	690	686.2	683.7
Castor Oil	10 KGS	Kandla	595	597	595
Crude Oil	1 BBL	Mumbai	3562	3562	3562
Furnace Oil	1000 KGS	Mumbai	29573	29655	29594
Sourcrd Oil	1 BBL	Mumbai	3550.5	3603.5	3610
Brent Crude	1 BBL	Mumbai	3495	3495	3487
Gur	40 KGS	Muzngr	1092.2	1095	1103.1
Sugars	100 KGS	Kolhapur	NA	3735	3650
Sugarm	100 KGS	Delhi	4188	4101	3937
Natural Gas	1 mmBtu	Hazirabad	259.9	259.9	259.9
Rubber	100 KGS	Kochi	13963	13910	13956
Cotton Long	1 Candy	Kadi	26760	26590	26280
Cotton Med	1 Maund	Abohar	2552	2505	2490
Jute	100 KGS	Kolkata	2685	2685	2685
Gold	10 GRMS	Ahmd	16835	16835	16848
Gold Guinea	8 GRMS	Ahmd	13468	13468	13478
Silver	1 KGS	Ahmd	28275	28383	28525
Sponge Iron	1 MT	Raipur	17730	18155	17970
Steel Flat	1000 KGS	Mumbai	31410	31520	31600
Steel Long	1 MT	Bhavnagar	27150	28030	27360
Copper	1 KGS	Mumbai	338.9	338.9	338.9
Nickel	1 KGS	Mumbai	836.3	859.9	850.5
Aluminium	1 KGS	Mumbai	104.2	105.05	102.35
Lead	1 KGS	Mumbai	111.4	111.9	110.4
Zinc	1 KGS	Mumbai	111.45	112.55	112.15
Tin	1 KGS	Mumbai	826	828.75	804.25

(Source: MCX Spot Prices)

Lanka or Afghanistan or China or Iran or Nepal or Bhutan) who (i) at any time, held an Indian Passport or (ii) who or either of whose father or whose grandfather was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955).

2. Government of India, has notified vide G.S.R.813 (E) in the Gazette of India dated November 12, 2009 [Notification No.FEMA.200/2009-RB dated October 5, 2009] an amendment to clause (c) of Regulation 2 of the Notification referred to above. Accordingly, 'a Person of Indian Origin' means an individual (not being a citizen of Pakistan or Bangladesh or Sir Lanka or Afghanistan or China or Iran or Nepal or Bhutan) who (i) at any time, held an Indian Passport or (ii) who or either of whose father or mother or whose grandfather or grandmother was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955). A copy of the Notification is annexed.

3. Authorised Dealer Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

4. 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.

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Reserve Bank of India
(Foreign Exchange Department)
Central Office Mumbai

Notification No. FEMA 200 / 2009 - RB. October 5, 2009

Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) (Second Amendment) Regulations, 2009

In exercise of the powers conferred by clause (i) of sub-section (3) of Section 6, and sub section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendment in the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 (Notification No. FEMA. 21/ 2000 -RB dated May 3, 2000), namely:-

2. Short title and commencement

(i) These Regulations may be called the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) (Second Amendment) Regulations, 2009

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

3. Amendment of regulation 2

In the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 (Notification No. FEMA 21/2000-RB dated May 3, 2000) in regulation 2, clause (c), sub clause (ii), shall be substituted by the following, namely,-

" (ii) who or either of whose father or mother or whose grandfather or grandmother was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955)."

Cont'd..512

Senate before they can take up their posts. A date for such a vote has not yet been set.

Kirk said last month that his office is "look[ing] forward to the timely confirmation" of the two appointees.

If confirmed, Punke would replace Peter Allgeier, who served as the US ambassador to the WTO from 2001 until late last summer. David Shark, Deputy Chief of the US Mission in Geneva, has served as the acting ambassador since Allgeier stepped down.

The recent Senate votes have been a long time coming. Nearly 12 months after President Barack Obama took office, two out of five of the top political posts in the office of the US Trade Representative remain empty; a third slot, Sapiro's, was only filled this week.

The slow pace of the confirmations has left many WTO officials grumbling about a lack of US presence in the negotiations at the global trade body's headquarters in Geneva. It is a sign, some say, that Obama has been giving his trade agenda short shrift amid vigorous domestic debates on healthcare reform, climate change, and economic recovery.

Owned, Edited, Published and Printed by Arun Goyal and Printed at Mercury Printers, 602 Choori Walan, Delhi
Published from 24/4866, Sheeltara House, Ansari Road, New Delhi 110002. (INDIA) Phone: 2328 1314, 3018 3435-37; Fax: 3018 3438
Email: academy@vsnl.in, academy.delhi@gmail.com; Website: worldtradescanner.com