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India Slaps First Anti-Subsidy Duty of 13.44% on Castings for Wind Electricity Generators from China

The highlights of the case

- The Designated Authority for Anti-Subsidy slapped a stiff 13.4% anti subsidy duty, known as CVD in international parlance, on castings from China. A notification of this affect was released on 19.01.2016. only Zhejiang Jiali Co. operated so it was subjected to 8.78% duty. The CVD will apply on landed value, that is, value of goods plus basic duty. The duty is vated for five years.
- On the spot verification of the information/data/evidences furnished and claims made by the Govt of China as well as Zhejiang Jiali Chinese producer/exporter could not be carried out.
- The petition was filed by Larsen & Toubro Limited whose production constitutes more than 50% of Indian production. M/s Patel Alloys Steels Pvt. Limited has supported the petition. Data showed the companies were losing capacity utilization due to competition and also falling demand.
- Govt of China says petition is only copy/paste from WTO case. No specific data generated

See Notification Text Inside

- Almost 50 exporters of product concerned in China but only one came forward.
- 7 major categories of subsidies containing in total 44 subsidy programmes. But, petitioner could not identify which specific subsidy programs is related to the product under investigation and whether these programs existed and financial benefit conferred in the sector within which the exporting producers fall.
- MNRE estimates total demand of casting components of WOEG will be 7,00,000 MT by 2022 as against the local manufacturing capacity of 90,000 tonne/annum from L&T and Patel Aloys only.
- MNRE has set an ambitious target of 60 GW capacity installation by 2022. Accordingly, the demand for the casting components would increase manifold.
- Domestic manufacturing companies may have the capacity to meet the required demand, but quality of the products needs to be ensured.

Major Subsidies Alleged

A. Grants
B. Equity Programs
C. Preferential Loans
D. Preferential Income Tax Programs
E. Relief from Duties and Taxes on Materials and Machinery
F. Goods/Services Provided by Government at Less than Fair Market Value

Export Subsidies included in Finding

Provision of input materials and utilities for less than adequate remuneration	Program No. 43	Provision of various goods for less than adequate remuneration	8.12	8.12
Preferential Income Tax Programs & Tax Incentives	Program No. 25	Preferential Tax Policies for FIEs and Foreign Enterprises	-	2.13
Grants	Program No. 8	The State Key Technology Renovation Projects Fund	1.99	1.99
Total Subsidy Margin as a % of landed value			11.18	13.44

Key Data

Demand	Unit	2010-11	2011-12	2012-13	POI*
Sales of Domestic Industry (CMU & KBL of L&T)	MT	14,122	8,079	5,133	6,888
Sales of Other Indian Producers	MT	7,310	7,368	3,076	3,364
Subject country-Imports	MT	4,486	15,117	10,430	14,245
Other Countries-Imports	MT	591	1661	502	214
Total demand/ consumption	MT	26,509	32,225	19,141	24,711

POI- Oct' 2012- Dec' 2013 (15 Months)*

Price Undercutting	%	***	***	***	***
Price Undercutting Range	%	40-50	50-60	10-20	0-10

- Comments by Indian Wind Turbine Manufacturers Association (WTMA)

Domestic manufacturing of complete item affected with confusion in castings segment of supply chain.

Crude is Down to $25!!

Crude Oil (Indian Basket) from 13 to 19 Jan 2016

	13 Jan	14 Jan	15 Jan	18 Jan	19 Jan
($/bbl)	27.32	26.43	26.40	24.96	25.31
(Rs/bbl)	1826.30	1773.19	1780.00	1687.27	1710.29
(Rs/$)	66.84	67.10	67.43	67.59	67.56

(Previous Trading Day Price)
Source: Ministry of Petroleum & Natural Gas

- Comments by GE India Industrial Private Limited and Inox Wind Ltd

i. Designated Authority has failed to adequately disclose the essential facts of the investigation, especially those concerning casual link. Authority must issue a fresh disclosure statement in order to fulfill its obligations by giving sufficient time to respond to the same.

ii. Authority's observation that the impact of the countervailing measures is hardly 0.1% increase in costs to a consumer is inaccurate. The logistical inefficiencies such as the costly supply chain model have a great impact on the cost of purchase from the domestic industry. L&T is unable to produce the product with the necessary technical specifications depending on the consumer preference is the important factor due to which the Importer had to import the subject goods.

iii. The market share of the imports from the subject country increased irrespective of a decrease in the market share of the domestic industry. Therefore, injury faced by the domestic industry cannot be attributed to the increase in imports.

Imports Fall 3.9%, Electronics up 21% to $3.8bn, Pulses Double, Gold Triples

- Exports in Dec Fall again by 14.8%, Textiles up 5%, Agri buoyant

SC Ralhan, President, Federation of Indian Export Organisations (FIEO) said that the decline of 14.75 percent as against the sharp decline of 24.43 percent during the month of November, 2015. Shows improvement, on the other hand, December exports of China have turned positive. Indian industry is becoming uncompetitive due to high domestic taxes and state control on energy sector prices.

Ralhan claims that commodities and crude oil prices have more than 40 percent bearing on India's exports, this has further led to the continuous decline in exports.

FIEO President said that talking about the top major commodities traded, positive performance has been shown by half of the items out of 30 product groups in December, 2015 as against 7 out of 30 product groups in November, 2015.

Mr Ralhan urges the government for the immediate reconsideration of inverted duty structure to give a boost to Make in India, exemption of Service tax from exports, creation of Export Development Fund (EDF) with a corpus of 0.5 percent to 1 percent of total export value, exemption of Terminal Excise Duty (TED) on purchase of Capital Goods, provision of fiscal incentive to MSMEs for the motivation of aggressive export marketing and restoring benefits under SHIS to Status Holder exporters.

Besides issues like non-residents to be kept out of the ambit of section 206AA and Merchant exporters to be given Interest Equalization Benefits should also be looked into.

Besides Mr Ralhan reiterates that redressal of number of issues relating to infrastructure bottlenecks and transaction cost specially immediate introduction of Integrated Web Portal by CBEC for facilitating exports could provide much needed relief to the export sector even during such a difficult global economic scenario.

LDCs Gain Market Share

Between July and December of 2015, months that India's exports were slumping, Bangladesh in fact saw exports grow by eight per cent year-on-year. Vietnam saw exports grow 9.2 per cent in 2015.

The implications of the data for the trade deficit are also worrying. In December 2015, the trade deficit in dollar terms was 27 per cent higher than it was in December 2014. Cumulatively, however, the trade deficit for the first nine months of the current financial year was 11 per cent lower compared to that in the same period of 2014-15.

Gold demand is once again on the rise. The gold import bill for 2015 was estimated at being 12 per cent higher than for 2014. This is over and above the informal market which thrives on the 20% premium in domestic price compared to world price.

Exports & Imports: (US $ Million)

(Provisional)

	December	April-December
Exports(including re-exports)		
2014-15	26154.46	239928.91
2015-16	22297.48	196603.94
%Growth2015-16/ 2014-15	-14.75	-18.06
Imports		
2014-15	35333.27	351613.95
2015-16	33961.48	295811.69
%Growth2015-16/ 2014-15	-3.88	-15.87
Trade Balance		
2014-15	-9178.81	-111685.04
2015-16	-11664.00	-99207.75

Service Export and Import Down

The Reserve Bank releases monthly data on India's international trade in services with a lag of around 45 days.

The value of exports and imports of services during the month of November 2015 are given in the following Table.

Table: International Trade in Services

(US$ Million)

Month	Receipts (Exports)	Payments (Imports)
October 2015	13,344	7,013
November 2015	12,019	5,686

Note : Data are provisional.

Monthly data on services are provisional and would undergo revision when the Balance of Payments (BoP) data are released on a quarterly basis.

Quick Estimates for Selected Major Commodities for December, 2015

Trade: Import

SNo.	Commodities	(Values in Million USD) Dec'14	Dec'15	% change Dec'15
1	Cotton Raw & Waste	17.61	16.88	-4.15
2	Vegetable Oil	808.56	1083.22	33.97
3	Pulses	349.34	631.43	80.75
4	Fruits & vegetables	157.40	166.15	5.56
5	Pulp and Waste paper	97.08	88.69	-8.64
6	Textile yarn Fabric, made-up articles	131.36	143.21	9.02
7	Fertilisers, Crude & manufactured	770.45	613.37	-20.39
8	Sulphur & Unroasted Iron Pyrites	17.23	27.89	61.87
9	Metaliferrous ores & other minerals	740.88	575.04	-22.38
10	Coal, Coke & Briquettes, etc.	1463.50	952.68	-34.90
11	Petroleum, Crude & products	9963.44	6656.74	-33.19
12	Wood & Wood products	433.66	447.53	3.20
13	Leather & leather products	85.83	86.52	0.80
14	Organic & Inorganic Chemicals	1356.49	1285.68	-5.22
15	Dyeing/tanning/colouring materials.	179.89	184.29	2.45
16	Artificial resins, plastic materials, etc.	882.40	968.15	9.72
17	Chemical material & products	447.43	412.08	-7.90
18	Newsprint	66.96	67.10	0.21
19	Pearls, precious & Semi-precious stones	1935.97	1972.26	1.87
20	Iron & Steel	1669.62	1323.26	-20.74
21	Non-ferrous metals	887.94	839.17	-5.49
22	Machine tools	242.78	271.40	11.79
23	Machinery, electrical & non-electrical	2526.23	2498.11	-1.11
24	Transport equipment	2458.02	1503.89	-38.82
25	Project goods	311.97	221.22	-29.09
26	Professional instrument, Optical goods, etc.	332.55	353.63	6.34
27	Electronic goods	3154.13	3816.98	21.02
28	Medicinal & Pharmaceutical products	490.82	501.20	2.11
29	Gold	1364.03	3806.29	179.05
30	Silver	182.30	472.03	158.93
	Sub-Total	33525.87	31986.09	-4.59
	Grand Total	35333.27	33961.48	-3.88

Note: The figures for December'14 and December'15 are provisional and subject to change.

Notification Text

Seeks to levy definitive countervailing duty on import of Castings for wind-operated electricity generators whether or not machined, in raw, finished or sub-assembled form, or as a part of a sub-assembly, or as a part of an equipment/ component meant for wind-operated electricity generators originating in, or exported from the People's Republic of China for a period of five years.

Ntfn 01-CVD 19.01.2016 (DoR)

Whereas, in the matter of 'Castings for wind-operated electricity generators whether or not machined, in raw, finished or sub-assembled form, or as a part of a sub-assembly, or as a part of an equipment/ component meant for wind-operated electricity generators' (hereinafter referred to as the subject goods) falling under tariff items 8483 40 00, 8503 00 10 or 8503 00 90 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), hereinafter referred to as the Customs Tariff Act, originating in or exported from, People's Republic of China (hereinafter referred to as the subject country), and imported into India, the designated authority in its final findings, published in the Gazette of India, Extraordinary, Part I, Section 1, *vide* notification No. 17/6/2013-DGAD, dated the 27th November, 2015 has come to the conclusion that-

(i) the subject goods have been exported to India from subject country at subsidized value, thus resulting in subsidization of the product;

(ii) the domestic industry has suffered material injury due to subsidization of the subject goods;

(iii) the material injury has been caused by the subsidized imports of the subject goods originating in or exported from the subject country;

and has recommended the imposition of definitive countervailing duty on 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 (6) of section 9 of the Customs Tariff Act, read with rules 20 and 22 of the Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under tariff items of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), exported by the exporters as specified in the corresponding entry in column (7), and imported into India, countervailing duty at the rate to be worked out as percentage of the landed value of imports of the subject goods as specified in the corresponding entry in column (8) of the said Table, namely:-

Table

SNo	Tariff item	Description of goods	Country of origin	Country of export	Producer	Exporter	Percentage of landed value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	8483 40 00, 8503 00 10 or 8503 00 90	Castings for wind-operated electricity generators, whether or not machined, in raw, finished or sub- assembled form, or as a part of a sub- assembly, or as a part of an equipment/ component meant for wind-operated electricity generators	People's Republic of China	People's Republic of China	Zhejiang Jiali Wind Power Technology Company Limited	Zhejiang Jiali Wind Power Technology Company Limited	8.78
2	-do-	-do-	People's Republic of China	People's Republic of China	Any	Any	13.44
3	-do-	-do-	People's Republic of China	Any country	Any	Any	13.44
4	-do-	-do-	Any country	People's Republic of China	Any	Any	13.44

2. The countervailing duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

Explanation.- For the purposes of this notification, "landed value" shall be the assessable value as determined under the Customs Act 1962, (52 of 1962) and all duties of customs except duties levied under sections 3, 3A, 8B, 9 and 9A of the Customs Tariff Act.

[F. No. 354/84/2015-TRU]

DGFT Requests Services Sector to Obtain Importer Exporter Code

- More Paperwork and Control under FEMA in the Offing
- Banks have All the Data Since Payment and Receipts are Accounted for, RBI Releases Data
- Why should DGCIS be the Fifth Wheel in the Chariot

Subject: Reporting of trade statistics relating to export/import of services.

13-TN 15.01.2016 (DGFT)

As of now, the data on services trade is managed by RBI; but the present reporting system is inadequate in many respects. Since there is little voluntary compliance of reporting of trade statistics relating to export/import of services, data reporting system needs a major improvement. Therefore, the Department of Commerce through DGCI&S is undertaking an exercise of collection of data/ statistics relating to import and export of services.

2. As per the Section 7 (as amended in 2010) of FTDR Act, no person can export/import merchandise without getting an Importer Exporter Code (IEC). But such a requirement is not mandatory for an exporter/importer of services under the same Section of the FTDR Act unless an exporter wants to take any benefit under FTP.

3. All data on import/export of merchandise are IEC based. Similarly, the Department of Commerce would like to capture Services trade data on the same line. In the absence of IEC for most service exporters, the services trade data as of now in not comprehensive. We must appreciate that any policy intervention by the Government of the day requires authentic data and its analysis. Accordingly, it is felt that all services exporters should have IEC at least for the purpose of comprehensive data collection.

4. In view of the above, all those exporters of services who do not possess IEC are urged to voluntarily obtain IEC from Regional Authorities of (RAs) of DGFT. All trade and industry chambers are requested to impress upon their members (exporters of services) to voluntarily obtain IEC and use it while effecting export /import of services so that trade statistics relating to export/ import of services can be captured effectively.

Duty Differential for Medical Device Manufacture Hiked to 5% + 4% (SAD)

- 7.5% + 4% (SAD) on Complete Parts and other Inputs *(Previous 5% and 5% w/o SAD)*
- Move Follows Task Force Recommendations

Rate of basic customs duty on specified medical device increased from 5% to 7.5%; Simultaneously, exemption from additional customs duty (SAD) on these medical devices has also been withdrawn, and they will now attract 4% SAD; Basic customs duty is being reduced to 2.5% along with full exemption from SAD on raw materials, parts and accessories for manufacture of medical devices, falling under headings 9018 to 9022.

A Task Force was set up to examine various issues concerning the domestic Medical Devices Sector.

Notification Nos. 4/2016-Customs and 5/2016-Customs, both dated 19.01.2016 have been issued in this regard.

These changes are expected to provide impetuous to the domestic medical devices sector, support Make in India campaign of the Government and generate employment.

The concessional basic customs duty on hospital equipment for use in hospitals run by Central or State Government or registered societies, and specified assistive devices, rehabilitation aids and other goods for disabled will, however, continue.

Seeks to make further amendments to the Notification No.12/2012-Customs dated 17.03.2012.

Ntfn 04
19.01.2016
(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. 12/2012-Customs, dated the 17th March, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* notification No. G.S.R.185(E), dated the 17th March, 2012, namely:-

In the said notification, in the Table, for serial numbers 473 and 474 and the entries relating thereto, the following serial numbers and entries shall respectively be substituted, namely:-

SNo.	Chapter or heading or sub-heading or tariff item	Description of goods	Standard rate	Additional duty rate	Condition No.
(1)	(2)	(3)	(4)	(5)	(6)
473	9018 32 30, 9018 50 20, 9018 90 21, 9018 90 24, 9018 90 43, 9018 90 95, 9018 90 96, 9018 90 97, 9018 90 98, 9019 10 20, 9022 90 10 or 9022 90 30	Goods required for medical, surgical, dental or veterinary use *Explanation.-* For the purposes of this entry, the term Goods refers to medical instruments or appliances required for medical, surgical, dental or veterinary use only and do not refer to parts and spares thereof.	5%	-	-
474	90 or any other Chapter	Raw materials, parts or accessories for use in manufacture of goods falling under headings 9018, 9019, 9020, 9021 or 9022.	2.5%	-	5

[F.No.354/133/2015-TRU]

SAD Exemption Scope on Medical Devices Narrowed

Seeks to make further amendment to the Notification No.21/2012-Customs dated 17.03.2012.

Ntfn 05
19.01.2016
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962(52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 21/2012-Customs, dated the 17th March, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 194(E), dated the 17th March, 2012, namely:-

In the said notification, in the Table, for serial number 95 and the entries relating thereto, the following serial numbers and the entries shall be respectively, substituted, namely:-

SNo.	Chapter or heading or sub-heading or tariff item	Description of goods	Standard rate
95	9018 32 30, 9018 50 20, 9018 90 21, 9018 90 24, 9018 90 43, 9018 90 95, 9018 90 96, 9018 90 97, 9018 90 98, 9019 10 20, 9022 90 10 or 9022 90 30	Goods required for medical, surgical, dental or veterinary use	Nil

[F.No.354/133/2015-TRU]

Excise Hike of Rs. 0.75/Litre for Petrol; Rs. 2/Litre for Diesel to Mop up Gain from Crude Fall

- 2nd Hike in 2016
- Retail Price Falls as Part Benefit Passed on to Consumers

02-CE
15.01.2016
(DoR)

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), 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.12/2012-Central Excise, dated the 17th March, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* G.S.R. 163(E), dated the 17th March, 2012, namely: -

In the said notification, in the Table,-

(i) in serial number 70,-

(a) against item (i) of column (3), for the entry in column (4), the entry "Rs. 8.48 per litre" shall be substituted;

(b) against item (ii) of column (3), for the entry in column (4), the entry "Rs. 9.66 per litre" shall be substituted;

(ii) in serial number 71,-

(a) against item (i) of column (3), for the entry in column (4), the entry "Rs. 9.83 per litre" shall be substituted;

(b) against item (ii) of column (3), for the entry in column (4), the entry "Rs. 12.19 per litre" shall be substituted;

2. This notification shall come into force with effect from the 16th day of January, 2016.

[F. No.354/123/2014 -TRU]

No Tax Holiday for New Units in SEZs

A Delegation of Export Promotion Council for EOUs and SEZs (EPCES) led by Shri P.C. Nambiar, Chairman, EPCES had met Nirmala Sitharaman on January 19, 2016 for resolving the issues of EOUs and SEZs.

Nirmala Sitharaman informed that due to imposition of MAT/DDT there has been slowdown in SEZ sector in terms of growth in SEZs. Ministry of Commerce & Industry is in the process of identifying the reasons for this slowdown in SEZ Sector. The Minister assured the members of the Delegation that Ministry of Commerce & Industry has already taken up this issue with Ministry of Finance.

It protested tha proposal for abolition of all Direct Tax Benefits for SEZs not operationalized before April, 2017 is implemented, the investor friendly image of SEZs will be dented. It also requested to extend the Sunset Clause on SEZs upto 2023. Nasscom has also taken up this issue.

Commerce Minister Nirmala Sitharaman also assured the delegation that the issue of Preferential Rates of FTAs for import from SEZs into DTA, use of land in Non-Processing Area, and Dual use of land in Non-Processing Area will also be taken up.

SBR of 1500 Series and 1700 Series from EU, Korea and Thailand under Anti-dumping Investigation on Complaint of RIL and Indian Synthetic Rubber (P) Ltd, Noida

[Ref: Anti-dumping Initiation Notification No. 14/10/2015-DGAD dated 14th January 2016]

Subject: Initiation of Anti-dumping investigation concerning imports of Styrene Butadiene Rubber (SBR) of 1500 series and 1700 series, originating in or exported from European Union, Korea RP and Thailand.

Whereas M/s Indian Synthetic Rubber Pvt. Limited and Reliance Industries Limited have jointly filed an application before the Designated Authority, alleging dumping of Styrene Butadiene Rubber (SBR) 1500 series and 1700 series originating in or exported from European Union, Korea RP and Thailand and requested for initiation of Anti Dumping investigation for levy of anti dumping duties on the product under consideration.

Indian Synthetic Rubber Pvt. Limited is a joint venture of Indian Oil Corporation, TSRC, Taiwan and Marubeni Corpn., Japan. The Company is stated to have commenced commercial production in Feb., 2014. The company has claimed that the dumping of the product under consideration in the country is materially retarding establishment of domestic industry in the Country. M/s Reliance Industries Ltd., the co-applicant, has also set up a plant for production of the product under consideration, but yet to declare its commercial production, although selling subject goods in the market.

Product under Consideration

The product under consideration in the present investigation is "Styrene Butadiene Rubber (SBR) of 1500 series and 1700 series", originating in or exported from European Union, Korea RP, and Thailand. It is classified under Chapter 40 of Customs Tariff under the subheading 4002.19. The Customs classification is, however, indicative only and in no way binding on the scope of the present investigation. SBR is essentially a co-polymer of styrene and butadiene. The applicants have submitted that SBR describes a family of synthetic rubbers derived from styrene and butadiene. These materials have good abrasion resistance and good aging stability when protected by additives. SBR is derived from two monomers, styrene and butadiene. The mixture of these two monomers is polymerized by two processes – from solution (S-SBR) or as an emulsion (E-SBR).

SBR 1500 series is an SBR used in sidewall, footwear, rubberized fabric, other light coloured products, non-staining type black products, tires, tread, conveyor belt, hose and shoes, while SBR 1700 series is used in tire, water pipes, rubber machinery products, auto accessories, camelback, conveyor belt, hose and other black products. Applicants have submitted that SBR 1500 and 1700 have overlapping use. For instance 1712 grade of SBR can be substituted with 1500 grade and many other grades of rubber falling under 1500 and 1700 series even in tyre tread application. Similarly, 1502 grade of SBR can be substituted with 1500 and many other grades of rubber falling under 1500 and 1700 series in various applications. As stated by the applicants, there is no significant difference in the costs and prices of different grades within SBR 1500 series and SBR 1700 series. However, there is significant difference in cost of production and selling price of SBR 1500 and SBR 1700 series.

Like Article

The applicant has claimed that there are no known differences in subject goods produced by the petitioner and exported from the subject countries. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The goods produced by the domestic industry are comparable to the imported goods from the subject countries in terms of essential product properties. The goods offered by the domestic industry are like article to the goods imported from the subject countries.

Domestic Industry Standing

The application has been jointly filed by M/s. Indian Synthetic Rubber Pvt. Limited and Reliance Industries Limited. The applicants are stated to be sole producers of subject goods in the country and thereby account for the entire production in the country and constitute a major proportion in Indian production. The Authority, therefore, determines that the applicants constitute domestic Industry within the meaning of the Rule 2(b) and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

Normal Value

The applicants have constructed the normal values in respect of the subject countries stating that they were unable to get any documentary evidence or reliable information with regard to the domestic prices of the subject goods in the subject countries. The applicants have claimed the normal value on the basis of cost of production in India after due adjustments for the international price of the major raw material. The normal value for the subject goods has been estimated on the basis of best estimates of cost of production, including selling, general, administrative & finance expenses and reasonable profit.

Export Price

Export price of the subject goods from the subject countries has been estimated by considering transaction-wise import data as provided by the applicants from the DGCIS and other secondary sources. Adjustments have been made on account of ocean freight, marine insurance, commission, and port expenses in the exporting country to arrive at ex-factory export price.

Dumping Margin

Normal value and export price have been compared at ex-factory level, which shows positive dumping margin in respect of the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in subject countries is higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by exporters from the subject countries. The dumping margins are estimated to be above *de minimis*.

Injury and Causal Link

M/s Indian Synthetic Rubber Pvt. Limited and Reliance Industries Limited, the applicant domestic producers in the present investigation, have set up new facilities for production of the product under consideration. While M/s Indian Synthetic Rubber Pvt. Limited has commenced commercial production just before the investigation period, M/s Reliance Industries Limited is yet to declare its commercial production, though started selling the product under consideration in the domestic market.

The applicants have claimed that dumping of the product under consideration in India is materially retarding the establishment of the domestic industry. They have furnished information on various parameters relating to injury for the period for which commercial production has been commenced. Further, the applicants have provided detailed information with regard to their potential performance on the basis of projections drawn by them before setting up their plants and have compared their potential performance with the actual performance achieved till the investigation period to establish their claim that their performance is substantially below the potential levels envisaged before setting up the plants. The analysis of the vital parameters prima facie show that the applicants have suffered injury on account of the retarding effect of dumping of the subject goods from the subject countries.

Initiation of Anti Dumping Investigations

In view of the above the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject countries , injury to the domestic industry and causal link between the dumping and injury exist and therefore the Authority , in terms of Rule 5 of the Anti Dumping Rules hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry, to determine the existence , degree and effect of any alleged dumping and recommend the amount of anti dumping duty , which, if levied, would be adequate to remove the injury to the domestic industry.

Period of Investigation (POI)

The period of Investigation for the purpose of the present investigation is 1st October 2014- 31st September 2015 (12 months). The injury investigation period will, however, cover the periods. The injury period shall be from the date of commencement of production, i.e., February 2014 and upto POI, by dividing each financial year in to four quarters for the purpose of injury analysis.

[Full text of Notification available at www.worldtradescanner.com]

Tariff Value Rises on Gold $9; Silver $5; RBD Palm Oil $14

Down: Brass Scrap $11; Crude Palm Oil and Soyabean Oil $4

13-Cus(NT) 15.01.2016 (DoR)

In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

"Table-1

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	553
2	1511 90 10	RBD Palm Oil	585
3	1511 90 90	Others – Palm Oil	569
4	1511 10 00	Crude Palmolein	596
5	1511 90 20	RBD Palmolein	599
6	1511 90 90	Others – Palmolein	598
7	1507 10 00	Crude Soya bean Oil	729
8	7404 00 22	Brass Scrap (all grades)	2893
9	1207 91 00	Poppy seeds	2722

Table-2

SNo.	Chapter/ heading/sub-heading/tariff item	Description of goods	Tariff value US $
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	354 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	457 per kilogram

Table-3

1	080280	Areca nuts	2558

[F. No. 467/01/2016 -Cus-V]

RBI Issues Revised Memo on Project Exports after Disbandment of Working Group Approval Procedure

Sub: Export of Goods and Services – Project Exports.

AP(DIR Srs) Cir.39 14.01.2016 (RBI)

Attention of Authorised Dealers is invited to Regulation 18 of Notification No. FEMA 23/2000-RB dated 3rd May 2000 viz. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 in terms of which export of goods or services on deferred payment terms or in execution of a turnkey project or a civil construction contract requires prior approval of the approving authority, which shall consider the proposal in accordance with the guidelines issued by the Reserve Bank from time to time. Further, attention of Authorized Dealers (AD) is also invited to A.P. (DIR Series) Circular No.11 dated July 22, 2014, in terms of which the structure of Working Group (consisting of representatives from Exim Bank, ECGC & RBI), which has hitherto been permitted to consider project exports and deferred service exports proposals for contracts exceeding USD 100 Million in value has been dispensed with and AD banks / Exim Bank have been permitted to consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations. Project and service exporters may accordingly approach AD banks / Exim Bank based on their commercial judgment.

2. As it has been advised by the Government of India that i) the 'OCCI' has been renamed as 'Project Export Promotion Council' (PEPC) and ii) civil construction contracts may include turnkey engineering contracts, process and engineering consultancy services and Project construction items (excluding steel & Cement) along with civil construction contracts, it has been decided to make the necessary changes in Memorandum of Instructions on Project and Service Exports (PEM) accordingly.

3. The revised Memorandum of Instructions on Project and Service Exports (PEM) is enclosed.

4. Authorized Dealers may bring the revision in the Memorandum to the notice of their constituents concerned.

5. The directions contained in this circular have been issued under section 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.

[Memorandum of Instructions on Project and Service Exports (PEM) is available at www.worldtradescanner.com]

DGFT to Maintain "Watch List" of Officers with "Dubious" Reputation, Intolerance Campaign against Corruption

- "Touts" and "Middlemen" to be Declared Persona Non Grata

Subject: Zero tolerance to corruption

12-TN 13.01.2016 (DGFT)

It bears no repetition that the highest standards of integrity are to be maintained by all government servants in discharge of their official duties.

2. This aspect has been repeatedly stressed in all departmental meetings and video conferences, wherein it has been stressed that RAs must ensure the highest standards of integrity and transparency in their offices and zero tolerance should be shown for any blemish that comes to light in this regard. Apart from being abhorrent and criminal by definition, deserving strictest action by way of prosecution and departmental action, acts of corruption also bring the entire governmental structure into disrepute and cause inconvenience and harassment to citizens availing services from it.

3. It is reiterated that the strictest vigil be kept in this regard and the highest standard of integrity ensured. Officers and staff with dubious reputation may be identified and placed on a 'Watch List' and closely monitored and be kept in non-sensitive positions. Work rotation to avoid long tenures in sensitive positions may also be ensured. RAs may also identify touts and middlemen who operate in their offices and immediately report their names for necessary action to authorities concerned and make them persona non grata in the offices.

4. By way of this Trade Notice, this information is shared with the entire Exporter/ Importer community to elicit their cooperation in fulfilling the above objective. The entire Exporter/Importer community is requested to act in unison and not cooperate with any such improper activity and immediately bring it to the knowledge of senior officers including DGFT and the Vigilance apparatus. Relevant telephone nos., emails are given below. Trade Community is also requested to not encourage middlemen and touts who accentuate this problem and report them to the department so that they can be made persona non grata in the DGFT offices.

1. Director General of Foreign Trade
Ph.: 011-2306277, 23063436
E-mail: dgft@nic.in

2. Shri D.K. Singh
Addl. DGFT
Ph.: 23063466
E-mail: dksingh@nic.in

3. Shri Bhupinder Singh Bhalla
Joint Secretary (Vigilance)
Department of Commerce
New Delhi.
Ph.:011-23062660
E-mail: bsbhalla@gov.in

US Blinks on COOL for Meat to Avoid Canada, Mexico Retaliation

The US' country-of-origin Labelling (COOL) scheme for pork and beef was repealed by Congress late Last month, averting hefty countermeasures that Canada and Mexico were preparing to impose following a prolonged WTO dispute.

"The omnibus bill repealed the country of origin labelling (COOL) requirements for muscle cuts of beef and pork, and ground beef and pork. Effective immediately, [the US Department of Agriculture] is not enforcing the COOL requirements for muscle cut and ground beef and pork outlined in the January 2009 and May 2013 final rules," explained US Agriculture Secretary Tom Vilsack following the repeal.

The repeal was included in language for a multi-trillion dollar spending bill passed by the US legislature on 18 December and signed into Law by President Barack Obama. While it removes COOL for pork and beef, it does allow the labelling to continue for lamb and chicken.

The measures at issue in the case were labelling requirements applicable to imported Livestock and meat, which required retailers to inform consumers of the origin of those products, including beef and pork. In turn, meat suppliers were required to provide retailers with the necessary information, with origin being determined under a complex formula regarding where the animals were born, raised, and slaughtered.

An arbitrator later deemed on 7 December that Canada has effectively lost benefits worth C$1.054 billion (US$740 million at today's exchange rate) annually as a result of COOL, with Mexico having suffered losses amounting to US$227.758 million annually. In both cases, in line with global trade rules, the arbitrator had granted those two countries with permission to ask for WTO-authorised retaliation up to those respective amounts.

The WTO's Dispute Settlement Body (DSB) granted authorisation to both Canada and Mexico on 21 December for retaliation at the levels found by the arbitrator, following those countries' respective requests.

Russia Rattled as Ukraine Shacks up with EU

The EU and Ukraine have begun putting into operation their bilateral trade deal since 1 January, in a move that, as was widely expected, has brought long-simmering tensions with Russia on the subject back to the fore.

The Deep and Comprehensive Free Trade Area (DCFTA), as the EU-Ukraine pact is known, is part of the larger political and economic Association Agreement between Brussels and Kiev that was signed in mid-2014.

When the trade deal was then ratified simultaneously by the European and Ukrainian parliaments in September 2014, the two sides had agreed to delay the application of the pact until 1 January 2016.

Moscow has long argued against the application of the EU-Ukraine trade deal, citing both competitiveness concerns as well as fears that this arrangement could lead to a massive influx of inexpensive European imports into Russia, given its economic relationship and shared border with Ukraine. Trade deal with EU given Ukraine's in the Commonwealth of Independent States (CIS) agreements is also an issue.

Russian lawmakers agreed on 22 December to suspend the country's own trade agreement with Ukraine, as part of the CIS trade zone, citing "extraordinary circumstances affecting the interests and economic security of Russia and requiring immediate action."

Ukrainian leaders, for their part, have said that they will not be deterred by trade measures taken by Moscow in response to moving forward with the DCFTA.

Obama Calls for TPP Ratification in Final State of the Union Speech

"With TPP, China does not set the rules in that region, we do. We want to show our strength in this new century? Approve this agreement, give us the tools to enforce it. It's the right thing to do".

US President Barack Obama openly called upon domestic lawmakers to ratify the Trans-Pacific Partnership (TPP) Agreement, referring once more to the need for Washington to play a leading role in setting trade rules in Asia.

Speaking at a joint session of Congress on Tuesday evening for his final State of the Union address, the US president said that the 12-country trade pact would "open markets, and protect workers and the environment, and advance American leadership in Asia."

The State of the Union speech comes just weeks before Leaders from the 12 TPP nations are set to meet in New Zealand on 4 February to sign the agreement.

The signing of the deal kicks off a two-year window for the original signatories to finish their domestic approval, legislative, and ratification processes. Should that timeline be met, the deal would enter into force within 60 days.

Otherwise, 60 days following the end of that two-year window the agreement will still enter into force as Long as six of the signatories have notified the completion of domestic legal procedures, and that those six make up 85 percent of the group's combined GDP under 2013 figures. Should that threshold not be met, the TPP will enter into force 60 days following whenever a minimum of six signatories making up 85 percent GDP is reached.

The US is the largest economy of the Trans-Pacific Partnership members, with the 12-country group together making up 40 percent of global GDP. Negotiations for the proposed agreement were concluded in October 2015 following a ministerial-level meeting in the US city of Atlanta, Georgia.

Iran Sanctions Lifted, Crude Crashes

U.S. and European Union sanctions on Tehran were finally lifted on Saturday 16 January, restoring Iran's access to world's markets.

Crude prices have been tanking for months, dropping to below $30 a barrel. A flood of new oil from Iran will likely push them even lower very soon.

Iran is able quickly to pull oil out of storage and from tankers floating at sea ... which it has an interest to do soon, since it is paying to store that oil.

Analysts expect Iran to add between 600,000 and one million barrels per day to its oil output, but the country's leaders are much more bullish.

Iran is aiming to increase output by close to 1.5 million barrels by the end of 2016, taking daily production to 4.2 million, Iran's oil minister Bijan Zanganeh said.

Tehran is in a tricky position. The more oil it exports, the more likely prices will drop even more. Iran has relatively low production costs compared to other countries, but another slump in prices would put its plans at risk. The country desperately needs heavy investments in its out-of-date oil infrastructure.

Iran is a member of the oil cartel OPEC. Just few years ago, OPEC countries would adjust their production to keep prices in check. The U.S. shale boom has forced OPEC to change its strategy and step up production to defend its market share.

Steel Shrinks in China for First Time Since 1991

Steel output in the world's largest producer posted the first annual contraction in a quarter century.

Mills in China, which make half of global supply, churned out less last year for the first time since at least 1991 as local demand dropped, prices sank and producers struggled with overcapacity. Crude steel production shrank 2.3 percent to 803.83 million metric tons, the statistics bureau said Tuesday. December output fell 5.2 percent to 64.37 million tons from a year earlier.

Crude-steel output in China surged more than 12-fold between 1990 and 2014, and the increase is emblematic of the country's emergence as the world's second-largest economy. Demand soared as policy makers built out infrastructure, shifted millions of people into cities and promoted consumption of autos and appliances.

Consumption Led Growth

Demand is weakening as policy makers seek to steer the economy away from investment toward consumption-led growth. The economy expanded 6.9 percent last year, the slowest full-year pace since 1990, data showed. Steel output will probably drop 2.6 percent this year, weakening the outlook for iron ore as global miners increase shipments, Citigroup Inc. has estimated.

Chinese steel demand is also dropping for the first time in a generation, prompting mills to export record amounts of the metal. Shipments jumped 20 percent last year to 112.4 million tons, an all-time high. Excess supply particularly from China has spurred governments across the globe to take steps to protect their home markets.

More production cuts are needed as local consumption weakens further and steelmakers face stiffer opposition to exports, according to Li Xinchuang, deputy secretary-general of the China Iron & Steel Association. Output may drop to about 783 million tons this year, the association has said.

US Court Holds Samsung Infringes Apple Software Copyright

A U.S. court ruled in favor of Apple Inc. in its patent battle with Samsung Electronics Co. and ordered the South Korean company to stop using software in the U.S. that helps mobile phones infringe on those patents.

Samsung has to stop making, using, selling, developing or designing software or code that helps its products infringe on three patents. Those inventions cover mobile-phone features such as autocorrect, slide-to-unlock and data detection, according to the order by the U.S. District Court in San Jose.

The two smartphone giants have pursued legal cases against each other around the world, claiming that the other's devices infringed on their own patents.

In 2014, the two settled to drop all cases except two lodged in the federal court in California that issued Monday's order. The court's ruling affects software or code used in older Samsung models such as the Galaxy S II, S III and Note smartphones. (This ruling too may result in another settlement between the two majors).

The ability to block use of an invention is a powerful tool that increases the price tag when the creator negotiates settlements.

Samsung tried unsuccessfully to get that appeals court decision overturned. Google Inc., HTC Corp., LG Electronics Inc. and Rackspace Hosting Inc. backed Samsung in its arguments, arguing that a victory for Apple could allow patent owners to unfairly leverage their intellectual property for competitive gain.

Enforcement of the order will begin in 30 days, the court said.

The years-long disputes between the rivals — and business partners — centered on software-design features that have become second nature to many mobile users, from swiping to unlock a sleeping device to automatic correction of typos in messages. While the injunction covers older models, Apple can go back to the judge and argue that Samsung's newer devices still infringe on its patents.

Apple and Samsung ship about a third of the world's smartphones combined, according to data compiled by Bloomberg. Apple devices also use chips and displays made by Samsung.

The latest ruling involves Apple v. Samsung, 12cv630, U.S. District Court for the Northern District of California (San Jose).

India is 45th in World Innovation Index, China 21st, Korea Tops, US in Eight Position

Rank/Economy		Total score
1	South Korea	91.31
2	Germany	85.54
3	Sweden	85.21
4	Japan	85.07
5	Switzerland	84.96
6	Singapore	84.54
8	United States	82.84
9	Denmark	81.40
10	France	80.39
12	Russia	78.85
17	United Kingdom	74.92
20	Australia	73.42
21	China	72.12
25	Malaysia	69.15
26	Italy	67.86
36	Turkey	60.92
37	Hong Kong	60.49
38	Croatia	58.42
45	India	52.76
46	Tunisia	51.18
47	Thailand	50.69
48	Morocco	48.85
49	Argentina	48.82
50	Kazakhstan	48.48
46	Tunisia	51.18
47	Thailand	50.69
48	Morocco	48.85
49	Argentina	48.82
50	Kazakhstan	48.48

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See details in www.worldtradescanner.com

Customs Valuation Exchange Rates

8 January 2016		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	47.70	46.50
2	Bahrain Dinar	182.95	172.40
3	Canadian Dollar	48.00	46.95
4	Danish Kroner	9.85	9.55
5	EURO	73.35	71.55
6	Hong Kong Dollar	8.70	8.55
7	Kuwaiti Dinar	226.45	213.95
8	New Zealand Dollar	45.00	43.80
9	Norwegian Kroner	7.60	7.40
10	Pound Sterling	98.95	96.80
11	Singapore Dollar	47.15	46.10
12	South African Rand	4.10*	3.85*
13	South Arabian Riyal	18.35	17.35
14	Swedish Kroner	7.90	7.70
15	Swiss Franc	67.60	65.90
16	UAE Dirham	18.75	17.70
17	U.S. Dollar	67.45	66.40
18	Chinese Yuan	10.25	10.05
Schedule II [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]			
1	Japanese Yen	57.30	56.05
2	Kenyan Shilling	67.40	63.65

**w.e.f. 13 Jan 2016*
(Source: Customs Notification 02(NT)/07.01.16)

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