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Trade Ministers at Davos Press for "Meaningful Results" in Bali

Trade Ministers Suggest Easter Stocktaking

Preparations for the upcoming WTO ministerial conference in Bali, Indonesia took centre stage during the annual - and now traditional - informal meeting of trade ministers that was held on Saturday on the sidelines of the Davos gathering.

Ministers from the organisation's membership are scheduled to gather on the Pacific island from 3-6 December, in a meeting that is being closely watched by the trade community as a place where movement on the stalled Doha negotiations might occur.

The last ministerial - held in Geneva in late 2011 - was widely viewed as a "housekeeping" style exercise, with ministers declaring the Doha Round of trade talks at an impasse and agreeing on a few non-Doha items relating to least developed countries. However, this upcoming meet is being viewed as a chance to move some of the less controversial elements of the Doha talks forward, though WTO members have been cautious to date in placing too much pressure publicly on the Bali preparation process.

With that in mind, members have spent much of the last year trying to whittle down brackets in the draft text of the Doha negotiations on trade facilitation, while also reviewing proposals for possibly advancing a few components from the agriculture and Special and Differential Treatment (S&DT) parts of the Round. Sources have said that the trade facilitation draft text, while still under negotiation, is making progress, with many of the current brackets stemming from just a few areas of disagreement.

The Saturday, 26 January trade ministers' meeting, hosted by Swiss Economy Minister Johann Schneider-Ammann, brought together over 20 top officials from the organisation's membership, along with outgoing WTO Director-General Pascal Lamy and current General Council Chair Elin Østebø Johansen of Norway, with the purpose of discussing next steps in the Bali preparation process.

In his concluding remarks following the meeting, Schneider-Amman noted that ministers agreed that the core of any Bali outcome should indeed include trade facilitation, some agriculture components, and items of special interest to developing and least developed country (LDC) members.

Given the importance of time management in preparing for Bali, ministers also agreed on the need for "clarity on the scope of the possible deal as soon as possible," the Swiss economy minister said. To that end, they suggested that WTO members evaluate at Easter where things stand and whether a "meaningful result" in Bali will be achievable, he added.

EU-US talks

Meanwhile, the prospect of Brussels and Washington launching trade talks this year also featured prominently during the Davos summit, with EU national leaders reiterating their push for the negotiations.

Highlighting the EU's various bilateral trade efforts - including negotiations with Canada, which are said to be in their final stages, the recent conclusion of talks with Singapore, and the planned launch of discussions with Japan - Cameron particularly stressed the value that a deal with the US could add to the fragile EU economy.

German Chancellor Angela Merkel also reiterated her own support of an EU-US pact during last week's gathering.

Notably, US Trade Representative Ron Kirk - who is set to leave his role as the US' top trade official next month - told the New York Times in an interview that his country is indeed interested in such negotiations, and said that his departure should not have any effect on the launch of the talks. However, he explained, such a deal must be able to pass in the US Congress and address possible concerns from domestic farm groups.

The delay in an expected report from a joint EU-US working group - which is meant to include recommendations on whether to begin trade talks - has sparked questions over whether Washington is getting cold feet over the potential pact. However, EU Trade Commissioner Karel De Gucht told Reuters on Friday, the report is essentially ready, minus a few outstanding issues.

Four Argentina WTO Disputes Reach Panel Stage

The disputes lodged by the US, EU, and Japan against various Argentine import policies have advanced to the panel stage, after the three complainants presented their second panel requests to the WTO's Dispute Settlement Body (DSB) on Monday. Meanwhile, Buenos Aires' challenge to Washington's restriction of imports of Argentine beef has also moved forward at the global trade arbiter, while its complaint against the EU over Spanish policies on biodiesel imports has been put on hold.

Panel to hear EU, US, Japan complaints

On 28 January DSB meeting, a single panel was established to hear the challenges filed last year by Brussels, Washington, and Tokyo City over Buenos Aires' alleged restrictions on imports (DS438, DS444, and DS445, respectively) The move comes just days after Argentina announced that it had taken steps to remove some of the policies cited in the case.

Since February 2012, Buenos Aires has subjected all imports to a registration and pre-approval regime. Under the policy, importers have been required to file sworn affidavits to AFIP, the Argentine tax agency, and then wait for approval or rejection.

On 25 January, however, Argentina announced that it would be repealing the controversial policy, which had also come under scrutiny by some of its Mercosur partners as well as domestic importers. "Argentina understands that with this measure we are giving a positive solution to the dispute as it pertains to the claim concerning the non-automatic import licenses," the Argentine delegate said at Monday's DSB meeting.

In its statement, Argentina also noted that it had removed those automatic import licenses that had also been part of the EU's claim, following Buenos Aires' consultations with Brussels late last year.

Other policies that had been cited by the three complainants included Buenos Aires' requirements that importers balance imports with exports, increase investment in production facilities in Argentina, increase local content of products manufactured in Argentina, and refrain from transferring revenue abroad.

Buenos Aires has repeatedly argued that its policies are in line with WTO rules, and that - given the high volume of exports by those trading partners to the South American country - its regulations are clearly not protectionist.

While Mexico had also submitted a consultations request regarding the Argentine import policies (DS446), that case is not advancing to the panel stage. Mexico City had originally submitted a first panel request in November, but subsequently dropped it after clinching a separate auto trade deal with Buenos Aires.

Panama has also filed a WTO complaint against Argentina, citing in its challenge restrictions on both goods and services trade. (DS453) That challenge is still in the consultations phase, having only been filed on 12 December. Under WTO rules, complainants can only request a panel following a consultation period of a minimum of 60 days.

Argentina files second panel request in US beef spat

Meanwhile, a separate dispute lodged by Argentina against the US is now also at the panel stage, after Buenos Aires reported that its consultations with Washington over the latter's restrictions on Argentine beef imports had been unsuccessful (DS447).

The South American country has argued that the US' ban of the former's beef imports - specifically of fresh, chilled, or frozen bovine meat - are without justification. Washington has blocked Argentine beef on sanitary and phytosanitary (SPS) grounds, namely over concerns about foot-and-mouth disease (FMD).

The US and Argentina have also been sparring at the WTO on another SPS-related front - specifically over Washington's restrictions on imports of Argentine lemons (DS448). However, a second panel request has not been made in that case; Argentina had filed a first request in December, which was blocked by the US at the time.

Under WTO rules, respondents in a dispute are allowed to block one panel request; if a second request is made, a panel is automatically established.

Biofuels case on hold

A separate case lodged by Argentina against the EU at the WTO, meanwhile, has been put on hold for the time being, after EU member state Spain issued a new regulation altering its April biofuels rule. (DS443)

The Spanish rules at issue specifically favoured biofuels produced in the European Union over their non-EU counterparts, and were part of a larger piece of legislation implementing the 27-country bloc's Renewable Energy Directive. The April move, which came swiftly after Buenos Aires' nationalisation of Spanish-owned oil and gas company Repsol YPF's Argentine subsidiaries, was seen as specifically timed to target the South American nation - though the legislation had already been prepared beforehand.

Argentina and Indonesia rank as the first and second largest biodiesel suppliers to Spain, respectively. In 2011, Argentine biofuel exports to the EU member state were worth €750 million, according to Spain's Renewable Energy Producers Association.

In its official bulletin, Spain modified its April regulation on both 16 October and 22 December, effectively nullifying the parts of the law with which Argentina had taken issue. In the first announcement, Madrid explained that its modifications were in order to ensure that fuel prices did not reach even higher levels than where they currently stand.

While Argentina had welcomed the October changes, it argued at the time that the modifications might not be enough to guarantee restored access to the Spanish biofuels market, and therefore waited until the December modification before announcing that it would be holding off on further WTO action.

No Prior Authorization for Gift Clearance Thru Courier

Courier Companies to Provide Post Import Evidence

It has been reported that Customs is insisting that the Courier Companies Produce an authorization from the recipient of the gifts before allowing clearance, which is causing delays and hardship to individuals.

It is clarified at the outset that there is no delay in the clearance of gift parcels at the IGI Airport, Courier Terminal, New Delhi.

The Government had earlier taken note of the difficulties faced by individual recipients of gifts from their friends and relatives abroad on account of Customs insisting that the Courier company should produce in advance the recipients authorization to clear the imported gift parcels. This was particularly hard for individuals staying far away from Delhi. Accordingly taking into account the said difficulties, the legal provision were changed vide Notification No.75/2010-Cus, dated 12.08.2010 to allow the Couriers to submit the required authorization after the delivery the parcel. Thus, as mentioned in Public Notice No.29/2010 dated 27.09.2010 issued by the Commissioner of Customs, (I&G), NCH, New Delhi, the Customs no longer insists on the submission of authorization prior to clearance of imported gifts and the Customs clearance is given immediately. Such authorization is required to be given within a week of the clearance of the item.

At the same time it has been noticed that the facility of import of goods by Courier companies has been attempted to be misused by unscrupulous people importing commercial goods in the guise of gifts. Therefore, while ensuring quick clearance of genuine gift consignment the Customs is alert to any misuse and shall ensure that the facility is not exploited.

It is reiterated for the benefit of the Courier companies as well as the public at large that bonafide gift consignments imported through Couriers are being given prompt clearance by Customs. In case of any difficulty in taking clearance of import of gift parcels, the Authorized Couriers or individuals concerned are advised to approach the Assistant/ Deputy Commissioner of Customs, New Delhi courier Terminal, IGI Airport, New Delhi (Telephone 25653424) for prompt action.

[Source: Commissioner of Customs (Air Cargo Export) Press Note dated 10th January 2013]

Mauritius Teams Up with India in Textiles

During the state visit of the Prime Minister of Mauritius to India, a Memorandum of Understanding (MoU) for strengthening collaboration in textiles sector was signed between the two Governments on February 7, 2012. The following MoUs between Institutions of Textiles sector of the 2 countries have been signed on January 30, 2013.

i. MoU between Apparel Export Promotion Council (AEPC) and Enterprise Mauritius (EM).

ii. MoU between Northern India Research Association (NITRA) and Mauritius Standards Bureau (MSB).

iii. MoU between Northern India Research Association (NITRA) and National Productivity and Competitiveness Council (NPCC).

iv. MoU between Clothing Manufacturers Association of India (CMAI) and Mauritius Exporters Association (MEXA).

v. MoU between Institute of Apparel Management (IAM) and Fashion and Design Institute of Mauritius (FDI).

WEEKLY INDEX OF CHANGES

Revolving Bank Guarantee for Duty Free Gold Import Allowed to Established Exporters

Sub: Single Revolving Bank Guarantee for Different Transactions for Import of Silver or Gold or Platinum.

30-DGEP Cir.
31.01.2013
(DoR)

Representations have been received from the Gem & Jewellery sector to allow their exporters to execute revolving Bank Guarantee to be used for import of gold/ silver/ platinum, alloys, findings and mountings of gold/silver/ platinum and plain semi-finished gold/silver/platinum jewellery.

2. Notification No. 56/2000-Cus dated 05.05.2000, as amended, exempts gold/silver/platinum, alloys, findings and mountings of gold/silver/platinum and plain semi-finished gold/silver/platinum jewellery falling within Chapter 71 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), **when imported into India by, *inter alia*, status holders, or exporters of three years' standing having an annual average turnover of five crore rupees during the preceding three licensing years** under the scheme for 'Export Against Supply by Foreign Buyer' as referred to in **paragraph 4A.8** of the Foreign Trade Policy, from the whole of the duty of customs leviable under the First Schedule to the Customs Tariff Act, and from the whole of the additional duty leviable under section 3 of the said Tariff Act, subject to the conditions specified in the said notification. Duty free import is allowed for manufacturing and export of gold/silver/platinum jewellery or articles as laid down in the said notification subject to furnishing a Bond of an appropriate amount and Bank Guarantee for a sum equivalent to one and half times of the Customs duty leviable on the said goods imported.

3. The matter has been examined. The request of the Gem & Jewellery sector is to allow revolving use of the Bank Guarantee. After considering the representations from the trade & industry, it has been decided that the Bank Guarantee furnished by the importer can be used for subsequent consignments, if the importer has fulfilled the export obligation and export proceeds realized in respect of the earlier consignments. The bank guarantee may be so used for subsequent import consignments, provided it is sufficient to cover the duty involved and has validity for sufficient time period with self-renewal in-built provision. The field formations need to take care to ensure that the Bank Guarantee remains valid till the export proceeds are realised.

F.No. DGEP/G&J/27/2012

DGFT Reintroduces Facility for Setting up of Pvt/Public Bonded Warehouses in SEZ/DTA for Diamonds, Gems and Precious Stones Following Return of Duty Regime

Subject: Introduction of provision for setting up of Private/Public Bonded Warehouses for Gems and Jewellery sector in FTP(RE-2012)(2009-2014).

30-Ntfn(RE)
31.01.2013
(DGFT)

In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, as amended, read with paragraph 1.3 of the Foreign Trade Policy, 2009-2014, the Central Government **hereby amends with immediate effect Foreign Trade Policy, 2009-2014 (RE 2012) and introduces a new para 4A.16A for setting up of Private/Public Bonded Warehouses for Gems and Jewellery sector.**

2. A new para **4A.16A** after para 4A.16 is being added in FTP as under:

Private/Public Bonded Warehouse – Private/Public Bonded Warehouses may be set up in SEZ/DTA for import and re-export of cut and Polished diamonds, cut and polished coloured gemstones, uncut & unset precious & semi-precious stones, subject to achievement of minimum VA of 5%

3. Effect of this amendment

This will facilitate setting up of Private/Public Bonded Warehouses in SEZ/DTA for Diamond, Gems and precious/semi precious stones.

[Similar provision had existed in the Foreign Trade Policy earlier, but got withdrawn with the import duty being reduced to zero. It is being reintroduced now.]

No Declaration for Reward Scheme Chapter 3 Benefits in Scheme Cases under Chapter 4-5 of FTP

Subject: Declaration of Intent for claiming Chapter 3 benefits of Foreign Trade Policy.

13-Pol.Cir
31.01.2013
(DGFT)

Declaration of Intent for claiming benefit under Chapter 3 of Foreign Trade Policy (FTP) was made mandatory for all categories of shipping bills through Public Notice No. 82 dated 16.8.2010. This stipulation was to take effect from 01.01.2011.

2. The condition of mentioning "Declaration of Intent" on shipping bills of Chapter 4 (including drawback), 5 and 6 of FTP was dispensed w.e.f 3.6.2011 through DGFT Public Notice No. 53 dated 3.6.2011. Representations from Trade and Industry have been received for allowing Chapter 3 benefits in cases where shipping bills were filed under Chapter 4(including drawback), 5 and 6 Schemes of FTP for the period 01.01.2011 to 2.6.2011.

3. The matter has been examined. The request made by the exporters not to insist for "Declaration of Intent", for the relevant export made with respect to Chapter 4 (Duty Exemption / Remission Schemes) including drawback, Chapter 5 (Export Promotion Capital Goods Scheme) or Chapter 6 [Export Oriented Units (EOUs), Electronics Hardware Technology Parks (EHTPS), Software Technology Parks (STPS) And Bio- Technology Parks (BTPS)] has considerable merit. Such shipping bills would have been assessed for valuation check by the Customs Authority. Accordingly, it has been decided to grant Chapter 3 benefits in respect of such cases, even though declaration of intent had not been mentioned.

4. Regional Authorities (RAs) may process such cases and allow Chapter 3 benefits where exporters have filed shipping bills under Chapter 4(including drawback), Chapter 5 and Chapter 6 of FTP for exports made during the period 01.1.2011 to 2.6.2011 even if they have not mentioned "Declaration of Intent" anywhere in the shipping bill.

5. Such requests for grant of Chapter 3 benefits should be filed with respective RAs before 30th April, 2013 and will not be subject to any late cut /late fee. Pending applications filed earlier, as well as fresh applications filed upto 30.04.2013 shall be taken up for consideration by respective RAs. No application after 30th April, 2013 will be accepted by RAs even with late cut / fee.

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

DGFT Delhi Office Sets Deadlines for Users to Clear Deficiencies Letters

The following Trade Notice was issued by the Additional DGFT, New Delhi on 21st January 2013

02-TN
21.01.2013

Attention of the Trade is invited to para 9.3 of Hand Book of Procedures regarding the time frame of filing applications. It has come to the notice that a large number of replies to the deficiency memos issued by this office, are being filed after an inordinate delay from the date of issue of the deficiency letter and the office is expected to process these cases even though the response comes after such a long time. The issue has been examined in consultation with DGFT and it has been decided that, henceforth, following procedure will be followed in such cases, where deficiencies are issued:-

1. First consolidated deficiency letter, detailing all the deficiencies, shall be issued, indicating a deadline of 30 days for response by the applicant.
2. The case will be reviewed at the expiry of 30 days and in case no response is received, the file shall be put up to DDG/JDG, and a further time for responding to such deficiency letters may be given.
3. The case will be reviewed again at the end of the indicated period and in case no response is received, the case will be finally closed at the level of Dy. DGFT/Jt. DGFT and no further correspondence shall be entertained.
4. The case will not be reopened in normal circumstances except on merits with the approval of Head of the Office.

Corrections in VKGUY/FPS Products HS Codes

Subject: Corrections/Amendments in Handbook of Procedures Volume I.

46-PN(RE) 31.01.2013 (DGFT)

In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy, 2009-2014, the Director General of Foreign Trade hereby makes the following corrections/amendments in the Handbook of Procedures Vol.1 (Appendices and Aayat Niryat Forms) 2009-2014:

2. ITC HS Codes of the certain items were re-notified vide DGFT Notification No.94 (RE-2008)/2004-2009 dated 02.03.2009. The corresponding entries in Appendix 37A and Appendix 37D were accordingly not modified. This is being done now in this Public Notice:

(a). In Appendix 37A (VKGUY), the ITC (HS) Codes are being revised at column 4 of table below [existing codes are at column 3]:

Table 2

SNo.	VKGUY Product Code	Existing ITC HS Code	Revised ITC HS Code	Description	Effective Date
50	50	14030010	14049090	Palm Fibre for Brushes	02.03.2009

Note: Shipping Bill containing the existing/revised ITC (HS) Codes would be eligible to claim benefit.

(b). In Appendix 37D (FPS), the ITC (HS) Codes are being revised at column 4 of table below [existing codes are at column 3]:

Table 1

SNo.	FPS Product Code	Existing ITC HS Code	Revised ITC HS Code	Description	Effective Date
45	45	70120000	70200019	Glass Inners for Vacuum Flasks or for other Vacuum Vessels	02.03.2009
259	259	852340, 852351 & 852352	852341, 852349, 852351 & 852352	Optical Media Products Like – CD, DVD and Solid Non-volatile Storage Devices	01.01.2012
124	124	46021011	46021911	Palm Leaf Basket etc.	02.03.2009
125	125	46021019	46021919	Palm Leaf Items other then Baskets	02.03.2009
126	126	46021090	46021990	Others- Basketwork, Wickerwork and other Articles, Made Directly To Shape From Plaiting Materials Or Made Up From Goods Of Heading 4601; Articles Of Loofah	02.03.2009
370	370	65059000	65050090	Other Headgear, Hats, Knitted/Crocheted Made Up from Laces etc W/N Lind/Trmmd	02.03.2009
88	88	74181910	74181024	Epns Wares	02.03.2009
89	89	74181930	74181039	Other Table, Kitchen or Other Household Articles	02.03.2009
93	93	76151940	76151030	Other Table & Kitchn-ware of Aluminium	02.03.2009
121	121	940150	94015100	Seats of Cane, Osier, Bamboo / Similar Materials- of Bamboo or Rattan	02.03.2009
			94015900	Seats of Cane, Osier, Bamboo / Similar Materials- other	02.03.2009
122	122	94038010	94038100	Furniture of Bamboo or Rattan	02.03.2009
123	123	94038090	94038900	Others – Furniture of other Materials, Including Cane, Osier, Bamboo or Similar Materials	02.03.2009
76	76	9501	95030010	Dolls of Wood	02.03.2009
77	77	9502	95030020	Dolls of Metal	02.03.2009
78	78	9503	95030090	Other-wheeled Toys Designed to be Ridden by Children (e.g. Tricycles, Scooters, Pedal Cars); Dolls Carriages Made of Material other than Wood,Metal or Plastic	02.03.2009
402	402	96147020	96140000	Coconut Hookah	02.03.2009

Note: Shipping Bill containing the existing/revised ITC (HS) Codes would be eligible to claim benefit.

(c). In Appendix 37D (FPS), the description is being revised at column 5 of table below [existing description is at column 4]:

Table 1

SNo.	FPS Product Code	ITC HS Code	Existing Description	Revised Description	Effective Date
245	245	63026010	Toilet Linen and Kitchen Linen, of Terry Toweling or Similar Terry Fabric, of Cotton	Toilet Linen and Kitchen Linen, of Terry Toweling or Similar Terry Fabric, of Cotton - Handloom	24.09.2008
		63026090		Toilet Linen and Kitchen Linen, of Terry Toweling or Similar Terry Fabric, of Cotton- other	

3. In Appendix 37D (FPS), the description /ITC HS Code of certain Sl. Nos. under Table 1 is revised as under:

Table 1

SNo.	FPS Product Code	ITC HS Code	Existing Description	Revised Description/ ITC HS Code	Effective Date
522	522	70181090	Others - Glss Beads, Imtn Perls, Imtn Perls, Imtn Prcs Stones / Semi Prcs Stones & Smlr Glss Small-wares	Others – Imtn Perls, Imtn Perls, Imtn Prcs Stones / Semi Prcs Stones & Smlr Glss Small-wares	05.06.2012
567	567	63049200	Other : Furnishing Articles of Cotton Not Knitted or Crocheted	63049290	05.06.2012
646	646	62142010	Shawls of Wool or Fine Animal Hair-Handprinted	Shawls of Wool or Fine Animal Hair	05.06.2012
617	617	Stands deleted since already covered under sr no 26 of Table 1 of Appendix 37 D			
618	618	Stands deleted since already covered under sr no 567 of Table 1 of Appendix 37 D			
625	625	Stands deleted since already covered under sr no 26 of Table 1 of Appendix 37 D			

4. Value cap imposed on grant of VKGUY scrip on export of 'Dried fish products' under ITC HS Code 0305 vide Public Notice No. 63/2009-14 dated 13.05.2010 is withdrawn with immediate effect.

5. Para 2.63 (d) of HBP v1 is amended as under:

Para No. HBP	Existing Provision	Revised Provision
Para 2.63 (d) Registering Authorities issuing RCMC	Exporters of minor forest produce and their value added products shall obtain RCMC from SHEFEXIL, EPC. Software exporters shall register themselves with Electronic and Software EPC.	Exporters of minor forest produce and their value added products shall obtain RCMC from SHEFEXIL, EPC. Electronics and Computer Software/ IT Enabled Services (ITeS) exporters shall register themselves with Electronic and Computer Software EPC.

6. ITC HS Codes and description of certain items which were notified vide Public Notice No.42 dated 31.12.2012 are being corrected in the relevant place in Appendix 37A(VKGUY) and Appendix 37 D(FPS) as below:

SNo.	FPS/ VKGUY	Existing ITC HS Code	Revised ITC HS Code	Existing Description	Revised Description
797/ Table 2	VKGUY	2105	2105	Food Preparations, not elsewhere specified or included	Ice cream and other edible ice, whether or not containing cocoa

678/ Table 1	FPS	58013410	58013711	Velvet	Velvet
192/ Table 1	FPS	590310	590310	PVC leather cloth with Polyvinyl chloride: Imitation leather fabrics of cotton	Textile Fabrics impregnated, coated, covered/ laminated with PVC excluding those of HDG No 5902
645/ Table 1	FPS	62141020	62141020	Shawls (exceeding 60 cm) and the like-handprinted	Shawls, Scarves, Mufflers, Mantillas, Veils and the like of silk or silk waste (exceeding 60 cm)
186/ Table 2	MLFPS	29152100	29153100	Ethyl Acetate	Ethyl Acetate
450/ Table 1	FPS	391000	391000	Silicons in primary forms: silicon resins	Silicons in primary forms

7. The serial number of the product 'Compressors used in Refrigerating Equipment ' ITC HS code 84143000 under Table 1 of Appendix 37D (Focus Product Scheme) entitled for bonus benefit @ 2% for export made with effect from 01.01.2013 as mentioned in para 4 of Public Notice 42 dated 31.12.2012 is corrected from 76 to 105.

8. Note 1 is inserted against Sl. No. 798 of Table 2 of VKGUY:-The products eligible under ITC(HS) Code 1208 are only Food grade containing more than 51% Protein.

9. Effect of this Public Notice

While consolidating different items under Appendices certain errors have been noticed in terms of Sr. No., Product Description etc. These errors are being rectified. Secondly, due to harmonization of ITC (HS) Codes, new Codes with description have been mentioned which would be eligible for incentives under Appendix 37A & 37D.

Tariff Value Raises on All Palm Oils, Brass Scrap, Gold and Silver

16-Cus(NT) 31.01.2013 (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 and TABLE-2, 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	815
2	1511 90 10	RBD Palm Oil	860
3	1511 90 90	Others – Palm Oil	838
4	1511 10 00	Crude Palmolein	867
5	1511 90 20	RBD Palmolein	**870**
6	1511 90 90	Others – Palmolein	869
7	1507 10 00	Crude Soyabean Oil	1219
8	7404 00 22	Brass Scrap (all grades)	**4077**
9	1207 91 00	Poppy seeds	**4395**

Table-2

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
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	**545** 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	**1018** per kilogram

[F. No. 467/01/2013-Cus.-V]

Japanese Yen Exchange Rates for Customs Valuation w.e.f. 31 Jan 2013

17-Cus(NT) 31.01.2013 (DoR) In exercise of the powers conferred by Section 14 of the Customs Act, 1962 (52 of 1962), the Board hereby makes the following amendments in the Notification of the Government of India, Ministry of Finance (Department of Revenue) No. 5/2013-CUSTOMS (N. T.), dated the 17th January, 2013 S.O. 190 (E), namely:-

In the SCHEDULE-II of the said Notification for Serial No. 1 and the entries relating thereto, the following shall be substituted, namely:-

Schedule-II

SNo.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	59.60	58.00

The rates will be effective from 31st January, 2013.

[F. No. 468/2/2013-Cus.V]

India's Trade Portal

S R Rao, Secretary, Department of Commerce inaugurated the India's Trade Portal on 1 February. The Trade Portal has been developed to facilitate India's exporters in trading which may result in the expansion of trade. The Portal offers Indian exporters and importers respectively a comprehensive guidance for concluding international trade transactions successfully with a specific focus on Indian traders trading with SAARC, ASEAN and top 25 export/import destinations (as per value terms). The portal provides user-friendly access to relevant information for import and export of different products in digital form.

It provides an access to an online database of current MFN Tariff, Preferential Tariff of top 25 destinations with which India has entered into regional or bilateral agreements or variants of them, Rules of Origin ("Ro0"), Sanitary and Phytosanitary Measures ("SPS") and Technical Barriers to Trade ("TBT") requirements of various products that an Indian trader requires for ensuring successful trade transactions. The Portal provides a search criteria based on HS Code and/or product names.

The Secretary expressed that Trade Portal is a dynamic concept and invited feedbacks from the stakeholders for further development of the portal. He stated that an endeavour shall be made to expand it to other trading partners and the task of maintenance of Trade Portal will be carried out by IIFT under the overall guidance of the Department of Commerce.

The link to the Trade Portal has been provided through Department of Commerce website under 'What's New' and Useful Links'. The direct link to the website is http://trade.iift.ac.in/.

New Airport Terminal at Chennai Inaugurated

The Vice President of India M. Hamid Ansari has said that as a vital infrastructure, civil aviation plays an essential role in economic progress and integration of a country. It has an important role to play in promotion of travel, trade and tourism. It provides speedy access to normally inaccessible areas of the country thereby gives the required stimulus to business activity and economic growth. During natural calamities, harsh weather conditions, as in places like Leh, Kargil & the Islands, air transport is the most viable mode. Civil Aviation also makes a vital contribution in integrating the country with the rest of the world. Addressing after inaugurating "**newly built International & Domestic Terminals and upgraded Airside facilities at Chennai Airport**" in Chennai (Tamil Nadu) on 31 January 2013, he said that better air services help to improve the competitiveness of industry and exports. By expanding the size of the market, aviation acts as a spur for innovation; increases sales and profits; allows greater scope for exploitation of economies of scales and thereby enhances competition by offering efficient and fast mode of transportation.

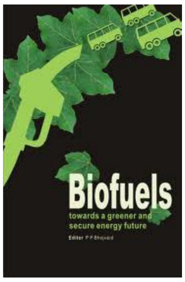
He said that Air transport in India has witnessed unprecedented growth in the recent past. During the last 10 Years, compounded annual growth rate of passenger traffic has been approximately 15%. This massive growth in air traffic requires huge investment for construction of new airports, expansion and modernization of existing airports, improvement in connecting infrastructure. Government of India has already given in principle approval for development of 15 greenfield airports. Airports Authority of India is also upgrading and modernizing 35 non-metro airports in the country. These steps will definitely help in providing a better facilities and connectivity to the citizens in coming decades.

The Vice President said that Chennai Airport is the premier international gateway and air hub for South India, besides being the third busiest airport in the country. The importance of Chennai as a national and international destination is well established. It has attained greater importance in view of India's 'Look East' Policy due to which greater economic and commercial integration with countries of East Asia and South East Asia is taking place at a rapid pace. Consequently, passenger and freight traffic to and from these countries is bound to rise in the times to come. With Chennai being the natural gateway due to geographical proximity, the upgrade and modernisation of the airport is a timely and appropriate initiative.

He said that the existing terminals had a capacity to handle 6 million domestic and 3 million international passengers. With the upgrade and expansion, the new international and domestic terminals can handle an additional 4 million international and 10 million domestic passengers per annum. These terminals have also been equipped with state-of-the-art facilities for comfort and convenience of passengers.

[PIB Press Release dated 31 January 2013]

European Commission Proposes Duties on Imports of US Biofuels



The European Commission (EC) has proposed anti-dumping duties of 9.5 percent on US fuel ethanol imports for five years, following an internal investigation. The planned anti-dumping duty seeks to protect Europe's domestic bioethanol industry from low-priced imports by increasing the effective price of the imported ethanol. The duty - if adopted by the bloc's 27 member states - would be applied across the board to all US producers of ethanol exporting to the EU.

The EC report found that the surge in low-priced imports from the US stalled the European Union's bioethanol industry by decreasing profits and seriously affecting the industry's ability to raise capital and attract investment. "Exporters from the [US] managed to increase their market share by systematically undercutting European Union industry's prices," the Commission proposal said.

From October 2010 to end-September 2011 - the official period during which the EC investigated the possibility of imposing duties - imports of US ethanol catapulted from a 1.9 percent market share to 15.7 percent of the EU market. Volume grew ten-fold to 686,185 tonnes. The United States is the single largest foreign source of ethanol for the EU. The only other substantial supplier is Brazil, but during the investigation period their market share in the EU shrank from 30.3 percent to 4.5 percent.

The EC investigation began in October 2011 in response to a complaint lodged by ePURE, an association of European producers that together constitute more than 25 percent of the EU's total ethanol output. ePURE complained that their prices and market share were eroding because of the growth in low-priced US ethanol imports.

The European Commission has recommended that the European Council adopt the proposal for implementing these duties no later than 22 February.

Long-standing tensions

However, this is not the first time Brussels has slapped duties on imports of US alternative fuel. In 2009, the EU imposed both anti-dumping and anti-subsidy duties on imports of US biodiesel for a period of five years. At issue was a US tax credit of US$1 per gallon of biodiesel produced, which caused European producers to lose market share, according to the EC investigation.

The EC had also recently been conducting an anti-subsidy investigation into US ethanol imports, but concluded in December 2012 that the

WTO Authorises Antigua to Move Forward on Retaliation in US Gambling Dispute

On Monday 28 January, the WTO Dispute Settlement Body (DSB) authorised Antigua and Barbuda to retaliate against US intellectual property (IP), as part of their longstanding dispute regarding internet gambling services (DS285). However, it remains unclear what kind of measures will be put in place by the Caribbean nation, with experts suggesting US music and film industries as possible targets of the future retaliatory sanctions.

The case, which dates back to 2003, pitted one of the world's smallest economies against the largest, and was seen by some as a test of the WTO dispute system's ability to empower small countries to take effective trade sanctions against their more powerful trading partners.

WTO dispute panels and the Appellate Body have, in a series of decisions, agreed with Antigua's complaint that the US' internet blocking of overseas operators is in violation of Washington's commitments to liberalise its "recreational services" sector under the WTO General Agreement on Trade in Services (GATS).Since the US failed to comply, Antigua was authorised to retaliate by US$21 million, which was deemed to be the amount that the Caribbean country lost through the US' trade barrier.

Multilateral trading rules provide for countries to ordinarily retaliate under the specific WTO agreement that has been violated - that is, sanctions against goods when merchandise trade is at issue, services for services, and so forth. However, if this is unlikely to be effective, they allow governments to "cross-retaliate" against other sectors, such as IP. This option has never been tested by any WTO member, raising questions regarding how to put it into practice, especially when a country targets intangible products with its retaliation.

Antigua and Barbuda did not clarify at Monday's DSB meeting which specific retaliatory measures it intends to adopt. For one, Mark Mendel - one of Antigua's representatives in the dispute - stated that a website allowing downloads at a minor price is an "intellectual possibility." In that case, no royalties would be paid to the US industry, and downloads could be stopped when the threshold of US$21 million in income for Antigua is reached.

However, the island state left a door open to a possible settlement, specifying that they "stand ready and eager to find a fair solution to the dispute" and encouraged the US to act promptly to avoid the consequences of retaliation.

The US, in return, warned that if Antigua proceeds "with a plan for its government to authorise the theft of intellectual property, it would only serve to hurt Antigua's own interests."

various American subsidy and tax credit schemes, many of them state programmes, were being phased out. Further, the subsidies that were still in place in the US were considered insignificant. The report concluded that, accordingly, no anti-subsidy measures would be initiated. However, the EC left open the possibility for anti-subsidy duties to be implemented down the line if the US restarted its main subsidy scheme, a tax credit that expired in 2011.

As Washington and Brussels spar to bolster their respective biofuel industries, both countries have also been a target for criticism for their role in price spikes for food in the developing world. The US now devotes 40 percent of its corn crop to biofuel production.

These oft-criticised biofuel mandates are seen as a way to reduce reliance on foreign oil and reduce carbon emissions. Recent research suggests, however, that the once-touted environmental benefits of biofuels are negligible. Still, European vehicle fuels will need to contain 10 percent biofuel as a part of Brussels' 2020 targets.

This past October, in response to food security and environmental concerns, the EC proposed an amendment calling for a maximum of five percent - half of the target - to come from first-generation biofuels, ones made from food crops. The other half would need to come from second-generation biofuels - ones that do not directly require cropland - such as those generated from feedstock or waste products.

Weaker EU Farm Subsidy "Greening," Re-coupling Proposed

European parliamentarians voted last week to water down proposals to "green" EU farm subsidy payments, and have called for some payments to be re-coupled to production.

The move relaxes greening plans tabled by the European Commission for the bloc's post-2013 farm policy, under which all farmers would have to diversify crops, maintain permanent grassland, and protect ecological focus areas as a condition for receiving direct payments.

The package approved by the parliament's agriculture and rural development committee could still be changed ahead of a March vote in plenary. However, the version passed last week has already come under fire by those environmentalists that had called for more far-reaching reforms.

Farm groups, however, largely welcomed the committee's vote, while some parliamentarians expressed concern that "re-coupling" farm support to production could reverse the direction of farm subsidy reforms undertaken in recent years.

Committee chair Paolo da Castro defended the proposals, saying the bloc's Common Agricultural Policy (CAP) "should be more efficient, greener, and able to respond to the enormous challenges ahead of us."

The committee also voted to maintain sugar production quotas until 2020, rather than phasing them out five years earlier as previously planned. The move was opposed by the Committee of European Sugar Users, but welcomed by African, Caribbean, and Pacific (ACP) countries that benefit from higher EU prices under the scheme through preferential access to the bloc's market.

"Ecological focus areas" cut to 3 percent

In a blow to green groups' hopes for stronger biodiversity safeguards, the committee proposed that farmers with more than ten hectares will only have to maintain "ecological focus areas" on three percent of their arable land. These could include fallow land, terraces, hedgerows, ditches, stone walls, ponds, land planted with nitrogen-fixing crops, buffer strips, and afforested areas, according to the committee's proposal.

However, farmers would be able to use these areas for production if they avoid using pesticides or fertilisers, according to the committee's proposal.

The Commission had previously proposed that farmers safeguard seven percent of land in order to receive the subsidy payments.

In three years' time, land devoted to ecological focus areas should rise to five percent, parliamentarians said, with the Commission preparing an evaluation the following year and proposing a further increase if needed.

Crop diversification: small farms exempt

While the European Commission had originally proposed that all farmers with more than three hectares should grow at least three crops on their land, the committee voted to relax this requirement.

Under the new proposals, farmers with less than 30 hectares will only be required to produce two crops, and those with less than ten hectares or with large farms in the north of Scandinavia would be exempt.

Producers with small farms should ensure that the main crop does not cover more than 80 percent of arable land - rather than the 70 percent originally proposed by the Commission. On larger farms, the requirement falls to 75 percent.

Governments to conserve grassland

Whereas the Commission had proposed that individual farms maintain existing permanent grassland at current levels as a condition for receiving future direct payments, the committee proposes that EU member states take the responsibility for protecting grassland and pasture at the national, regional, or sub-regional level.

EU member states would use 30 percent of the resources allocated to them by the European Commission to provide direct payments to farmers for complying with the "greening" measures. If farmers chose not to comply, they would lose the "greening" funds but not face cuts in their remaining direct payments, parliamentarians decided.

"Double funding" stokes controversy

While the Commission had initially proposed that organic farmers be considered to be "green by definition," the committee voted to expand this category further. Farmers enrolled in agri-environment schemes would now also automatically qualify for the "greening" payment under the new proposals.

However, the committee vote sparked controversy as several parliamentary groups rejected the notion that farmers should be paid twice for the same activity as a result, specifically by receiving both the greening subsidy and payment under agri-environment schemes. Some warned that the move could be illegal under EU rules.

Re-coupling: reversing past reforms?

The new proposals would also allow EU member states to spend up to 15 percent of the money allocated to them by the Commission on "coupled" payments that link support to production, in a move that could reverse earlier efforts to make EU support less trade-distorting.

Special measures were also introduced for sugar, milk, wine, and for fruit and vegetables.

Export refunds were also maintained in the draft legislation, but with a budget of zero. The European Commission has said these should only be abolished as part of a broader deal under the WTO's Doha Round of trade talks - although an opinion from the parliament's development committee recently called for them to be ended as part of the current reform.

Capping: a "fairer" EU farm policy?

Under the proposed reform, payments to large farms are capped at €300,000 - a move welcomed by the Socialists and Democrats (S&D) group, but criticised by the Greens as too high a level.

The committee also agreed that member states would decide on who would qualify as an "active farmer" in order to receive the support - although they did set out a list of economic actors that would not be eligible.

"Entities such as transport companies, airports, real estate companies, companies managing sport grounds, campsite operators, and mining companies or other non-agricultural enterprises, to be defined accordingly by member states on the basis of objective and non-discriminatory criteria, shall not, a priori, be regarded as active farmers," the committee said. In the past, the CAP has often been criticised for allowing payments to groups with links to farming that are, at best, tenuous.

Several parliamentarians argued that the proposed amendments would make the CAP fairer, including by narrowing inequalities in the distribution of payments between member states. The proposals would ensure that no farmer in any of the bloc's member states receives less than 65 percent of the EU average.

EU, Latin American Countries Pledge to Boost Trade, Amid Underlying Tensions

The need for deeper trade and investment cooperation between the EU and the Caribbean and Latin American countries took centre stage this weekend, as leaders from those regions met in Santiago, Chile. In that context, EU leaders sought to dispel lingering concerns over their region's economic struggles - stressing that the 27-country bloc's problems are on the mend - while both sides urged the need to avoid protectionism and finalise pending trade pacts.

"The deepening of the ties of the EU - which stands as the world's largest economy and provides 40 percent of Latin America's foreign direct investment (FDI) - and some of the economies that are among the fastest growing, situated in Latin America, is in all of our interests, especially now that we are fighting together for procuring sustainable growth, jobs, and security for all of our citizens," European Commission President José Durão Barroso urged earlier in the summit.

Trade between the EU and Latin America has more than doubled over the past ten years - up to €202 billion - and increased partnership between the two regions has been suggested as a way to boost economic growth further on both sides. However, observers note that deepening trade and investment ties in practice is likely to be difficult, particularly given recent tensions between the EU and some Latin American countries in these areas.

Concerns over allegedly protectionist measures being taken by regional powerhouses Argentina and Brazil, for instance, have surfaced repeatedly over the past year, particularly after Buenos Aires' nationalisation of Spanish-owned oil-and-gas company Repsol YPF's domestic subsidiaries. Argentina and the EU are also sparring at the WTO over various import policies adopted by the South American nation.

Despite these differences, leaders from the EU and CELAC countries jointly reiterated their stance against protectionist measures in their political declaration following the summit.

Leaders also reaffirmed their commitment "to adopt policies that promote trade and investment between CELAC and EU countries," noting that this could in turn contribute to ensuring sustainable development, while facilitating economic growth and boosting employment in both regions.

EU-Mercosur talks must advance, leaders say

Trade observers were also watching the Santiago summit to see what signal, if any, the high-level meeting might bring on the future of the EU's long-running talks with South American customs union Mercosur.

The two sides have been engaged in talks for a region-to-region Association Agreement - including an FTA - since 1999, only for these to be suspended in 2004 after hitting various obstacles, such as in the area of agricultural trade. The EU and Mercosur eventually agreed to relaunch the talks in 2010.

However, Mercosur - which counts as full members Argentina, Brazil, Uruguay, and Venezuela, with Paraguay's membership temporarily suspended - has seen its own share of tensions within its membership over the past year. The controversial sidelining of Asunción following the 2012 impeachment of President Fernando Lugo - and subsequent entry of Venezuela in Paraguay's absence - had sparked questions over whether Mercosur's internal reshuffling would slow the nearly two-decade long negotiations with Brussels.

Ultimately, the two sides did hold a meeting last October where, officials said at the time, progress was made in the trade and political cooperation pillars of their planned Association Agreement.

Brussels currently has several agreements already in place with other players in the region. For instance, the EU's trade deal with Colombia and Peru is in the final stages of being formalised. It is expected to take effect on a provisional basis by the end of March, pending domestic ratification by Colombia.

Brussels also has trade pacts with Santiago and Mexico City, and clinched last year an Association Agreement with six Central American countries. It also has an Economic Partnership Agreement with the Caribbean Community (CARICOM) countries, and strategic partnerships with Brazil and Mexico.

The next CELAC-EU summit is scheduled to be held in 2015 in Brussels.

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***See details in www.worldtradescanner.com**

Customs Valuation Exchange Rates

18 January 2012		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	58.55	57.10
2	Bahraini Dinar	149.50	141.10
3	Canadian Dollar	56.35	54.80
4	Danish Kroner	9.90	9.60
5	EURO	73.60	71.75
6	Hong Kong Dollar	7.15	7.00
7	Kenyan Shilling	65.00	61.30
8	Kuwaiti Dinar	200.45	188.55
9	New Zealand Dollar	46.70	45.45
10	Norwegian Kroner	10.00	9.65
11	Pound Sterling	89.05	86.95
12	Singapore Dollar	45.30	44.10
13	South African Rand	6.40	6.00
14	South Arabian Riyal	15.05	14.20
15	Swedish Kroner	8.55	8.30
16	Swiss Franc	59.55	58.05
17	UAE Dirham	15.35	14.50
18	U.S. Dollar	55.25	54.25
Schedule II – [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees **]**			
1	Japanese Yen	59.60*	58.00*

(Source: Customs Notification 05(NT)/17.01.2013)
**w.e.f. 31.01.2013*

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