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India to Replace Iran Oil Following US Pressure

OPEC's biggest oil producers are in talks to supply extra crude to India as the nation prepares to halt purchases from Iran because of global sanctions, four people with knowledge of the matter said.

Indian refiners, which are waiting for an order from the oil ministry to stop buying Iranian cargoes, are discussing annual term contracts with Saudi Arabia, Iraq and Kuwait for the year starting April 1, the people said this week, asking not to be identified because the information is confidential. While the volume hasn't been set, the Indian companies have been told there is enough supply to cover the loss of Iranian crude, the people said.

The assurances reduce the risk of disruptions to oil supplies for Asia's third-largest economy as it seeks to cut fuel subsidies and narrow its budget deficit. They are also evidence of how global penalties against Iran because of its nuclear program are squeezing the nation's revenues. At current prices, Iran stands to lose about $11.5 billion in sales annually if India stops buying its oil.

Prospects for resolving the conflict over Iran's nuclear program have improved following signs of "good faith" from Western powers, Iranian Foreign Minister Ali Akbar Salehi said March 10. The state-run Iranian Students News Agency on the same day cited an unidentified Iranian diplomat as saying world powers have offered to ease economic sanctions on Iran if it limits the enriched uranium in its possession within six months.

Term Crude

India's refiners currently have term contracts to receive a total of about 300,000 barrels a day of Iranian crude, or 110 million a year. Iran Heavy traded at $104.87 a barrel on 11 March.

Saudi Arabia, the largest producer in the Organization of Petroleum Exporting Countries, pumped 9.1 million barrels of oil a day in February, the group said in its monthly oil market report on 11 March, citing secondary sources. Daily output was 3.1 million barrels for Iraq and 2.8 million for Kuwait.

Iran Slump

Iran produced 2.7 million barrels a day, the data show. The nation's crude shipments plunged 40 percent in the last nine months of 2012, the state-run Iranian Students News Agency reported Jan. 7. China, India and South Africa buy 70 percent of Iran's oil exports, or about 910,000 barrels a day, the Fars news agency reported Jan. 14.

"Saudi Arabia pumped 10 million barrels a day last year, and though that's come down, they can easily increase production again," Ul-Haq said. "Iraq's production is also rising. All these can replace Iranian crude, so India shouldn't face a problem."

India has struggled to get tankers and insurance for transporting supplies from Iran after the U.S. and the European Union imposed sanctions on the Islamic Republic to curb its nuclear program, which they say is designed to develop an atomic weapon. Iran says its program is for civilian purposes including electricity production and medical research.

Insurance Cover

India may cease buying Iranian crude as local insurers refuse to cover the risks for using the oil, P.P. Upadhya, the managing director at Mangalore Refinery & Petrochemicals Ltd. (MRPL), said March 8.

Iran has offered to provide insurance cover to Indian plants if they continue purchasing Iranian crude, two of the people said this week. While the processors have been shipping crude on tankers operated and insured by Iran, they won't agree to have their plants covered because they aren't confident the country will be able to pay them if they make a claim, the people said.

The U.S. in December renewed a waiver for India and eight other nations from a law that cuts institutions off from its banking system if they process payments for Iranian oil. The the nations "significantly reduced" their purchases of Iranian crude, the State Department said. The exemption is subject to a review every 180 days.

Indian refiners planned to reduce their purchases from Iran by as much as 20 percent in the year starting April 1 to keep the waiver from the U.S., a News survey of five refinery officials last month showed.

India imported 171 million tons of crude in the year ended March 31, 2012, according to data from the Associated Chambers of Commerce and Industry of India. Iraq overtook Iran as the nation's second-biggest supplier, after Saudi Arabia, during the period, the data show. Kuwait was third-biggest.

Cyprus Nationalises Bank Balances to Stay Afloat, Euro Falls

The euro dropped to its lowest level this year against the dollar after an unprecedented levy on bank deposits in Cyprus threatened to derail the nation's bailout and spark a new round in Europe's debt crisis.

The 17-nation euro declined by the most in three weeks against the yen as investors sought haven assets after Cypriot President Nicos Anastasiades bowed to demands by euro-area finance ministers to raise 5.8 billion euros ($7.5 billion) by taking a piece of every bank account in Cyprus. The yen rose against all 16 major peers after Anastasiades delayed a vote on the measure in parliament until today.

The euro slid to $1.2889, the least since Dec. 10, before trading at $1.2893, down 1.4 percent from the end of last week. It dropped 2 percent to 122.15 yen and touched 121.15, the least since March 5. The dollar lost 0.6 percent to 94.74 yen, after touching 93.57, the least since March 6.

Scenes of Cypriots lining up at cash machines raised the specter of capital flight elsewhere and threatened to disrupt a market calm that settled over the 17-member currency bloc since the European Central Bank's pledge in September to backstop troubled nations' debt.

'Credit Negative'

The terms of Cyprus's bailout are negative for depositors across Europe, and may hurt bank ratings region-wide, Moody's Investors Service said in its Credit Outlook report on 18 March.

"There's concerns about the dangerous precedent that this sets in terms of other so-called depositors guarantees," said Annette Beacher, Singapore-based head of Asia-Pacific research at TD Securities Inc. "It's the de-facto break-up of the euro in the fact that having money in a Cyprus bank isn't worth as much as having money in any other bank."

Cyprus Levy

European Union Economic and Monetary Commissioner Olli Rehn said in a March 16 interview there won't be a repeat of the tax on bank deposits.

"The issue is whether to believe that the Cyprus levy on depositors is one-off, but depositors and investors elsewhere could easily see this as another in a string of 'one-offs' and react badly," Steven Englander, the head of Group of 10 currency strategy at Citigroup Inc. in New York, wrote in an e- mailed research note. The developments will lead to selling of the euro against a range of currencies including the dollar, Swiss franc and pound, he wrote.

Benchmark Rates at Zero

Benchmark rates in Europe are a record-low 0.75 percent while borrowing costs in the U.S. and Japan are close to zero. The Federal Reserve begins a two-day policy on 19 March, the same day a leadership change begins at the Bank of Japan.

The yen has weakened 16 percent over the past six months, the biggest drop among 10 currencies on the Bloomberg indexes.

US, EU in Trade Talk for Trans Atlantic Pact

A month after announcing that they would be pursuing a bilateral trade and investment agreement, the EU and US have begun preparations for the formal launch of trade talks, which many expect by summer. While the European Commission announced yesterday that it now has an agreed draft mandate for the negotiations, US officials - including President Barack Obama - have similarly continued working over the past few weeks to shore up domestic support for the trans-Atlantic pact.

The draft mandate agreed by the European Commission on 12 March is one of the first steps that Brussels needs to complete in order to launch the planned trade negotiations, which EU and US leaders had announced last month. The mandate will next require approval by the European Council - made up of the heads of state or government of the EU's 27 members, along with the Council and Commission presidents - before the EU can officially begin talks with the US.

"Heavy slog" ahead, officials warn

The decision to launch trade talks came following months of speculation over whether the two sides would be willing to address long-standing differences on issues such as regulations and standards - subjects that observers say will be key in deepening their already strong trade ties. However, both sides have also repeatedly declared that the talks are likely to be difficult, and that any deal must be concluded quickly in order to be effective.

Obama, speaking on Tuesday to the President's Export Council - his main advisory committee on international trade - noted that, given the current global economic climate, previous hurdles posed by EU member states in areas such as agriculture might now be easier to overcome.

However, he qualified, the process is still likely to be "a heavy slog."

Obama also urged US lawmakers and industry officials present at the meeting to back the deal on their side, noting that their support is similarly critical to the negotiation's success.

A recent study, prepared for the European Commission by the London-based Centre for Economic Policy Research, has placed the potential gains of a Brussels-Washington pact at €119 billion a year for the EU and the €95 billion a year for the US once the agreement is fully implemented. As much as 80 percent of these gains, the study found, could come from the reduction of non-tariff barriers such as by harmonising regulations, as well as from liberalising services and public procurement.

EU, Thailand Trade Talks Kick Off

The EU and Thailand have launched negotiations for a bilateral trade deal, the two sides announced last week, following a meeting between European Commission President José Manuel Barroso and Thai Prime Minister Yingluck Shinawatra. The first formal round of negotiations is expected to take place by summer.

Brussels and Bangkok hope to craft a trade deal that would cover issues such as tariffs, non-tariff barriers, services, investment, procurement, regulations, competition, and sustainable development, according to the European Commission. Thai officials have said that a deal could potentially be completed in less than two years.

The EU has been pushing for bilateral trade deals with all ten members of the Association of Southeast Asian Nations (ASEAN) - which together constitute the EU's third largest trading partner after the US and China - since late 2009, most recently concluding negotiations with Singapore.

The EU is currently in negotiations for individual deals with Malaysia and Vietnam, but agreements with those countries have not yet been reached.

Brussels has said it would eventually like to reach a region-to-region trade agreement with ASEAN, building off of this bilateral approach. While German Chancellor Angela Merkel has noted that such an agreement is unlikely to come to fruition anytime soon, she recently announced support for an individual agreement with Indonesia - another ASEAN member - describing it as a "subset" of an eventual regional pact with the ten country group.

Along with Indonesia, Malaysia, Singapore, Thailand, and Vietnam, the other members of ASEAN are Brunei, Cambodia, Laos, Myanmar, and the Philippines.

Further regional economic integration within the Southeast Asian bloc is expected by the end of 2015 with the planned ASEAN Economic Community (AEC), which seeks to establish a "single market and production base" among the 10 countries. "The EU wants Southeast Asia regional integration to succeed," Barroso said. "Open regionalism is a central pillar for reinforcing multilateralism at a global level."

Trade between the 27-nation bloc and Bangkok reached €32 billion in 2012. The EU is Thailand's third largest trading partner, while Thailand is the EU's third largest trading partner among the ASEAN members.

Pak Bags GC Chair at WTO

The WTO General Council on 25 February 2013, noted the consensus on a slate of names of chairpersons for WTO bodies.

General Council	H.E. Mr. Shahid BASHIR (Pakistan)
Dispute Settlement Body	H.E. Mr. Jonathan FRIED (Canada)
Trade Policy Review Body	H.E. Mr. Joakim REITER (Sweden)
Council for Trade in Goods	H.E. Mr. Moncef BAATI (Tunisia)
Council for Trade in Services	H.E. Dr. Abdolazeez AL-OTAIBI (Kingdom of Saudi Arabia)
Council for TRIPS	H.E. Mr. Alfredo SUESCUM (Panama)
Committee on Trade and Development	H.E. Mrs. Marion WILLIAMS (Barbados)
Committee on Balance-of- Payments Restrictions	H.E. Ms Päivi KAIRAMO (Finland)
Committee on Budget, Finance and Administration	Mr. Michael STONE (Hong Kong, China)
Committee on Trade and Environment	H.E. Mr. Esteban CONEJOS (Philippines)
Committee on Regional Trade Agreements	H.E. Mr. Francisco LIMA MENA (El Salvador)
Working Group on Trade, Debt and Finance	H.E. Mr. Faizel ISMAIL (South Africa)
Working Group on Trade and Transfer of Technology	H.E. Mrs. Wafaa BASSIM (Egypt)

WEEKLY INDEX OF CHANGES

No Deemed Exports Excise Duty (TED) in Exemption Cases

16-Pol.Cir 15.03.2013 (DGFT) It has come to the notice of this Directorate that some RAs of DGFT and the Offices of Development Commissioners of SEZ are providing refund of TED even in those cases where supplies of goods, under deemed exports, is ab-initio exempted.

2. There are three categories of supplies where supply of goods, under deemed exports, are ab-initio exempted from payment of excise duties. These are as follows:

(i) Supply of goods under Invalidation letter issued against Advance Authorisation [Para 8.3© of FTP];

(ii) Supply of goods under ICB [Para 8.3(c) of FTP]; and

(iii) Supply of goods to EOUs [Para 6.11(c) (ii) of FTP]

3. Prudent financial management and adherence to discipline of budget would be compromised if refund is provided, in cases, where exemption is mandated. In fact, in such cases the relevant taxes should not have been collected to begin with. And if, there has been an error/oversight committed, then the agency collecting the tax would refund it, rather than seeking reimbursement from another agency. Accordingly, it is clarified that in respect of supplies, as stated at Para 2 above, no refund of TED should be provided by RAs of DGFT/Office of Development Commissioners, because such supplies are ab-initio exempted from payment of excise duty.

4. This issue with the approval of DGFT.

Exporters Allowed to Write Off 10% of Outstanding in 7 Cases Subject to 4 Conditions in "Self Write-off" RBI Relaxation

Subject: "Write-off" of unrealized export bills – Export of Goods and Services – Simplification of procedure

AP(DIR Srs) Cir.88 12.03.2013 (RBI) Attention of Authorized Dealer Category – I (AD Category –I) banks is invited to A.P. (DIR. Series) Circular No. 12, 30, 61, 40, 33 and 03 dated September 09, 2000, April 04, 2001, December 14, 2002, December 05, 2003, February 28, 2007 and July 22, 2010 respectively in terms of which the exporters were given limited powers of write-off and also AD Category – I banks have been permitted to accede to the requests for "write-off" made by the exporters, subject to the conditions, inter alia, that the exporter had to surrender proportionate export incentives, if availed of, in respect of the relative shipments.

2. With a view to further simplifying and liberalizing the procedure and for providing greater flexibility to all exporters as well as the Authorized Dealer banks, the earlier instructions have been reviewed. **It has now been decided to effect, subject to the stipulations regarding surrender of incentives prior to"write-off" adduced in the A.P. (DIR Series) Circular No. 03 dated 22 July 2010,** the following liberalization in the limits of "write-offs" of unrealized export bills:

a)	Self "write-off" by an exporter (Other than Status Holder Exporter)	5%*
b)	Self "write-off" by Status Holder Exporters	10%*
c)	"Write-off" by Authorized Dealer bank	10%*

*of the total export proceeds realized during the previous calendar year.

3. The above limits will be related to total export proceeds realized during the previous calendar year and will be cumulatively available in a year.

4. The above "write-off" will be subject to the following conditions:

(a) The relevant amount has remained outstanding for more than one year;

(b) Satisfactory documentary evidence is furnished in support of the exporter having made all efforts to realize the dues;

(c) The case falls under any of the undernoted categories :

(i) The overseas buyer has been declared insolvent and a certificate from the official liquidator indicating that there is no possibility of recovery of export proceeds has been produced.

(ii) The overseas buyer is not traceable over a reasonably long period of time.

(iii) The goods exported have been auctioned or destroyed by the Port / Customs / Health authorities in the importing country.

(iv) The unrealized amount represents the balance due in a case settled through the intervention of the Indian Embassy, Foreign Chamber of Commerce or similar Organization;

(v) The unrealized amount represents the undrawn balance of an export bill (not exceeding 10% of the invoice value) remaining outstanding and turned out to be unrealizable despite all efforts made by the exporter;

(vi) The cost of resorting to legal action would be disproportionate to the unrealized amount of the export bill or where the exporter even after winning the Court case against the overseas buyer could not execute the Court decree due to reasons beyond his control;

(vii) Bills were drawn for the difference between the letter of credit value and actual export value or between the provisional and the actual freight charges but the amount has remained unrealized consequent on dishonour of the bills by the overseas buyer and there are no prospects of realization.

(d) The exporter has surrendered proportionate export incentives (for the cases not covered under A. P. (DIR. Series) Circular No.03 dated July 22, 2010), if any, availed of in respect of the relative shipments. The AD Category – I banks should obtain documents evidencing surrender of export incentives availed of before permitting the relevant bills to be written off.

(e) In case of self write-off, the exporter should submit to the concerned AD bank, a Chartered Accountant's certificate, indicating the export realization in the preceding calendar year and also the amount of write-off already availed of during the year, if any, the relevant GR / SDF Nos. to be written off, Bill No., invoice value, commodity exported, country of export. The CA certificate may also indicate that the export benefits, if any, availed of by the exporter have been surrendered.

5. However, the following would not qualify for the "write off" facility:

(a) Exports made to countries with externalization problem i.e. where the overseas buyer has deposited the value of export in local currency but the amount has not been allowed to be repatriated by the central banking authorities of the country.

(b) GR / SDF forms which are under investigation by agencies like, Enforcement Directorate, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc. as also the outstanding bills which are subject matter of civil / criminal suit.

6. The respective AD banks may forward a statement in form **EBW**, in the enclosed format, to the Regional Office of Reserve Bank under whose jurisdiction they are functioning, indicating details of write-offs allowed under this circular.

7. AD banks are advised to put in place a system under which their internal inspectors or auditors (including external auditors appointed by authorised dealers) should carry out random sample check / percentage check of "write-off" outstanding export bills.

8. Cases not covered by the above instructions/ beyond the above limits, may be referred to the concerned Regional Office of Reserve Bank of India.

9. Authorized Dealers may bring the contents of the Circular to the notice of their constituents concerned.

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

World Bank Pink Sheet – March 2013

World Prices of Food Fall, Energy and Metals Rise in Feb 2013

In February 2013, energy prices rose by 2.2% while non-energy prices fell by 0.3%. Food prices are down by 0.9%, beverages declined by 3.1%, raw materials eased by 2.1%, metals rose by 1.0% and fertilizers eased by 0.5%.

Up ↑

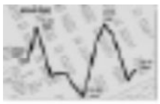
Coal; Crude
Coconut oil, Copra, Palm oil, Palmkernel oil and Soybeans
Thai rice A.1; Bananas Europe; Oranges
Chicken meat; Shrimp; Cameroon Logs
Cotton; Urea
Aluminium, Copper, Iron ore, Lead, Nickel and Zinc;
Platinum

Down ↓

Cocoa; Coffee arabica and Tea
Groundnut oil, Soybean meal and Soybean oil
Barley; Maize, Thai Rice, Sorghum and Wheat; Bananas US
Fishmeal; Beef and Sheep meat; World Sugar
Plywood, Sawnwood; Rubber RSS3; DAP, Rock Phosphate and Potassium Chloride
Tin; Gold and Silver

Steady ↔

Natural Gas; Groundnuts; Woodpulp; Rubber TSR20; TSP



	Monthly averages				Quarterly averages					Annual averages		
	2012	2013			2011	2012				2010	2011	2012
	Dec	Jan	Feb		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Energy												
Coal, Australia $/mt	92.88	92.77	94.94	↑	114.91	113.65	95.54	89.40	86.87	98.97	121.45	96.36
Coal, Colombia $/mt	81.50	78.53	80.70	↑	101.18	91.77	82.22	82.68	79.27	77.97	111.50	83.99
Coal, South Africa $/mt	88.84	86.13	85.13	↓	106.85	105.00	93.47	87.42	85.79	91.62	116.30	92.92
Crude oil, average $/bbl	101.19	105.10	107.64	↑	103.16	112.52	102.83	102.77	101.93	79.04	104.01	105.01
Crude oil, Brent $/bbl	109.68	112.97	116.52	↑	109.29	118.60	108.86	109.95	110.45	79.64	110.94	111.97
Crude oil, Dubai $/bbl	105.69	107.58	111.09	↑	106.16	116.07	106.18	106.18	107.19	78.06	106.03	108.90
Crude oil, West Texas Int. $/bbl	88.22	94.74	95.30	↑	94.03	102.88	93.44	92.17	88.14	79.43	95.05	94.16
Natural gas Index 2005=100	112.30	113.70	113.6	↔	111.30	106.40	106.30	108.00	112.10	91.10	107.30	108.20
Natural gas, Europe $/mmbtu	11.79	11.87	11.77	↔	11.42	11.51	11.52	11.13	11.73	8.29	10.52	11.47
Natural gas, US $/mmbtu	3.34	3.34	3.32	↔	3.32	2.46	2.28	2.88	3.40	4.39	4.00	2.75
Natural gas LNG $/mmbtu	15.41	16.20	16.66	↔	16.58	16.36	17.06	17.56	15.24	10.85	14.66	16.55
Beverages												
Cocoa ¢/kg	241.0	227.5	219.8	↓	246.8	234.1	228.2	249.4	245.1	313.3	298.0	239.2
Coffee, arabica ¢/kg	336.7	346.8	329.5	↓	536.2	486.9	400.4	400.0	357.1	432.0	597.6	411.1
Coffee, robusta ¢/kg	212.9	219.8	229.3	↑	215.9	222.1	231.0	234.1	219.5	173.6	240.8	226.7
Tea, auctions (3) avg. ¢/kg	308.3	301.6	289.4	↓	279.5	254.9	292.2	308.4	303.6	288.5	292.1	289.8
Tea, Colombo auctions ¢/kg	331.0	333.8	333.2	↔	316.7	292.7	304.7	308.1	319.5	329.0	326.4	306.3
Tea, Kolkata auctions ¢/kg	286.2	266.0	243.7	↓	256.4	205.3	289.9	313.4	291.4	280.5	277.9	275.0
Tea, Mombasa auctions ¢/kg	307.7	305.2	291.3	↓	265.4	266.7	282.0	303.5	300.0	256.0	271.9	288.1
Fats and Oils												
Coconut oil $/mt	785	829	861	↑	1,377	1,400	1,187	1,013	844	1,124	1,730	1,111
Copra $/mt	526	554	570	↑	917	933	793	672	565	750	1,157	741
Groundnuts $/mt	1,363	1,350	1,350	↔	2,646	2,800	2,617	1,858	1,423	1,284	2,086	2,175
Groundnut oil $/mt	2,216	2,100	1,982	↓	2,245	n.a.	n.a.	2,476	2,298	1,404	1,988	n.a.
Palm oil $/mt	776	841	863	↑	1,025	1,107	1,088	993	809	901	1,125	999
Palmkernel oil $/mt	762	795	845	↑	1,250	1,366	1,242	1,020	813	1,184	1,648	1,110
Soybean meal $/mt	580	538	535	↓	357	392	488	630	587	378	398	524
Soybean oil $/mt	1,163	1,190	1,175	↓	1,214	1,253	1,236	1,258	1,158	1,005	1,299	1,226
Soybeans $/mt	607	592	596	↑	488	518	572	672	604	450	541	591
Grains												
Barley $/mt	242.9	243.3	237.1	↓	210.9	215.6	237.8	258.4	249.3	158.4	207.2	240.3
Maize $/mt	308.6	303.1	302.7	↓	269.3	277.7	270.2	328.6	317.2	185.9	291.7	298.4
Rice, Thailand, 5% $/mt	557.8	564.2	563.0	↓	600.1	542.5	582.8	568.3	558.4	488.9	543.0	563.0
Rice, Thailand, 25% $/mt	530.0	540.0	539.0	↓	570.0	0.0	n.a.	547.9	531.0	441.5	506.0	n.a.
Rice,Thai, A.1 $/mt	520.4	530.0	535.0	↑	527.6	520.4	545.4	513.3	521.2	383.7	458.6	525.1
Rice, Vietnam 5% $/mt	413.8	411.8	394.9	↓	551.2	436.9	428.7	433.6	438.6	429.2	513.6	434.4

	Monthly averages				Quarterly averages					Annual averages		
	2012	2013			2011	2012				2010	2011	2012
	Dec	Jan	Feb		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Sorghum $/mt	284.0	291.0	288.1	↓	261.8	269.6	259.4	273.4	285.4	165.4	268.7	271.9
Wheat, Canada $/mt	n.a.	n.a.	n.a.		405.2	378.1	n.a.	n.a.	n.a.	312.4	439.6	n.a.
Wheat, US, HRW $/mt	348.0	335.5	318.9	↓	279.7	278.8	269.0	349.5	355.7	223.6	316.3	313.2
Wheat, US, SRW $/mt	325.2	309.0	298.0	↓	250.5	258.9	251.8	333.4	337.3	229.7	285.9	295.4
Other Food												
Bananas, Europe $/mt	1,123	1,096	1,112	↑	968	1,143	1,171	982	1,103	1,002	1,125	1,100
Bananas, US $/mt	944	929	923	↓	951	1,052	979	960	945	868	968	984
Fishmeal $/mt	1,880	1,919	1,884	↓	1,336	1,300	1,481	1,677	1,776	1,688	1,537	1,558
Meat, beef ¢/kg	431.6	430.7	428	↓	407.2	424.7	413	400.1	419.1	335.1	404.2	414.2
Meat, chicken ¢/kg	215.3	218.5	220.8	↑	197	201.6	207.1	209.7	213.2	189.2	192.6	207.9
Meat, sheep ¢/kg	589.3	575.1	549	↓	660.2	644.5	618.3	587.5	586.2	531.4	663.1	609.1
Oranges $/mt	758	739	884	↑	824	771	844	995	862	1,033	891	868
Shrimp ¢/kg	1,066	1,086	1,146	↑	1,085	1,055	977	970	1,024	0	1,193	1,006
Sugar, EU ¢/kg	42.87	43.44	43.44	↔	44.01	42.85	41.93	40.9	42.38	44.18	45.46	42.01
Sugar, US ¢/kg	49.2	47.56	45.72	↓	82.09	75.66	66.63	61.5	50.46	79.25	83.92	63.56
Sugar, world ¢/kg	42.57	41.61	40.28	↓	53.29	52.75	47.05	46.85	43.33	46.93	57.32	47.49
Timber												
Logs, Cameroon $/cum	459.4	465.6	466.9	↑	483.0	463.6	452.6	436.2	453.2	428.6	484.8	451.4
Logs, Malaysia $/cum	354.8	334.1	319.7	↓	409.0	373.3	361.0	355.1	352.7	278.2	390.5	360.5
Plywood ¢/sheets	612.9	612.9	586.4	↓	617.5	612.8	609.9	607.1	611.5	569.1	607.5	610.3
Sawnwood, Cameroon $/cum	770.0	761.8	737.6	↓	774.6	755.5	760.7	755.2	765.9	812.7	825.8	759.3
Sawnwood, Malaysia $/cum	879.9	870.6	842.9	↓	911.8	882.9	883.8	864.3	874.4	848.3	939.4	876.3
Woodpulp $/mt	771.9	776.9	776.9	↔	834.6	781.1	786.8	735.2	748.2	866.8	899.6	762.8
Other Raw Materials												
Cotton ¢/kg	183.8	188.5	197.8	↑	228.4	221.5	198.9	185.6	180.9	228.3	332.9	196.7
Rubber, RSS3 ¢/kg	311.0	330.4	318.6	↓	360.6	385.3	359.1	297.0	309.6	365.4	482.3	337.7
Rubber, TSR20 ¢/kg	289.6	304.3	304.4	↔	358.7	368.8	330.1	275.0	288.3	338.1	451.9	315.6
Fertilizers												
DAP $/mt	499.0	485.0	482.3	↓	605.7	516.6	545.2	565.0	532.3	500.7	618.9	539.8
Phosphate rock $/mt	185.0	179.0	170.0	↓	201.3	195.8	179.4	183.3	185.0	123.0	184.9	185.9
Potassium chloride $/mt	425.0	395.0	387.5	↓	473.0	479.8	461.3	464.8	430.1	331.9	435.3	459.0
TSP $/mt	435.0	435.0	435.0	↔	564.2	440.4	470.4	485.0	452.2	381.9	538.3	462.0
Urea $/mt	379.0	393.0	412.0	↑	437.0	387.0	470.0	381.0	383.0	289.0	421.0	405.0
Metals and Minerals												
Aluminum $/mt	2,087	2,038	2,054	↑	2,094	2,179	1,982	1,929	2,003	2,173	2,401	2,023
Copper $/mt	7966.5	8047.4	8060.9	↑	7513.6	8317.6	7889.4	7729.2	7913.2	7534.8	8828.2	7962.3
Iron ore $/dmt	128.5	150.8	154.7	↑	140.8	141.8	139.6	111.6	120.9	145.9	167.8	128.5
Lead ¢/kg	228	233	237	↑	199	209	198	199	220	215	240	206
Nickel $/mt	17,449	17,473	17,690	↑	18,393	19,636	17,186	16,384	16,984	21,809	22,910	17,548
Tin ¢/kg	2,288.1	2,454.6	2,421.2	↓	2,084.5	2,290.6	2,062.6	1,936.3	2,160.9	2,040.6	2,605.4	2,112.6
Zinc ¢/kg	204	203.2	212.9	↑	190.4	202.5	193.2	189.2	195.2	216.1	219.4	195
Precious Metals												
Gold $/toz	1,685	1,672	1,628	↓	1,682	1,692	1,612	1,656	1,718	1,225	1,569	1,670
Platinum $/toz	1,582	1,639	1,675	↑	1,529	1,604	1,500	1,501	1,598	1,610	1,719	1,551
Silver ¢/toz	3,187	3,106	3,033	↓	3,179	3,258	2,941	2,995	3,261	2,015	3,522	3,114

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

Tariff Value on Brass Scrap Down by US$102/MT; Palmolein US$40/MT and Crude Soyabean Oil US$55/MT

30-Cus(NT) 15.03.2013 (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	838
2	1511 90 10	RBD Palm Oil	870
3	1511 90 90	Others – Palm Oil	854
4	1511 10 00	Crude Palmolein	871
5	1511 90 20	RBD Palmolein	874
6	1511 90 90	Others – Palmolein	873
7	1507 10 00	Crude Soyabean Oil	1147
8	7404 00 22	Brass Scrap (all grades)	3980
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	**516** 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	**930** per kilogram"

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

Amendments in SCOMET List

37-Ntfn(RE) 14.03.2013 (DGFT)

In exercise of powers conferred by Section 5 and Section 14 A of the Foreign Trade (Development & Regulation) Act, 1992 {FT(D&R) Act,1992} as amended in 2010, the Central Government hereby makes amendments to the list of specified goods, services and technologies, i.e. Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) that was notified vide Notification No.38 (RE-2010) /2009-2014 dated 31st March, 2011. Annexure to this notification will replace the existing 'Appendix 3' to Schedule- 2 of ITC (HS) Classification of Export and Import Items, 2009-14.

2. SCOMET Categories in which amendments have been made are as follows:-

(1) In Category 3A113, the existing entry has been numbered as "a". After the entry against "a", entry "b" has been inserted.

(2) In Category 3A201, after the entry against clause f, clause "g" has been inserted.

(3) In Category 3A301, for the word "spherical" the words "spherical or spheroidal" has been substituted.

(4) In Category 3A303, new entry has been added after the entry "Polybutadiene acrylonitrile (PBAN)".

(5) In Category 3A306, some figures and words have been added after the letters "(HNF),".

(6) In Category 3A310, after the entry against clause d; clauses "e", "f " and "g" have been inserted.

(7) In Category 3A401, after the entry against clause d, clause "e" has been inserted.

(8) In Category 3B007, after the word "machining", the word ", extruding" has been added.

(9) Category 5A201, Category 5A206, and Category 5A217.c. have been substituted.

(10) In Category 5A217, after the entry against clause e, clause "f " has been inserted.

(11) In Category 5B, after the entry against clause l, clause "m" has been inserted.

(12) In 5C007, the existing entry has been numbered as "1" after which entry "2" has been inserted.

(13) The entry in clause b of Category 5C010 has been substituted.

(14) Category 5C017 and Category 5C*019 have been substituted.*

3. Purpose of the notification

Annexure to this notification contains the amended 'Appendix 3' to Schedule- 2 of ITC (HS) Classification of Export and Import Items, 2009-14 which will replace the existing one.

Customs and Excise Offices to be Opened on 29-30-31 as a Special Case to Provide Services in Holiday Week 25 to 31 March 2013

[Ref: F.No. 296/42/2013-CX.9 dated 15th March 2013]

Subject: Opening of offices during the last week of the March, 2013.

As you are aware, the bulk of the revenue is received at the end of the month. However, during the last week of this month, there are a number of holidays. Incidentally, this week also happens to be last week of the Financial Year 2012-2013. While, 27th and 29th March are Gazetted Holidays, 26th March is a Restricted Holiday on account of Holika Dahan, followed by weekend on 30th and 31st March being Saturday and Sunday respectively.

2. The Department has proposed to the Department of Financial Services to issue instructions to have the banks open for longer hours on 26th, 28th and 30th March 2013 so that the collections of revenue and the efforts of the two departments are reflected appropriately. It has also been proposed to have the banks opened for at least half day on the above holidays and on 31st March (Sunday).

3. I am, therefore, directed to request you to keep your offices, as a special measure, opened on 29th, 30th & 31st March and also issue trade notices for the information of the trade.

Budget 2013 and Textiles

Budget 2013 and Textiles has enhanced the customs duty on raw silk from 5% to 15%. This is in line with the demands of the domestic sericulture industry and cocoon farming community.

To incentivize exports in an environment of global slowdown, the Budget has exempted handmade carpet and textile floor coverings of jute or coir from excise duty regime.

Zero excise duty route in addition to CENVAT route is now available to the cotton and manmade sector and Spun yarn at the yarn, fabric and garment stages. In case of cotton, there will now be zero duty at the fibre stage and in case of spun yarn, there will be a duty of 12% at the fibre stage. This is in keeping with the Textiles Ministry's initiative for ensuring a Fibre Neutral Textile Policy.

Duty on Branded Garments has been brought down to zero percent under the optional route from 3.5% earlier. This is a major initiative which would cost exchequer Rs. 1300 Crores. All the excise duty relief measures will restore competiveness of Indian exports which are under stress due to favorable treatment given to the new competitors in major markets like EU.

[The zero excise duty on branded garments will not be the CVD of Excise on imports since it is a conditional notification. – Editor/15.03.2013]

SEBI Permits Maintenance of Collateral by FIIs for Transactions in the Cash and F&O Segments

Sub: Maintenance of Collateral by Foreign Institutional Investors (FIIs) for transactions in the cash and F & O segments

AP(DIR Srs) Cir.90 14.03.2013 (RBI)

Attention of Authorised Dealer Category - I (AD Category-I) banks is invited to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time, in terms of which FIIs may offer such securities as permitted by the Reserve Bank from time to time as collateral to the recognized Stock Exchanges in India for their transactions in exchange traded derivative contracts as specified in sub-Regulation 6 of Regulation 5 of the said Notification and A.P. (DIR Series) Circular No. 4 dated July 28, 2006 and A.P. (DIR Series) Circular No. 47 dated April 12, 2010.

2. On a review, it has been decided in consultation with the Government of India and the Securities and Exchange Board of India (SEBI), to permit FIIs to use, in addition to already permitted collaterals, their investments in corporate bonds as collateral in the cash segment and government securities and corporate bonds as collaterals in the F & O segment. The operational guidelines in this regard will be issued separately by SEBI. With the proposed changes coming into effect, henceforth, FIIs will be eligible to offer government securities/corporate bonds (acquired by FIIs in accordance with provisions of Schedule 5 to Notification No. FEMA 20 dated May 3, 2000), cash and foreign sovereign securities with AAA ratings in both cash and F & O segments.

3. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

RBI Issues Revised Guidelines for Money Transfer Service Scheme

Subject: Money Transfer Service Scheme – Revised Guidelines

AP(DIR Srs) Cir.89 12.03.2013 (RBI)

Attention of all Authorised Persons (APs), who are Indian Agents under the Money Transfer Service Scheme (MTSS) is invited to the Notification dated June 4, 2003 on MTSS, as amended from time to time and the specific permission accorded to them under FEMA, 1999 by the Reserve Bank to undertake inward cross-border money transfer activities in India, through tie-up arrangements with Overseas Principals.

2. The MTSS Guidelines have been revised in consultation with the Government of India and the revised MTSS Guidelines are in the **Annex-I.**

3. All other instructions issued vide the said Notification ibid, as amended from time to time remain unchanged.

4. These guidelines would also be applicable mutatis mutandis to all Sub Agents of the Indian Agents under MTSS and it will be the sole responsibility of the APs (Indian Agents) to ensure that their Sub Agents also adhere to these guidelines.

5. Authorised Persons (Indian Agents) may bring the contents of this circular to the notice of their constituents concerned.

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

[See Guidelines (38 pages) in our website www.worldtradescanner.com for details]

Trans Pacific Pact in Oct 2013

APEC Meet in Bali

The 4-13 March talks, which marked the TPP negotiations' 16th round, saw "solid progress" in the areas of regulatory coherence, telecommunications, and customs and development, according to the Singapore Ministry of Trade and Industry, which hosted the discussions.

However, other areas - such as intellectual property, environment, competition and labour - are likely to pose more challenges, the Singapore ministry conceded.

The TPP currently includes Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the US, and Vietnam as members. All eleven are part of the 21-country APEC group.

Asia-Pacific Economic Cooperation

Japan announcement in the pipeline?

Meanwhile, speculation has been rife in recent weeks over whether Japan might soon announce its intention to join the talks. Prime Minister Shinzo Abe has spent the past month working to shore up political support in Tokyo for the 11-country negotiations both with his own party - the Liberal Democratic Party - and its coalition partner, the New Komeito.

The Japanese Prime Minister, who took office in late December after a landslide election victory, also recently met with US President Barack Obama to discuss the prospect of joining the trans-Pacific negotiations. At the time, the two sides agreed that Tokyo would not be required to unilaterally eliminate tariffs as a condition for entry, and that there may be room for addressing some sensitivities that the US and Japan each have - specifically, automobiles for the former, and agriculture for the latter.

Since then, Japanese news sources have reported that Tokyo is indeed preparing to make automobile concessions to the US in order to join the 11-country negotiations. Specifically, Japan would allow the US to keep its 2.5 percent tariff on passenger cars for at least five years, and a 25 percent tariff on trucks for a minimum of a decade, according to the Yomiuri Shimbun.

In exchange, Washington may be willing to yield some ground on agriculture, which is a particularly contentious subject in Tokyo, sources told the news agency. Farmers in Japan have long protested against joining the pact, concerned that import tariffs on some agricultural products - particularly rice, which faces an over 700 percent tariff - could be slashed as a result of the negotiations.

The TPP has long been seen as a stepping stone toward a broader deal that would encompass all 21 members of the APEC group, in what some have termed a Free Trade Area of the Asia-Pacific. While growing the TPP's membership will be key toward reaching that goal, current TPP participants have cautioned in the past that bringing new countries onto the deal could pose the risk of slowing the negotiations.

At least two countries, besides Japan, are reportedly eyeing the possibility of becoming TPP members. Thailand has already said that it is interested in joining the 11-country group, with Prime Minister Yingluck Shinawatra announcing last November that Bangkok will be seeking entry.

Thailand will still need to complete its own domestic procedures and gain the approval of TPP members to formally join the talks.

The Philippines is also rumoured to be interested in joining the negotiations, with US Assistant Secretary of State for Economic and Business Affairs José Fernández meeting with Manila officials to discuss the subject last month.

Copyright Registration Fee Raised Ten Times with Rs. 500 Minimum

The Copyright Rules, 2013 has been notified by the Copyright Division, Department of Higher Education, Ministry of Human Resource Development on 14th March, 2013. The amendments to the existing provisions of the Copyright Act, 1957 and introduction of new provisions under the Copyright(Amendment) Act, 2012, which came into the force on 21st June, 2012, necessitated amendments to the Copyright Rules, 1958. The draft Rules were posted on the website of the Copyright Office on 28th August, 2012 seeking comments of all stakeholders and experts giving a deadline of 20th September, 2012. The Ministry also held a meeting with various stakeholders and copyright experts on 8th October, 2012 to seek their suggestions on the draft rules.

The Copyright Rules, 2013 provide new rules for statutory licence for cover versions and broadcasting of literary and musical works and sound recording; compulsory licences for works withheld from public, unpublished and published works, for benefit of disabled; registration of Copyright Societies and Performer's Right Societies; storage of transient or incidental copies of woks; making or adapting the work by organisations working for the benefit of persons with disabilities; importation of infringing copies and technological protection measures.

The fee for registration of copyright for various works and fee for licences to be issued by register of Copyrights under the directions/orders of the Copyright Board have been increased under the Copyright Rules, 2013. The minimum fee has been increased for registration from Rs. 50/- per work to Rs. 500/- per work and the maximum fee has been increased from Rs. 600/- per work to Rs. 5,000/-. The fee for licences has been increased from Rs. 200/- to Rs. 2000/- per work and the maximum fee has been increased from Rs. 400/- to Rs. 40,000/-. The new fee structure provided under Second Schedule of the Rules is applicable from the date of coming into force of the Copyright Rules, 2013 that is 14th March, 2013. A copy of the same has been made available on the website of the Copyright Office (copyright.gov.in).

Fee can be Paid by Postal Oder /Demand Draft Payable to "Registrar of Copyrights, New Delhi":

For an application for Compulsory License:	
For a license to republish a Literary, Dramatic, Musical or Artistic work (Sections 31, 31A, 31B* and 32A)	Rs. 5,000/- per work
For a license to communicate an any work to the public by Broadcast(Section 31(1)(b))	Rs. 40,000/- per applicant/ per sataton
For license to republish a Cinematograph Film (Section 31)	Rs. 15,000/- per work
For a license to republish a sound recording (Section 31)	Rs. 10,000/- per work
For a license to perform any work in public (Section 31)	Rs. 5,000/- per work
For a license to publish or communicate to the public the work or translation (Section 31A)	Rs. 5,000/- per work
For a license to publish any work in any format useful for person with disability (Section 31 B)	Rs. 2,000/- per work
For an application for a license to produce and publish a translation of a Literary or Dramatic work in any Language (Section 32 & 32-A)	Rs. 5,000/- per work
For an application for registration or copyright in a:	
- Literary, Dramatic, Musical or Artistic work	Rs. 500/- per work
- Provided that in respect of a Literary or Artistic work which is used or is capable of being used in relation to any goods (Section 45)	Rs. 2,000/- per work
For an application for change in particulars of copyright entered in the Register of Copyrights in respect of a:	
- Literary, Dramatic, Musical or Artistic work	Rs. 200/- per work
- Provided that in respect of a literary or Artistic work which is used or is capable of being used in relation to any goods (Section 45)	Rs. 1,000/- per work
For an application for registration of Copyright in a Cinematograph Film (Section 45)	Rs. 5,000/- per work
For an application for registration of change in particulars of copyright entered in the Register of Copyrights in respect of Cinematograph film (Section 45)	Rs. 2,000/- per work
For an application for registration of copyright in a Sound Recording (Section 45)	Rs. 2,000/- per work
For an application for registration of changes in particulars of copyright entered in the Register of Copyrights in respect of Sound Recording (Section 45)	Rs. 1,000/- per work
For taking extracts from the indexes (Section 47)	Rs. 500/- per work
For taking extracts from the Register of Copyrights (Section 47)	Rs. 500/- per work
For a certified copy of an extract from the Register of Copyrights of the indexes (Section 47)	Rs. 500/- per copy
For a certified copy of any other public document in the custody of the Register of Copyright or Secretary of the Copyright Board	Rs. 500/- per Copy
For an application for prevention of importation of infringing copies (Section 53) per place of entry	Rs. 1,200/- per work

[Source: Ministry of Human Resource Development, PIB Press Release dated 18.03.2013]

WIndex and DIndex – No. 52 - 20-26 March 2013

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

Customs Valuation Exchange Rates

08 March 2013		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	56.95	55.55
2	Bahraini Dinar	149.30	140.90
3	Canadian Dollar	53.95	52.60
4	Danish Kroner	9.75	9.40
5	EURO	72.25	70.45
6	Hong Kong Dollar	7.10	7.00
7	Kenyan Shilling	65.90	62.05
8	Kuwaiti Dinar	198.25	186.75
9	New Zealand Dollar	46.20	45.00
10	Norwegian Kroner	9.75	9.45
11	Pound Sterling	83.85	81.85
12	Singapore Dollar	44.50	43.45
13	South African Rand	6.25	5.85
14	South Arabian Riyal	15.00	14.15
15	Swedish Kroner	8.70	8.45
16	Swiss Franc	58.85	57.35
17	UAE Dirham	15.30	14.45
18	U.S. Dollar	55.15	54.20
Schedule II – [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees **]**			
1	Japanese Yen	59.45	57.90

(Source: Customs Notification 28(NT)/07.03.2013)

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