

Influx into Equities Fuels Currency Demand

Asian Currencies Led by Korean Won Rise

Asian central banks are running out of ammunition to fight their currencies' biggest rally since 1998, paving the way for South Korea, Taiwan, Indonesia, Thailand and India to help lead foreign-exchange performance next year.

JPMorgan Chase & Co.'s index of Asian currencies has risen 5.6 percent since its strongest two quarters in 11 years began March 31. Of 34 currencies ranked by a survey, the won, Taiwan dollar, rupiah, baht and rupee will be among next year's dozen strongest, median estimates show. The won has the best prospects and is the second-most undervalued of 16 major currencies as measured by purchasing power.

The currencies are rising even as policy makers sell them, amassing record reserves on concern that too much appreciation will slow export-driven recoveries. Investors are fueling the rallies by seeking greater returns outside the U.S., where near-zero interest rates have made the dollar a favorite to sell in so-called carry trades. With Asia leading the way out of the worst global recession since World War II, 15 of its 18 country stock indexes are beating the Standard & Poor's 500 Index.

East Europe, Latin America also Rise

Asia isn't alone in facing unwanted foreign-exchange strength as investment capital inundates emerging economies from Eastern Europe to Latin America. Brazil's real just posted its seventh straight weekly advance, the longest stretch since 2004.

In the past month, five of Asia's currencies were among the top 10 emerging-market performers against the dollar, with the rupee, won, rupiah, Malaysian ringgit and Philippine peso up between 2 percent and 4 percent.

The rise has been propelled by an unprecedented net \$47 billion that flowed into equities in India, Indonesia, the Philippines, South Korea, Taiwan and Thailand in the last three quarters. That eclipses the previous full-year high of \$33 billion in 2005.

Top Performers

Median forecasts see the won gaining 7.4 percent against the U.S. dollar by Sept. 30, 2010. Taiwan's dollar and the rupiah, baht and rupee may strengthen 4.6 percent, 2.2 percent, 1.9 percent and 1.7 percent against the world's reserve currency, putting them in second, seventh, 10th and 11th place globally. They rank similarly against the other two top currencies, the euro and the yen. Japan's cash is predicted to lose 6.7 percent against the U.S. dollar and 13.1 percent versus the won.

Speculation that Asian countries will raise interest rates as their economies outpace the West is also boosting their currencies. China will expand 8.3 percent this year and 9.5 percent next as the U.S. contracts 2.5 percent and then grows 2.4 percent, median economist predictions show. Forecasts show Hong Kong, Indonesia, Thailand, South Korea and the Philippines increasing rates sooner or more than the U.S., Europe and Japan by the end of next year.

New Highs

As South Korea fought the won's rise by selling it, reserves grew 26 percent in the first three quarters, the fastest since 2000. Taiwan's coffers rose 14 percent in the same period, the most since 2004, to a record \$332 billion. Reserves in Thailand and Hong Kong also hit new highs as of Sept. 30.

The central banks now find themselves in a conundrum. They can let inflation accelerate as they flood their economies with local currencies sold for foreign cash. Or they can raise interest rates to keep prices in check and become even more attractive as carry-trade investors use money from countries with lower borrowing costs to buy Asian financial assets.

Taking funds from the U.S. and Japan, with benchmark rates of 0.25 percent or less, to buy won, rupees and rupiah, with rates between 2 percent and 6.5 percent, has produced an annualized carry trade return of 36 percent since Feb. 20 - the most ever for that length of time.

Some governments are trying to soak up the local cash they're printing by selling short-term local-currency debt, a process known as sterilization, but there aren't enough buyers for the bills to finish the job.

South Korea's reserves soared \$22.5 billion to \$254 billion in the third quarter as the country sold won and the amount of its so-called monetary-stabilization bonds outstanding fell 3.5 percent to \$132 billion. The currency rose 8.1 percent against the dollar in those three months. Taiwan added \$14.7 billion to its reserves in that period and issued about \$1 billion in local debt as its dollar rose 2.1 percent.

Even after the won rallied 33 percent from an 11-year low on March 6, it remains undervalued by 56 percent against the dollar, second only to Mexico's peso among 16 currencies in the Organization for Economic Development's purchasing power parity gauge. It's even more undervalued against the euro and yen, also second to the peso.

Visit: www.worldtradesScanner.com
for Daily Updates

Consumer prices in South Korea increased 1.62 percent in July, 2.17 percent in August and 2.2 percent in September from the year before, the first time the figure jumped two consecutive months since July 2008. Median forecasts show inflation rising in three of the next four quarters.

Bets on continued foreign-exchange strength in Asia may lose money if governments impose restrictions on their currencies' use. Malaysia limited the ringgit's convertibility in the Asian financial crisis for a year starting in September 1998. Indonesia and Thailand employed capital controls in 2001. Thailand tried to curb the baht's rise again from December 2006 to March 2008 by requiring investors to put 30 percent of their funds into bank accounts that penalized withdrawals after less than a year. The baht strengthened 13.9 percent in that period.

Controls 'Not Harmful'

Taiwan's central bank sent a document to local media touting capital controls on Oct. 9, two days after the government reported a 13th drop in monthly exports. It quoted a United Nations report saying such limits are neither "ineffective nor harmful" to emerging-market economies.

South Korea plans to restrict state-controlled companies from taking out dollar loans because foreign currency borrowed from local banks is helping drive up the won, a Ministry of Strategy and Finance official said last week, declining to be identified because the move hasn't been

announced. The won declined 1 percent to 1,175.9 per dollar on 18 October.

China, which amassed a record \$178 billion in new reserves in the second quarter, has effectively pegged the yuan to the dollar since July 2008 and probably will keep it there until mid-2010, according to the median of 26 forecasts in a News survey. The currency is seen strengthening 2.5 percent to 6.66 per dollar in 2010 and 6.20 in 2011, from 6.83 as of Oct. 16.

Yuan in Check

After letting the yuan appreciate almost 18 percent in the three years to July 2008, China has kept it in check to help exporters weather the global recession. Shipments abroad fell a less-than-forecast 15 percent in September.

Asia is more dependent than the West on exports, which become relatively pricier as the currencies of overseas competitors or customers weaken.

Sales abroad were the equivalent of more than a third of 2008's gross domestic product in 14 countries in the region, including China, Taiwan, Malaysia, Thailand, South Korea and Cambodia, Asian Development Bank data show. In the U.S., exports were 11 percent of GDP in 2009's second quarter. About 41 percent of developing Asian countries' exports were shipped directly to the U.S., the euro region and Japan in 2007, the International Monetary Fund's most recent data show.

Euro Rises 20% Against Dollar

Major currency valuations aren't hampering the global economy's return to growth, the No. 2 official at the International Monetary Fund said on 20 October.

Lipsky's comments contrast with concerns by policy makers from Canada to France that the dollar's depreciation against their currencies hinders exports. European Central Bank President Jean-Claude Trichet on 19 October cautioned against "excessive volatility" in foreign-exchange rates and the Bank of Canada amplified a warning about the Canadian dollar's appreciation.

Euro's Rise

The euro has gained almost 20 percent against the dollar since February, making the region's exports more expensive to overseas buyers and threatening the recovery from the worst recession since World War II.

The Canadian dollar posted gains for the past three weeks as it headed for parity with its U.S. counterpart for the first time since July 2008. It fell the most in four months today after the central bank's comments.

The "worst is passed" for the global economy, which has started a "healing process," Lipsky said at the San Francisco Fed conference. Asia is poised to emerge stronger than any other region, he said.

The Washington-based lender earlier this month said it expects the world economy to expand 3.1 percent in 2010, after a 1.1 percent contraction this year.

Lipsky also said the IMF is studying, at the request of Group of 20 nations' leaders, "whether taxation in the financial system in general would make sense and if so, how should it be done to mitigate the risks created by the financial system."

Oil Rises Above \$80, Gold Near Record High on Dollar

Oil rose above \$80 a barrel for the first time since October last year in New York while gold traded near an all-time high as the dollar slipped to a 14-month low against the euro, boosting the investment appeal of commodities.

The dollar index, which measures the greenback against six major currencies, fell to its lowest since August 2008, declining 0.4 percent 75.181 in Tokyo. Other commodities also posted gains, with copper making a six-week high in Shanghai, rubber advancing to the most in a year and corn reaching the highest in three months.

Crude oil for November delivery rose as much as 44 cents, or 0.6 percent, to \$80.05 a barrel in electronic trading on the New York Mercantile Exchange, the first time the front-

Cont'd..368

SBI Sells 5 bn Dollar Securities at 4.5%

State Bank of India Ltd. raised \$750 million from the country's first so-called benchmark dollar bond sale in almost three years after receiving investor bids for more than \$5 billion of notes.

Mumbai-based SBI, India's largest bank, sold 4.5 percent notes due Oct. 2014 priced to yield 226.4 basis points more than U.S. Treasuries.

The last Indian company to sell \$500 million or more of dollar bonds was ICICI Bank Ltd. in Jan. 2007 before credit markets began to seize amid the collapse of the U.S. subprime mortgage market. Bank of Baroda and Export-Import Bank of India were among borrowers behind 63 Indian dollar bond sales this year that were below \$500 million, the typical threshold for an issue to be classified as benchmark.

ICICI Bank's \$500 million of notes due Jan. 2010 are rated Baa2 by Moody's Investors Service, the second-lowest investment-grade. SBI's debt is similarly-rated by Moody's and rated BBB-, the lowest investment-grade, by Fitch

Ratings.

Investor Demand

There have been five benchmark dollar bond sales globally this year with the lowest or second-to-lowest investment-grade rating from Moody's, Standard & Poor's or Fitch. Euroasian Development Bank, a Kazakhstan-based supranational, sold \$500 million of 7.375 percent, five-year bonds Sept. 29 that last yielded about 428 basis points more than Treasuries, the data show.

The extra yield investors demand to hold SBI's new bonds rather than similar-maturity U.S. government debt was little changed at 226.5 basis points on 20 October, according to Barclays Capital prices as in Singapore. A basis point is 0.01 percentage point.

About one third of SBI's bonds were sold in Asia, 58 percent to investors in Europe and 9 percent to offshore U.S. investors, said a person familiar with the sale, who asked not to be named as they aren't authorized to discuss it.

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
20-Oct-09	46.1000	46.2025	45.9675	46.1325	46.1325	344738	1398167	644508.6	46.0400
17-Oct-09	46.3250	46.3675	46.3000	46.3475	46.3475	352198	135843	62933.36	46.0800
16-Oct-09	46.1100	46.3700	46.1075	46.3300	46.3300	354267	1502978	695690.3	46.2700
15-Oct-09	45.9575	46.2850	45.8275	46.2125	46.2125	374087	1851294	851703.9	45.9100
14-Oct-09	46.3000	46.3100	46.1075	46.1550	46.1550	396741	1672452	772068.7	46.1600

[Source: NSE and RBI Website]

Subscription rate for the Weekly Index with World Trade Scanner

- Six months Rs. 350 US\$35
- 1 Year Rs. 650 US\$65
- 2 Years Rs. 1200 US\$120
- 3 Years Rs. 1800 US\$180

Zero Duty Window for Rice upto 1 October 2010

Ntfn 118 In exercise of the powers
14.10.2009 conferred by sub-section (1) of
(DoR) section 25 of the Customs Act,
1962 (52 of 1962), the Central

Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No. 21/2002-Customs, dated the 1st March, 2002** which was published in the Gazette of India, Extraordinary, vide number G.S.R. 118 (E), dated the 1st March, 2002, namely:-

In the said notification, -
A) in the preamble, in the proviso, **after clause (iaf)**, the following clause shall be **inserted**, namely:-

“(ia) the goods specified against S.No. 22AC of the said Table on or after the 1st day of October, 2010”

B) in the Table, after **S.No. 22AB** and the entries relating thereto, the following S.No. and entries shall be **inserted**, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
“22AC.	1006	30	All goods	Nil	-”.

[F.No. 354/184/2007-TRU]

Advance Remittance for Services Imports – Enhanced Limit of US \$ 500,000 not Applicable to Government Bodies – MoF Approval Required

Sub: Foreign Exchange Management Act, 1999 – Advance Remittance for import of Services

AP(DIR Srs) Attention of Authorised Dealer
Cir.10 Category-I (AD Category-I)
05.10.2009 banks is invited to A.P. (DIR
(RBI) Series) Circular No. 15 dated
September 8, 2008, in terms of

which the limit for advance remittance for all admissible current account transactions for import of services without bank guarantee was raised from USD 100,000 to USD 500,000 or its equivalent.

2. It is clarified that the increase in the limit for advance remittance for all admissible current account transactions for import of services without bank guarantee is not applicable for a Public Sector Company or a Department/ Undertaking of the Government of India/ State Governments.

3. In the case of a Public Sector Company or a Department/ Undertaking of the Government of

India/ State Governments, approval from the Ministry of Finance, Government of India for advance remittance for import of services without bank guarantee for an amount exceeding USD 100,000 (USD One hundred thousand) or its equivalent would continue to be required.

4. All other terms and conditions specified in A.P. (DIR Series) Circular No. 15 dated September 8, 2008, shall remain unchanged.

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

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

Bank Guarantee Limit Raised to US \$500,000 for Service Importers

Sub: Issue of Bank Guarantee on behalf of service importers

AP(DIR Srs) Attention of Authorised Dealer
Cir.11 Category-I (AD Category-I)
05.10.2009 banks is invited to Regulation 4
(RBI) of the Foreign Exchange
Management (Guarantees)

Regulations, 2000 notified vide Notification No. FEMA 8/2000-RB dated May 3, 2000, as amended from time to time. In terms of Regulation 4(3)(iv) thereof [amended vide Notification No. FEMA 151/2007-RB dated January 4, 2007] and A.P. (DIR Series) Circular No. 13 dated November 17, 2006, banks are allowed to issue guarantees in favour of a non-resident service provider, on behalf of a resident customer who is a service importer, for an amount up to USD 100,000 or its equivalent, subject to the terms and conditions stipulated in the said circular.

2. With a view to further liberalise the procedure (other than in respect of a Public Sector Company or a Department/ Undertaking of the Government of India/ State Governments) for

import of services, it has been decided to increase the limit for issue of guarantee by AD Category-I banks from USD 100,000 to USD 500,000. Accordingly, AD Category-I banks are now permitted to issue guarantee for amount not exceeding USD 500,000 or its equivalent in favour of a non-resident service provider, on behalf of a resident customer who is a service importer, provided:

(a) the AD Category-I bank is satisfied about the bonafides of the transaction;

(b) the AD Category-I bank ensures submission of documentary evidence for import of services in the normal course; and

(c) the guarantee is to secure a direct contractual liability arising out of a contract between a resident and a non-resident.

3. In the case of a Public Sector Company or a Department/ Undertaking of the Government of India/ State Governments, approval from the

Garment Exports to get 2% Interest Rate Subvention

RBI/2009-10/182 DBOD.Dir.(Exp).BC.No. 48/04.02.001/2009-10 dated 12th October 2009

Sub: Rupee Export Credit Interest Rates

Please refer to our circular DBOD.Dir.(Exp). BC.No.101/04.02.01/2008-09 dated December 16, 2008 wherein interest subvention of 2% was extended w.e.f. 01.12.2008 to 31.03.2009 on pre and post shipment rupee export credit for certain employment orientated export sectors. The scheme was, thereafter, extended for a further period upto 31.03.2010 vide our circular DBOD.Dir.(Exp). BC.No.26/04.02.001/2009-10 dated July 31, 2009. The Government of India has now decided to include the Readymade Garments along with Textiles w.e.f. 01.12.2008 under the Rupee Export Credit Interest Rates Subvention scheme in vogue from 01.12.2008 to 31.03.2010.

2. Banks may, therefore, pass on the benefit to all eligible exporters and submit their revised claims in the prescribed format as mentioned in our circular dated December 16, 2008.

3. A directive No. DBOD.Dir.(Exp).BC.No. 47/04.02.001/2009-10 dated October 12, 2009 issued in this regard is enclosed.

DBOD.Dir.(Exp).BC.No.47/ 04.02.001/2009-10 October 12, 2009

Interest Rates on Rupee Export Credit

In exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, in partial modification of directive DBOD.Dir.(Exp).BC.No. 100/04.02.01/2008-09 dated December 16, 2008, hereby directs that interest subvention on export credit may be extended to include Readymade Garments along with Textiles w.e.f. December 1, 2008 to March 31, 2010 on the same terms and conditions.

Ministry of Finance, Government of India for issue of guarantee for an amount exceeding USD 100,000 (USD One hundred thousand) or its equivalent would be required.

4. All other terms and conditions specified in A.P. (DIR Series) Circular No. 13 dated November 17, 2006, shall remain unchanged.

5. Necessary amendments to the Foreign Exchange Management (Guarantees) Regulations, 2000 are being issued separately.

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

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

PMD Fibre Board from China, Malaysia, Sri Lanka and Others – Final Findings

Ntfn 116
08.10.2009 (DoR)

Whereas, in the matter of import of Plain Medium Density Fibre Board of thickness 6 mm and above, (hereinafter

referred to as the subject goods), falling under heading 4411 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and originating in, or exported from the People's Republic of China, Malaysia, Thailand and Sri Lanka (hereinafter referred to as the subject countries), the designated authority, vide its preliminary findings vide notification No. 14/12/2007-DGAD dated 2nd February, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 2nd February, 2009, had come to the conclusion that -

1. the subject goods had been exported from subject countries to India at dumped prices. The dumping margins of the subject goods imported from the subject countries were substantially and above de-minimis; and
2. the domestic industry had suffered material injury and injury had been caused to the domestic industry both by the volume and price effect of dumped import of the subject goods originating in, or exported from, the subject countries; and

And whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods vide notification No. 21/2009-Customs, dated the 27th February, 2009, published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary, vide number G.S.R. 132(E), dated the 27th February, 2009;

And whereas, the designated authority, vide its final findings vide notification No. 14/12/2007-DGAD dated 26th August, 2009, published in the Gazette of India, Extraordinary, Part I, Section I, dated the 26th August, 2009, has come to the conclusion that -

1. the subject goods have been exported to India from the subject countries at dumped prices and dumping margins have been substantial and above de minimis level.

2. the domestic industry has suffered material injury;

3. the injury has been caused by the dumped imports from the subject countries,

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

ject countries;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said Customs Tariff Act, 1975, and in pursuance of rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid final findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (3) of the Table below, falling under heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4) of the said Table, and produced by the producers as specified in the corresponding entry in column (6), when exported from the countries as specified in the corresponding entry in column (5), by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty which shall be equal to the difference between the amount indicated in column (9) of the table below and landed value of imports, in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (8) of the said Table.

Table

SNo.	Heading	Description	Country of origin	Country of export	Producer	Exporter	Unit	Amount	Currency
1	2	3	4	5	6	7	8	9	10
1	4411	Plain Medium Density Fibre Board of thickness 6 mm and above	Thailand	Thailand	Siam Fibreboard Company Limited	Siam Fibreboard Company Limited	Per Cubic Meter	308.72	USD
2	As above	As above	Thailand	Thailand	Vanachai Panel Industries Co.,Ltd	Vanachai Panel Industries Co.,Ltd	Per Cubic Meter	340.33	USD
3	As above	As above	Thailand	Thailand	Vanachai Group Public Company Limited	Vanachai Group Public Company Limited	Per Cubic Meter	355.9	USD
4	As above	As above	Thailand	Thailand	Any other combination other than Sl. No. 1 to 3		Per Cubic Meter	391.79	USD
5	As above	As above	Thailand	Any Country other than Thailand	Any	Any	Per Cubic Meter	391.79	USD
6	As above	As above	Any Country other than Subject Country	Thailand	Any	Any	Per Cubic Meter	391.79	USD
7	As above	As above	Sri Lanka	Sri Lanka	Merbok MDF Lanka (Pvt) Ltd	Merbok MDF Lanka (Pvt) Ltd	Per Cubic Meter	Nil ** -Note below	USD
8	As above	As above	Sri Lanka	Sri Lanka	Any other combination other than Sl. No. 7		Per Cubic Meter	352.23	USD
9	As above	As above	Sri Lanka	Any Country other than Sri Lanka	Any	Any	Per Cubic Meter	352.23	USD
10	As above	As above	Any Country other than Subject Country	Sri Lanka	Any	Any	Per Cubic Meter	352.23	USD
11	As above	As above	Malaysia	Malaysia	Dongwha MDF	Dongwha MDF	Per Cubic Meter	328.51	USD
12	As above	As above	Malaysia	Malaysia	Robin Resources (Malaysia) Sdn Bhd	Robin Resources (Malaysia) Sdn Bhd	Per Cubic Meter	Nil	USD
13	As above	As above	Malaysia	Malaysia	Evergreen Fibre Berhad (EFB)	Evergreen Fibre Berhad (EFB)	Per Cubic Meter	334.42	USD
14	As above	As above	Malaysia	Malaysia	Any other combination other than Sl. No. 11 to 13		Per Cubic Meter	347.99	USD

15	As above	As above	Malaysia	Any Country other than Malaysia	Any	Any	Per Cubic Meter	347.99	USD
16	As above	As above	Any Country other than Subject Country	Malaysia	Any	Any	Per Cubic Meter	347.99	USD
17	As above	As above	China	China	Any	Any	Per Cubic Meter	395.52	USD
18	As above	As above	China	Any Country other than China	Any	Any	Per Cubic Meter	395.52	USD
19	As above	As above	Any Country other than Subject Country	China	Any	Any	Per Cubic Meter	395.52	USD

**** Note:** Subject to Price Undertaking amount of US\$ 290.73 Per Cubic Meter as minimum Landed Value of imports (Against Serial No. 7 of the Duty Table).

2. The anti-dumping duty imposed under this notification shall be levied with effect from the date of imposition of the provisional anti-dumping duty, and shall be payable in Indian currency.

Explanation: - For the purposes of this notification, rate of exchange applicable for the pur-

poses of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F. No. 354/39/2009- TRU]

Propylene Glycol Anti-dumping from USA, Singapore, Korea and EU Extended upto 7 July 2010 under Review Clause

Ntfn 117 13.10.2009 (DoR) Whereas, the designated authority vide notification No. 15/26/2008-DGAD, dated the 31st March, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 1st April, 2009, has initiated review in terms of sub-section (5) of Section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of Propylene Glycol, falling under tariff item 2905 32 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the United State of America, Singapore, Republic of Korea and European Union imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), **No. 105/2004-CUSTOMS, dated the 8th October, 2004**, published in the Gazette of India, Extraordinary, Part II, Section

3, Sub-section (i) *vide* number G.S.R.663(E), dated the 8th October, 2004, and has requested for extension of anti-dumping duty upto 7th July, 2010, in terms of sub-section (5) of Section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of Section 9A of the said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 105/2004-CUSTOMS, dated the 8th October, 2004, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.663(E), dated the 8th October, 2004, namely: -

In the said notification, at the end, the following shall be **added**, namely:-

"This notification shall remain in force up to and inclusive of the 7th July, 2010, unless the notification is revoked earlier".

[F.No.354/87/2004-TRU]

Procedure for Supply of Duty Free Gold to Small Jewellery Exporters by Nominated Agencies

Sub: Export against supply by Nominated Agencies- procedure and guidelines.

28-CBEC 14.10.2009 (DoR) Reference is invited to Board's Circular No. 24/98-Cus dated 20.04.1998 as amended by Board's circular No. 12/2008 Cus dated 24.07.2008 (para 27) regarding procedure to be followed by the Nominated Agencies for supplying duty free gold to exporters under various schemes under the EXIM Policy 1997-2002.

2. In order to address the difficulties in supply of gold, silver and platinum to small jewellery exporters, DGFT has included 5 more new agencies/entities as "nominated agencies" for import of gold/silver/platinum (hereinafter referred as

the "precious metal"). Now the nominated agencies are as under:

- (1) Metals and Minerals Trading Corporation limited (MMTC);
- (2) Handicraft and Handloom Export Corporation (HHEC);
- (3) State Trading Corporation (STC);
- (4) Project and Equipment Corporation of India Ltd (PEC);
- (5) STCL Ltd;
- (6) MSTC Ltd;
- (7) Diamond India Limited (DIL);
- (8) Gems & Jewellery Export Promotion Coun-

cil (G&J EPC);

(9) A Star Trading House (only for Gems & Jewellery sector) or a Premier Trading House under paragraph 3.10.2 of Foreign Trade Policy; and

(10) Any other agency authorised by Reserve Bank of India (RBI).";

3. DGFT has specified minimum supply criteria of 15% by nominated agencies (other than the designated banks nominated by RBI and Gems & jewellery units operating under EOU and SEZ scheme) and laid down procedure and condition to be followed by these nominated agencies (other than the designated banks nominated by RBI and Gems & jewelry units operating under EOU and SEZ scheme) vide Policy circular No. 77 (RE-2008)/2004-09 dated 31.03.2009 as amended from time to time. Relevant notifications No. 57/2000-Cus dated 08.05.2000 and 52/2003-Cus dated 31.03.2003 have been suitably amended vide notification No. 106/2009-Customs dated 14.09.2009 allowing aforesaid nominated agencies duty free import of precious metals for supply to exporters for manufacture of jewellery and export thereof subject to the procedure and conditions specified by DGFT.

4. In order to avoid divergent practices and to streamline supply of precious metal for exports, the following procedure, supplementing the procedure specified by DGFT, is being prescribed:

(i) the Nominated Agencies shall be allowed import of precious metal for warehousing in their own bonded vaults. The vaults shall be licensed by the jurisdictional Dy/Asstt. Commissioners of Customs or Central Excise (hereinafter referred as the "said officer") under Section 58 of the Customs Act, 1962;

(ii) the Nominated Agencies shall furnish a bond to the satisfaction of the said officer undertaking to properly account for the warehoused precious metal and also to discharge the duty liability at the prescribed effective rate of duty in the event of the exporter not fulfilling his export obligation within the prescribed period;

(iii) the Nominated Agencies may be permitted to give a general bond for an estimated amount of duty worked out at the effective rate involved in their monthly import or may give a revolving bond starting with a bond equal to the duty estimated at the effective rate on quantity of precious metal likely to be imported in a month;

(iv) the Nominated Agencies (other than designated banks nominated by RBI and public sector undertakings) shall also furnish a bank guarantee equal to 25% of the estimated amount of duty involved on import of precious metals in a month or the bonds executed by them. The

exemption from bank guarantee to the designated banks nominated by RBI and public sector undertakings shall be admissible subject to the following conditions:

(a) the nominated agency has not defaulted in following the procedure and condition specified by DGFT;

(b) in case of default in export of jewellery manufactured out of precious metal supplied by nominated agency within the prescribed period, the nominated agency have not defaulted in payment of duty within the specified period;

(c) the nominated agency has not been served with a show cause notice or no demand confirmed against it, during the preceding 3 years, for violations invoking fraud or collusion or any wilful mis-statement or suppression of facts under relevant provisions of the Customs Act, 1962, the Central Excise Act, 1944, the Finance Act, 1994 covering Service Tax, the Foreign Trade (Development & Regulation) Act, 1992, the Foreign Exchange Management Act, 1999 and the rules made thereunder;

(v) the Commissioner of Customs may allow more than one Nominated Agencies to keep their imported goods in the same vault provided the quantities are kept segregated and separate accounts are maintained;

(vi) the Nominated Agencies will be required to keep the imported duty free goods for supply to the exporters segregated from the quantities imported for domestic consumption on payment of duty;

(vii) the Nominated Agencies shall be exempt from following the double lock system. Physical presence of the Bond Officer will not be required for bonding or ex-bonding the goods. No cost recovery charges would be payable by the Nominated Agencies;

(viii) the Nominated Agencies can be visited by Custom officers for surprise audit or checks. The Commissioner should devise a system of random audit at least once in 6 months initially and once in a year subsequently;

(xi) the exporters intending to receive precious metal from the Nominated Agencies will register themselves with their jurisdictional Asstt. Commissioners who will issue them a one-time Certificate specifying therein the details of their units such as name and address of the unit and the head/owner of the organization. This certificate has to be produced to the Nominated Agencies while taking gold. The units shall submit an undertaking to the Asstt. Commissioner without bank guarantee to follow the conditions of notification under which they are receiving duty free precious metal and export the jewellery made therefrom within the period stipulated in the Foreign Trade Policy. The EOU units may submit a self-declaration to the Nominated Agencies stating therein the details of their unit;

(x) the Nominated Agencies would allow clearance of the goods for export production under the relevant exemption notification under their own internal documents and would submit a consolidated monthly account in format enclosed of the goods released exporter-wise and the duty involved which will be worked on the

basis of effective rate of duty;

(xi) the Nominated Agencies shall maintain an account of the goods released to the exporters (exporter-wise) on day-to-day basis. This account shall be liable for inspection by any Customs Authorities as the account of a bonded warehouse;

(xii) the exporter shall furnish the EP copy of the shipping bill and Bank certificate of realization in Appendix 22A to the nominated agencies as a proof of having exported the jewellery made from the duty free goods released to them within the period prescribed in the Foreign Trade Policy;

(xiii) wherever such proof of export is not produced within the period prescribed in the Foreign Trade Policy, the Nominated Agencies shall (without waiting for its recovery from the exporter) deposit the amount of duty calculated at the effective rate leviable on the quantity of precious metal not exported, within 7 days of expiry of the period within which the jewellery manufactured out of the said precious metal was supposed to be exported. The duty so paid by the Nominated Agency shall be reflected in the monthly statement prescribed in para (x) above. The Nominated Agencies will settle their claim with the exporter at their own level;

(xiv) the Nominated Agencies shall report the cases of failure, to export the jewellery made out of precious metal released to the exporter, to the Commissioner of Customs in whose jurisdiction the licensed vault of the Nominated Agencies is installed; and

(xv) the exporters operating under replenishment scheme may be permitted to receive precious metal from the Nominated Agencies on submission of EP copy of the shipping bill. Nominated agencies shall also monitor the export proceeds realization of such shipments against which they have replenished precious metal, on the basis of Bank certificate of realization in Appendix 22A to be submitted by exporters to the nominated agencies, as a proof of having exported the jewellery.

5. The Circular No. 24/98-Cus dated 20.04.1998 stands withdrawn.

6. Wide publicity may please be given to these instructions by way of issuance of Public/Trade Notice. Difficulties, if any, in implementation of these instructions, may be brought to the notice of the Directorate General of Export Promotion.

7. This issues with the approval of Central Board of Excise & Customs.

Monthly Statement to be sent by the Warehouse Owner to the Commissioner of Customs

1. Name of the Warehouse Owner:
2. Full Address:
3. Bond No. & Date:
4. Amount of Bond:
5. Accepted by:

Receipts

1. Date:
2. Date of Import:
3. B/ E No. & Date:
4. Date of reware- housing:
5. Quantity of Gold/ Silver / Platinum :
6. Value:
7. Signature of Warehouse owner/ representative:

Issue

1. Date of Issue:
2. Name & Address of the Exporter:
3. Qty. issued Gold/ Silver Platinum:
4. Value:
5. Duty on the goods issued:
6. Shipping Bill No. & Date:
7. Qty. exported:
8. Qty. not exported in time:
9. Details of such shipments where export proceeds not realized within prescribed period:
10. Duty credited to customs TR-6 Challan No. & Date:
11. Signature of the Warehouse owner/ representative :

F.No.:DGEP/EOU/16/2009

Guidelines for Compounding of Offences in Customs Cases

Subject: Guidelines for compounding of offences under Customs Act, 1962.

29-CBEC 15.10.2009 (DoR) I am directed to invite your attention to the Board's Circular No. 54/2005-Cus dated 30.12.2005 prescribing the Guidelines for compounding of offences for implementing the provisions of the Customs Act, 1962 and the Customs (Compounding of offences) Rules, 2005.

2. The High Court of Bombay in their Order dated 25.10.2007 passed in W.P. No. 1884 of 2007 held that there is no power conferred to interfere with the statutory power of the Chief Commissioner of Customs for compounding of offences under Section 137(3) of the Customs Act, 1962. Hence, the guidelines issued by the Board, vide Circular No. 54/2005-Cus dated 30.12.2005, classifying offences as 'technical'

and 'substantive', allowing substantive offences to be compounded only once and excluding certain cases from the purview of the compounding were held by the Court to be ultravires to Customs Act, 1962 and Rules made thereunder.

3. The matter was examined in the Board for appropriate amendment in the provisions of the Customs Act, 1962 for compounding of offences. Accordingly, Section 137(3) of the Customs Act, 1962 was suitably amended through the Finance (No. 2) Act, 2009 (No. 33 of 2009). Through these amendments, certain categories of cases have been excluded from the purview of compounding such as cases pertaining to:

(a) a person who has already been allowed compounding once in respect of any offence

under section 135 and 135A of the Customs Act, 1962

(b) a person who has been accused of committing an offence under Customs Act, which is also an offence under Narcotics Drugs and Psychotropic Substances Act, 1985 or Chemical Weapons Convention, Act, 2000 or Arms Act, 1959 or Wild Life (Protection) Act, 1972

(c) a person involved in smuggling of goods falling under any of the specified categories of goods such as Special Chemicals, Organisms, Materials, Equipments & Technologies (SCOMET); prohibited items for import or export as specified under Section 5 of the Foreign Trade (Development and Regulation) Act, 1992; goods or a document, which are likely to affect friendly relations with any foreign state or is derogatory to national prestige.

(d) a person who has been allowed to compound once in respect of any offence under the Chapter XVI of the Customs Act, 1962 for goods of value exceeding rupees one crore.

(e) a person who has been convicted under the Customs Act, 1962 on or after the 30th Day of December, 2005.

4. The Board had also issued a Circular No.20/2008-Customs dated 2.12.2008 highlighting the changes made in the scheme of Customs (Compounding of Offences) Rules, 2005 based on the recommendations of the Committee on Subordinate Legislation (Rajya Sabha). These relate to early disposal of applications for compounding by obtaining a factual report within the stipulated period and dispose of the application within the overall time limit of six months. It was also stated that on the basis of the decision of the Supreme Court in the case of U.O.I. vs. Anil Chanana (2008 (222) ELT 481 SC) that compounding of offences is undertaken based on the principle of Disclosure. The basic rule of disclosure, underlying Section 137(3) read with Rule 6 of the Customs (Compounding of Offences) Rules, 2005, is that if there are demonstrable contradictions or inconsistencies or incompleteness in the case of the applicant, then the application for compounding cannot be entertained. It is reiterated that the aforesaid decision of the Supreme Court and rule of disclosure shall be followed while considering the compounding of offences. Accordingly, compounding of offences may not be allowed where there are demonstrable contradictions, inconsistencies or incompleteness in the case.

5. Further, at the time of introduction of the Scheme of Customs Compounding of Offences, the salient features of the provisions were explained in the Board's circular. The following are the important points and are reiterated:

(i) Offence committed by officers of Customs/ Central excise does not merit compounding as it is a matter between the State and its employee. Accordingly the definition of the applicant excludes the departmental officers.

(ii) As the Chief Commissioner has to decide about the eligibility of the applicant and allow compounding in respect of an application filed before him on the basis of certain facts given by the applicant, it may be ensured that verification

of such facts is done by calling for a report or any other facts or information available on record from the reporting authority.

(iii) As per Rule 6 of the Customs (Compounding of Offences) Rules, 2005, any person who has made the application for compounding of offence and has made full and true disclosure of facts relating to the case, is given immunity from prosecution for any offence under the Customs Act, 1962 with respect to the case covered by the compounding of offence. Since the filing of application under compounding rules is the individual option of the person to avoid prosecution, other persons involved in the case/ offence and who have not filed the application would not be given immunity from prosecution. In such situation, remaining persons would face regular proceedings of the department for adjudication/ prosecution/ appeal.

(iv) On the basis of the recommendations made by the Committee on Subordinate Legislation (Rajya Sabha) and to enable the Scheme of Compounding of Offences to make a meaningful impact, the compounding amount prescribed under Rule 5 of the said Rules has been revised downwards vide notification No.118/2008-Customs (NT) dated 12.11.2008. A new proviso has also been inserted in this rule, which provides that if a person has, in respect of same goods, committed offences falling under more than one category, i.e., Sl.No.1 to 8 of the table specified in this rule and where amount of duty evasion or amount of drawback or exemption from duty, or amount of market value of the goods is same for all such offences, then the compounding amount, in such cases, shall be the amount determined for the offence for which a higher compounding amount has been prescribed.

Audit of Assessments Arising Out of Clearance of Goods in Minor Ports or the Foreign Post Office

27-CBEC Reference is invited to the Board's instructions issued 08.10.2009 vide F.No. 8/6/67-Cus.III dated (DoR) 05.11.1977 on the above

mentioned subject. These instructions provide that various documents such as Bills of Entry, postal imports of certain categories, refund claims of certain categories, drawback shipping bills of certain categories etc., pertaining to various minor ports and foreign post offices should be sent for audit to major Customs Houses like Mumbai, Cochin etc.

2. The matter has been examined afresh in the Board. It is seen that the existing instructions were issued as it was felt that the items of work such as post audit of Bills of Entry, postal imports etc., required specialization, which was available at major customs houses only at that point of time.

3. Sufficient time has lapsed since then and the existing practice requires a review in the light of subsequent developments such as restructuring of the department leading to the creation of self contained Commissionerates responsible for the work of minor ports and ICDs. Further, customs assessment work has also

(v) In terms of Rule 4, an applicant is required to pay duty, penalty, and interest before submission of an application for compounding of offences. Correspondingly, the Application Form also contains a specific column under Sl.No.12A requiring the applicant to declare whether he has paid the same and their details. Hence, it is clarified that the compounding of offences shall not be allowed unless the aforesaid duty, penalty and interest thereon are paid by the applicant.

6. In order to make best use of the scheme of compounding of offences, it is reiterated that at the time of intimation/ initiating action for launching of prosecution itself, the assessee should be given an offer of compounding. It may, however, be clarified that the application for compounding shall be decided on merits and in exercise of the powers vested with the Chief Commissioner. In respect of cases where the Chief Commissioner is not inclined to accede to the applicant's request for compounding, the same may be rejected duly informing the grounds and after following the principles of natural justice.

7. The above instructions may be taken into consideration by the Compounding Authorities while examining the applications for compounding.

8. This Circular supersedes Board's Circular No. 54/2005 dated 30.12.2005.

9. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice / Standing Order.

10. Difficulties, if any, in implementation of the Circular may be brought immediately to the notice of the Board.

F. No.450/139/2008-Cus.IV (Pt.)

undergone a sea change with the introduction of EDI, Risk Management System, and inter-connectivity for speedy communications and the availability of modern tools such as NIDB data.

4. Accordingly, it has been decided to discontinue the existing system of sending documents pertaining to various minor ports and foreign post offices to major Customs Houses like Mumbai, Cochin etc., for audit. Further, it is seen that at Customs houses where the EDI System has become operational, there may not be any requirement for sending the Bills of Entry outstation for audit as the concurrent audit/post audit in such cases is done at the respective customs house itself. In remaining cases, the Commissioners, in whose jurisdiction such minor ports/ foreign post offices/ ICDs fall, shall be make necessary arrangement to ensure that the audit related work in being undertaken within the Commissionerate itself.

5. The Chief Commissioners concerned are requested to ensure that these instructions are implemented at the earliest and send a compliance report to the Board by 30th November 2009.

6. The Board's instruction issued vide F.No. 8/6/67-Cus.III dated 05.11.1977 stands rescinded.
7. These instructions may be brought to the notice of all concerned by way of issuance of suitable Standing Order.
8. Difficulties, if any, in implementation of the Circular may be brought immediately to the notice of the Board.

[F.No.450/164/2006-Cus.IV(Pt.1)]

AU Condition to Operate even on Free Imports under Hazardous Waste Category

[Ref: F.No.401/48/2009-Cus.III dated 15th October 2009]

Subject: Implementation of the Hazardous Waste (Management, Handling and Transboundary) Rules, 2008 – Second amendment to the said Rules.

Please refer to the Board's instructions of even number dated 24.8.2009 and the Notifications No. S.O. 2447 (E) dated 23rd September, 2009 (copy enclosed) and S.O. (E) 1799 dated 21st July, 2009 issued by the Ministry of Environment and Forests (MoEF) on the above mentioned subject.

2. In this regard, it is stated that the Ministry of Environment and Forests (MoEF) vide its O.M. F.No.23-76/2009-HSMD dated 1.10.2009 (copy enclosed) had clarified that the amendments introduced in the Notification dated 23.9.2009

should be read in continuation of earlier amendment of 21.7.2009. It is also stated that these amendments pertain to the category of Waste, which do not require either MoEF approval or DGFT licence, i.e. the waste products mentioned in Part B of Schedule III to the aforesaid Rules suffixed with ** (double asterisk), which shall be subject to the following condition:

"Import permitted in the country by the actual users without any licence or restrictions or by importer registered with State Pollution Control Board on behalf of the actual user who shall

furnish the details of such import and particulars of the actual users along with quantities to the concerned State Pollution Control Board, on a quarterly basis."

3. The MoEF has also stated that the import consignment of hazardous waste shall be accompanied by the shipment movement document i.e. Form – 9 and the test report of analysis of the hazardous waste under import, from a laboratory accredited by the exporting country under Rule 16(5) of the aforesaid Rules. The amendment vide Notification dated 23.9.2009 seeks to provide an alternative to the test report by means of an pre-shipment inspection certificate issued by Inspection and Certification Agency approved by the DGFT.

4. However, as regards to the amended provision, permitting import by persons other than actual users on behalf of actual users since the State Pollution Control Boards may take some more time to complete the process of registration, they have requested to issue instructions to the Customs authorities to clear the consignments based on fulfillment of other conditions as stipulated in the Hazardous Waste (Management, Handling and Transboundary) Rules, 2008.

5. In view of the above, Board hereby instructs that the amendments introduced in the aforesaid Rules and the instructions of the MoEF vide their O.M.F.No.23-76/2009-HSMD dated 1st October, 2009 may be implemented by all the Customs field formations. Since the nodal officers would have been designated in each of the Commissionerates, they may be requested to liaise with the respective State Pollution Control Board for effective implementation of the above mentioned change.

6. The field formations as well as trade and industry may be suitably informed.

Importer Registration for CENVAT Credit in Downstream Trade—CBEC Seeks Views from Trade

Draft Circular dated 9th October 2009

(To elicit response / Comments only)

[Disclaimer: This proposal has been put up only to elicit public response. No final decision has been taken by Government/ Board. Government/ Board will proceed further in the matter only after due examination of the responses received.]

Responses to the proposal may please be sent at amishkumargupta@gmail.com or faxed to Ms. Hemambika R. Priya, Director (CX-6&8) at 011-23092867 by 31st October, 2009.

F.No.267/83/2008-CX-8

Government of India, Ministry of Finance,
Department of Revenue (Central Board of
Excise & Customs)

New Delhi, dated 9th October, 2009.

To

All Chief Commissioners of Central Excise (including LTU),

All Chief Commissioners of Customs,

All Commissioners of Central Excise (including LTU),

All Commissioners of Customs.

Sir/ Madam,

Subject: - Seeking of views of Trade and Industry and Field Formations on the proposed amendment of CENVAT Credit Rules to provide for registration by the importer who wish to issue cenvatable invoices.

Representations have been received from trade and industry for reintroducing the facility of endorsement of Bill of Entry to facilitate passing on of cenvat credit. This request has been received from importers who intend to transport the imported goods in full or part from the port of import to their customers or to their job worker for further purposes.

2. The request has been examined. Endorsement of bill of entry is not permissible as per the present provisions of law. Moreover, the said practice is also not in consonance with the

present policy of cenvat credit where credit is allowed on the basis of an invoice or other document which carry the registration number of the seller. Rule 9(1)(ii) of the CENVAT Credit Rules, 2004, provides that invoice issued by an importer is a valid document for taking cenvat credit. Further, it has been pleaded by some of the importers that there is no specific provision in the law which mandate the importer to take Central Excise registration. In this connection, it has been noticed that in the erstwhile Central Excise Rules, there was a specific provision for allowing credit on an invoice issued by an importer registered with the Central Excise Officer. In order to avoid confusion, it is proposed that relevant provisions in the CENVAT Credit Rules may be amended to specifically provide that an invoice issued by an importer registered with the Central Excise Officer, would be a valid document for availing cenvat credit.

3. Chief Commissioners and Commissioners are requested to bring the contents of this communication to the notice of trade and industry to seek their views.

4. Trade & Industry and the field formations are requested to give their opinion, view and comments on this proposal. On receipt of the views, a final view would be taken by the government.

[F.No.267/83/2008-CX-8]

Ministry of Environment and Forests Notification

New Delhi, the 23rd September, 2009

S.O. 2447(E).- In exercise of the powers conferred by sections 6, 8, and 25 of the Environment (Protection) Act, 1986 (29 of 1986), the Central Government hereby makes the following rules further to amend the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, namely:-

1. (1) These rules may be called the Hazardous Wastes (Management, Handling and Transboundary Movement) Second Amendment Rules, 2009.

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

2. In the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 (hereinafter referred to as the said rules), in rule 16, in sub-rule (5), in the proviso, after the words "the exporting country", the words "or the inspection and certification agency approved by the Director General of Foreign Trade" shall be inserted.

3. In Schedule III to the said rules, in Part B, after the entries and before the Note, after the words "without any license or restriction", the words "or by importer registered with the State Pollution Control Board on behalf of the actual user who shall furnish the details of such import and particulars of the actual users along with quantities to the concerned State Pollution Board on a quarterly basis" shall be inserted.

[F.No. 23-27/2006-HSMD]

Government of India, Ministry of Environment & Forests, Paryavaran Bhawan, C.G.O. Complex, Lodi Road, New Delhi-110003 dated 1st October 2009

Office Memorandum

Subject: Second Amendment to Hazardous Waste (Management, Handling & Transboundary) Rules, 2008

This has reference to the Second Amendment vide S.O. No. 2447(E) dated 23rd September, 2009 to the Hazardous Waste (Management, Handling & Transboundary) Movement Rules, 2008 (25 copies enclosed). This amendment should be read in continuation of the earlier amendment of 21st July, 2009.

2. These amendments pertain to the category of wastes, which do not require either MoEF approval of DGFT licence, i.e. wastes marked as ** category in the Schedule III (Part B) of the aforesaid Rules.

3. The first amendment pertains to Rule 16, sub-rule (5) which provides for ensuring that the shipment is accompanied by the Movement Document, i.e. Form 9 and pre-shipment inspection certificate issued by inspection agency certified by the exporting country. The alternative of an inspection and certification agency approved by the Director General of Foreign Trade (DGFT) has now been added. Further, in addition to actual user, importers on behalf of actual users can also import subject to the following conditions-

(a) They will require to be registered with the

respective State Pollution Control Boards (SPCBs); and

(b) They will furnish quarterly returns to the SPCBs, which will include details of actual users along with the quantities.

4. With regard to the amended provision mentioned in the above para, the State Pollution Control Boards (SPCBs) have been requested to undertake registration of importers who intend to import wastes on behalf of the actual users. Since this is a new provision and registration by the SPCBs may take some time, it may not be feasible to apply this to the consignments that have already arrived or are in transit. An interim period of two months for registration may, therefore, be allowed. Until then, Customs authorities could clear the consignments based on fulfillment of other conditions as stipulated in the Hazardous Waste Rules, 2008, so as to ensure that there is no misdeclaration.

5. Instructions may accordingly be issued to the Customs Authorities.

6. This issues with the approval of Competent Authority.

Hazardous Waste Rules to Apply in SEZs

[Instruction No. 40 – No. C.6/10/2009-SEZ dated 1st October, 2009]

Subject: Effective implementation of the Hazardous Waste Rules, 2008 - Reference from M/so Environment & Forests.

40-SEZ-Cir Kindly find enclosed a copy of OM no. 23-16/2009-HSMD dated 24th September
01.10.2009 2009 from M/o Environment & Forests on the captioned subject for further necessary action.

F.No. 23-16/2009-HSMD

Government of India, Ministry of Environment & Forests, Paryavaran Bhawan, C.G.O. Complex, Lodi Road, New Delhi 110003 dated 24th September, 2009

Office Memorandum

Subject: Effective implementation of the Hazardous Waste Rules, 2008

This is with reference to improving implementation of the Hazardous Waste Rules, 2008. The Ministry has constituted a co-ordination committee in Jan 2009, comprising of representatives of the Ministries of Shipping, Finance and Commerce (DGFT), CPCB and selected SPCBs and experts for effective implementation of the Hazardous Waste Rules, 2008, especially related to import and export matters.

2. Recently the committee visited Kandla Special Economic Zone (KSEZ), held discussions with the Development Commissioner (DC) and visited some of the units recycling plastic waste. As per the legal framework of SEZs, Approval Committees have been set up under the respective DCs for granting approvals for setting up of units in the SEZs. The Approval Committees meet on a regular basis and have representatives from the State Government and GOI. It is felt that the officers of the State Pollution Control Boards should attend these meetings and assist the DCs in ensuring compliance of the environ-

mental regulations, especially Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008. This will also ensure that all required environmental norms are met before approval for setting up of units in SEZs.

3. SPCBs can also use this forum to acquaint the SEZ officers & Customs authorities about the provisions of the Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008. In particular, it needs to be emphasized that -

a) no import of hazardous waste from any country to India for disposal is permitted.

b) import shall be only for the intended use of recycling or recovery or reuse.

c) Customs authorities at the Posts have the responsibility to verify the documents, draw random samples prior to clearing the consignment and ensure that each consignment is accompanied by movement document (Form-9) and a certification from an accredited agency.

Import Delays

Meet Addl Commissioner on after 48 hrs, Commissioner after 96 hrs

The following Facility Notice was issued by the Chief Commissioner of Customs, Jawaharlal Nehru Customs House on 16th October 2009

F. No.S/V-30-Misc(288)/09 CCO M II

Sub: Grievance redressal in case of delay in clearance of Bills of Entry beyond the stipulated time.

76-FN Attention of the trade is
16.10.2009 invited to the Citizens'

Charter, wherein the Central Board of Excise and Customs has set up service delivery standards for itself while providing services to the trade, industries and other stakeholders. As per the standards, certain time norms have been set for clearance of goods. In case of imports, where the declaration relating to any consignment is complete and correct, the time norm set for clearance of goods is within 48 hours of filing of declaration.

2. However, in some cases grievances have been received that despite furnishing complete and correct declaration, the goods are not cleared timely. In this context, trade is advised that in case of any delay beyond the period as stipulated above, it should approach the Additional/Joint Commissioner of Customs of the concerned section/group for the redressal of their grievances. If the clearance is delayed beyond a period of 96 hours after the filing of complete and correct declaration as envisaged under the Citizens' Charter and despite bringing it to the notice of the higher officer as aforesaid, the trade may approach the Commissioner of Customs for the redressal of their grievances. In case of non redressal of issue at Commissioner's level, matter may be brought to the notice of the Chief Commissioner.

3. Similarly, in case of any delay beyond the stipulated time norms in respect of other deliverables enumerated in the Citizens' Charter, trade is advised to take recourse to the hierarchical remedy outlined in the preceding para.

4. Copy of Citizens' Charter has been displayed at various places at JNCH, and hosted on www.jawaharcustoms.gov.in and www.cbec.gov.in.

They are also required to take action under the Customs Act, 1962 against importers found to be violating these rules.

4. It is requested that the SPCBs should monitor the units which are recycling/ reprocessing imported waste on a regular basis, take action against violations and keep the Ministry informed.

New Food Technologies at WTO

Delegates participating in the WTO's Working Group on Technology Transfer focused on agricultural productivity at a morning meeting on Tuesday, 13 October.

The session featured a presentation from Andrea Sonnino of the UN Food and Agricultural Organization on the links between technology transfer and agricultural productivity. The 'Green Revolution' of the late twentieth century improved the livelihoods of several million farmers and significantly increase per-capita food availability, Sonnino said, but added that agriculture sectors will need more investments in research and development if farm productivity is to keep pace with growing global demand.

An Indian official intervened in response to the FAO presentation to point out that new technologies played a critical role in helping India boost its domestic food production dramatically since the 1940s, when the country was hit hard by the Bengal famine.

ILO on Informal Employment

Developing countries with relatively high levels of 'informal employment' - below-the-radar jobs that are not subject to government laws or regulations - tend to experience fewer benefits from trade liberalisation, according to a new report from the World Trade Organization and the International Labour Organization (ILO). Informal employment creates poverty traps for workers in between jobs, the study concluded, and social protections and employment-friendly trade reforms are critical to helping countries fully benefit from open trade.

The study also found that economies that are more liberalised tend to have lower levels of informal employment. Over the long term, trade opening generally strengthens countries' formal employment sectors, provided that governments implement employment-friendly reform policies.

Informal workers, who by definition do not pay taxes, lack access to government-run social programmes such as insurance and pension funds, which means that they suffer a disproportionate blow when an economic crisis hits.

Services Talks Energised for November Ministerial Meet – Developed Countries Holding Back

While some negotiators in last week's services talks at the WTO showed a degree of enthusiasm for re-energising the process, in particular the negotiations on market access, others were more sceptical. Ultimately, however, the week-long talks resulted in little forward movement, sources said, as members largely repeated their long-standing positions.

But the latest cluster of services meetings, held at the WTO's Geneva headquarters the week of 5 October, was largely meant to lay a foundation for more substantive meetings next month, according to sources close to the talks.

India intervened a second time to urge major developed nations to share their technologies, echoing calls that it and other developing nations have made several times in the Technology Transfer Working Group.

Participants in the working group do not negotiate; their sessions are instead meant to serve as a forum for discussion about the relationship between trade and technology transfer, one delegate explained.

The Technology Transfer group is not known for producing big results, and the group's discussions usually attract little attention outside the WTO. The notion of sharing of technological breakthroughs between developed and developing nations has been the topic of intense discussions during recent climate change negotiations, but global warming is unlikely to come up in the WTO working group's agenda anytime soon.

"The higher the incidence of informality, the greater the vulnerability of developing countries to shocks like the ongoing global crisis. Countries with larger informal economies suffer more frequently from shocks and experience lower sustainable growth rates," the ILO and WTO said in a joint statement.

The absence of a social safety net also translates into lower levels of entrepreneurship and other forms of risk-taking in countries with large informal sectors, the study concluded.

But no two countries have the same experience: the interplay between trade openness, trade benefits and the informal sector hinges largely on "country-specific circumstances and the design of trade and domestic policies," the study found.

Indeed, levels of informality vary widely from region to region. A handful of Latin American countries have rates as low as 30 percent, while some African and South Asian nations register levels of more than 80 percent

The director of the WTO Secretariat's Trade in Services Division, Hamid Mamdouh, said that last week delegates were focused on preparing "substantively, politically and mentally" for the next set of meetings, which are slated to take place over two weeks, beginning on 2 November. WTO members will hold 'regular' talks during the first week of the cluster before diving into intensive negotiations covering a full range of services issues during the second week. Several delegates said that they expect that WTO members will hold a range of bilateral and

Banana Deal in the Making

At the same time, Geneva-based delegates indicated that there had been 'progress' in moving towards agreement on bananas, in an attempt to resolve one of the longest-running trade disputes in the multilateral system to date. The controversy has pitted mainly Latin American countries that do not receive EU trade preferences against those in the African, Caribbean and Pacific (ACP) region, which do. Reports indicate that the tentative deal that was struck in July 2008 could eventually be the basis of the accord.

Reportedly, members were close to resolving the question of when the new arrangement would become legally binding on the EU. Sources emphasised that any deal would need to establish how the WTO's Doha Round would provide faster liberalisation for 'tropical products', and slower and gentler liberalisation for products that have traditionally benefited from trade preferences. Again, Latin American and ACP countries have disputed the products that should be subject to these provisions. ACP countries also cautioned that the agreement would also need to resolve outstanding questions regarding the amount of adjustment aid that the EU would provide to them.

plurilateral meetings on the sidelines of those intensive multilateral talks.

Discussions on the rule-making aspect of negotiations, specifically the negotiations on disciplines on domestic regulation remain complicated. During last week's talks a group of countries that included Australia, Chile, India and New Zealand expressed enthusiasm for resuming talks on rules before engaging further in market access negotiations. But the so-called 'demandeurs' - those countries looking to secure significant new market opportunities for their service providers - are in "no hurry" to conclude negotiations on said disciplines, one official said. Washington seemed particularly hesitant on that front. "The US said that discussions on that can be moved to next year," one delegate reported.

But many developing country delegates say that if the domestic regulation talks get pushed back, they will not be ready to engage in the talks on market access, a key area of interest for most rich countries. In response to Washington's statement, a delegate suggested that the group "push the market access negotiations also to the next year."

Since the onset of the financial crisis last year, many countries - developed and developing alike - have become more sensitive with regard to domestic regulation as well as broader issues covered by the Committee on Trade in Financial Services. Pakistan, for instance, has submitted a proposal for a closer examination of e-banking and respective regulatory mechanisms in the light of insufficient regulatory frameworks in developing countries.

Tariff Value on Brass Scrap up by US \$43/MT

Poppy Seeds Tariff Value Down by US \$39/MT

156-Cus(NT) In exercise of the powers conferred by sub-section 15.10.2009 (2) of section 14 of the Customs Act, 1962 (52 of (DoR) 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N.T.), dated, the 3rd August 2001, namely: -

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

Table

SNo.	Chapter/ heading/sub-heading/tariff item	Description of goods	Tariff value US \$ (Per MetricTonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3328
9	1207 91 00	Poppy seeds	3018"

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

Dispute Settlement

US Drags EU to WTO on Poultry

The United States has asked the WTO to set up a panel to determine whether European restrictions on imports of US poultry products violate the EU's commitments at the global trade body, the office of the US Trade Representative announced last week. Brussels - citing food safety concerns - has long refused to accept shipments of poultry products treated with certain chemicals that are widely used in the US.

Slaughterhouses routinely rinse their meat products to reduce the risk of bacterial contamination. European regulations dictate that any meat that is sold within the EU - regardless of where the meat came from - can only be rinsed with water or an approved substance.

Slaughterhouses in the United States routinely use cleansing methods known as pathogen reduction treatments (PRTs), which the EU banned in 1997. When that regulation was imposed, it stopped imports of "virtually all US poultry," according to a statement from the office of the USTR.

In 2002, Washington appealed to Brussels to accept four PRTs - chlorine dioxide, acidified sodium chlorite, trisodium phosphate, and peroxyacids - that had already been approved by US regulators. But European agriculture ministers rejected that request in December of last year, leaving the regulation unchanged.

Customs Valuation Exchange Rates

October 2009	Imports	Exports	
Schedule I			
1 Australian Dollar	42.55	41.40	
2 Canadian Dollar	45.45	44.15	
3 Danish Kroner	9.70	9.35	
4 EURO	71.80	70.00	
5 Hong Kong Dollar	6.25	6.15	
6 Norwegian Kroner	8.45	8.15	
7 Pound Sterling	79.70	77.75	
8 Swedish Kroner	7.15	6.90	
9 Swiss Franc	47.55	46.20	
10 Singapore Dollar	34.40	33.60	
11 U.S. Dollar	48.60	47.70	
Schedule II			
1 Japanese Yen	53.70	52.20	

Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 146(NT)/25.09.2009)

Commodity Spot Prices in India – 15-20 October 2009

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

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 15-20 October.

Commodity	Unit	Market	15-Oct	16-Oct	20-Oct
CER (Carbon Trading)	1 MT	Mumbai	936.5	919	923
Chana	100 KGS	Delhi	2278	2323	2347
Masur	100 KGS	Indore	4488	4488	4503
Potato	100 KGS	Agra	1423.5	1424.9	1425.4
Potato TKR	100 KGS	Tarkeshwar	1409.8	1413.8	1414.6
Areca nut	100 KGS	Mangalore	8580	8581	8568
Cashewkern	1 KGS	Quilon	308	309	309
Cardamom	1 KGS	Vandanmedu	702	704.75	732
Coffee ROB	100 KGS	Kushalnagar	66.7	67	67.6
Jeera	100 KGS	Unjha	11600	11723	11723
Pepper	100 KGS	Kochi	14188	13988	13907
Red Chili	100 KGS	Guntur	6110	6107	6188
Turmeric	100 KGS	Nzmbad	9650	9650	9525
Guar Gum	100 KGS	Jodhpur	4825	4850	4860
Maize	100 KGS	Nzmbad	900	900	906.5
Mentha Oil	1 KGS	Chandausi	542.9	545.5	547.5
Cotton Seed	100 KGS	Akola	1273	1266	1276
Castorsd RJK	100 KGS	Rajkot	2617	2617	2617
Guar Seed	100 KGS	Jodhpur	2286	2290	2292
Soya Bean	100 KGS	Indore	2074	2062.5	2054
Mustardsd JPR	20 KGS	Jaipur	540	547	558.8
Sesame Seed	100 KGS	Rajkot	5525	5525	5525
Coconut Oil Cake	100 KGS	Kochi	1040	1040	1040
RCBR Oil Cake	1 MT	Raipur	6220	6240	6000
Kapaskhali	50 KGS	Akola	570.7	564.3	567.8
Coconut Oil	100 KGS	Kochi	4576	4576	4628
Refsoy Oil	10 KGS	Indore	NA	438.45	440.25
CPO	10 KGS	Kandla	317.4	317.2	319.8
Mustard Oil	10 KGS	Jaipur	520	522.2	528
Gnutoilexp	10 KGS	Rajkot	632.5	632.5	632.5
Castor Oil	10 KGS	Kandla	547.5	547.5	547.5
Crude Oil	1 BBL	Mumbai	3470	3562	3684
Furnace Oil	1000 KGS	Mumbai	26258	26602	26673
Sourcrd Oil	1 BBL	Mumbai	2937	3173.5	3354.5
Brent Crude	1 BBL	Mumbai	3366	3452	3551
Gur	40 KGS	Muzngr	1101.2	1062.3	1035
Sugars	100 KGS	Kolhapur	NA	NA	2940
Sugarm	100 KGS	Delhi	3012	3122	3146
Natural Gas	1 mmBtu	Hazirabad	204.8	205.8	223.7
Rubber	100 KGS	Kochi	10798	10888	11198
Cotton Long	1 Candy	Kadi	22930	23120	23120
Cotton Med	1 Maund	Abohar	2215	2245	2249.5
Jute	100 KGS	Kolkata	2340	2330	2315
Gold	10 GRMS	Ahmd	15830	15780	15780
Gold Guinea	8 GRMS	Ahmd	12664	12624	12624
Silver	1 KGS	Ahmd	27250	26743	26743
Sponge Iron	1 MT	Raipur	14395	14325	14910
Steel Flat	1000 KGS	Mumbai	30410	30460	30330
Steel Long	1 MT	Bhavnagar	22730	21900	22690
Copper	1 KGS	Mumbai	289.45	289.35	302.6
Nickel	1 KGS	Mumbai	854	862.6	887.2
Aluminium	1 KGS	Mumbai	87	86.25	88.4
Lead	1 KGS	Mumbai	101.75	100.75	104.6
Zinc	1 KGS	Mumbai	93.45	92.95	96.4
Tin	1 KGS	Mumbai	692.5	690	700.75

(Source: MCX Spot Prices)

MNCs, WHO Clamp Down on Fake Drugs

Former French President Jacques Chirac and six African heads of state signed a declaration, titled "Call of Cotonou," on 12 October calling for an international convention to crack down on trade in fake medicines. The convention would impose harsher penalties for counterfeiting and strengthen manufacturing and distribution controls.

The World Health Organisation (WHO) claims that 100,000 Africans are killed annually by counterfeit anti-malarial drugs, and another recent study found that about 60 percent of drugs sold in private pharmacies near the Thai-Cambodian border were fake or altered. Trade in counterfeit drugs is estimated by the WHO to be valued around US\$67 billion - represent-

ing roughly 10 percent of the pharmaceutical industry - while black market trade causes losses in government revenue.

"Developing countries, which often lack the capacity to stop counterfeit products from entering markets, are hit hardest. Unscrupulous counterfeiters take advantage of poverty, illiteracy and rural isolation to sell worthless products to innocent victims," Ban Ki-Moon, UN Secretary General noted in a statement. "We stand ready to work with other international agencies, non-governmental organisations, drug authorities, law enforcement bodies, the pharmaceutical industry, health professionals and consumer groups to protect the vulnerable from falling victim to this insidious and illicit trade," he added.

The declaration signed on Monday, 12 October states that the production and sale of fake medicines is a crime that undermines public order. It also stipulates that the international trade in fake medicines is detrimental to peaceful relations among countries.

The declaration calls on states to adopt appropriate national measures against this phenomenon. It also calls on them to pursue policies of universal access to quality medication, in agreement with the Millennium Development Goals. It further recommends that quality generic medicines, particularly those on the World Health Organization's list of essential medicines, be made available to all.

Finally, the Declaration calls on heads of state and government, leaders from international organizations, NGOs and the private sector to meet in Geneva in 2010 for an international conference aiming to discuss the basic principles of an international convention to fight fake medicines.

The Cotonou Declaration is the latest in a series of initiatives aimed at combating counterfeit medicines at the international and regional levels. The Council of Europe has also recently prepared a convention to address counterfeit medical products.

Cont'd..358

month contract has traded above \$80 since Oct. 14, 2008. It was at \$79.80 a barrel. Gold for immediate delivery was up 0.3 percent at \$1,066.97 an ounce, after earlier showing a loss of 0.2 percent.

'Further Gains'

Oil advanced 1.4 percent on 19 October and gold by 1.1 percent as U.S. equities climbed on better-than-estimated earnings and speculation the economy is healthy enough for policy makers to unwind efforts to shore up the financial system.

Hedge funds and other large speculators hold their most-bullish position ever in futures, helping to propel gold's gains for the year to 21 percent as a weaker dollar and rising government debt spur concern that inflation may accelerate. Spot gold touched an all-time high of \$1,070.80 on Oct. 14.

Oil Technicals Bullish

Crude may rise to \$89.95 a barrel now that it has breached a key resistance level of \$76.28 a barrel, according to technical analysis of Fibonacci retracements by Australia & New Zealand Banking Group Ltd.

Oil prices have gained 25 percent in the past three months as a recovery in equity markets emboldened investors and the sliding U.S. dollar prompted buying of commodities. The dollar reached its weakest against the euro since August 2008, dropping to \$1.4994 before trading at \$1.4967 in Tokyo.

Copper for January delivery on the Shanghai Futures Exchange rose as much as 1,340 yuan, or 2.7 percent from the previous settlement price, to 50,570 yuan (\$7,408) a metric ton, the highest price since Sept. 9. The most active contract traded at 50,280 yuan.

WORLD TRADE SCANNER

Influx into Equities Fuels Currency Demand	357
SBI Sells 5 bn Dollar Securities at 4.5%	358
Euro Rises 20% Against Dollar	358
Oil Rises Above \$80, Gold Near Record High on Dollar	358
New Food Technologies at WTO	366
Meet Addl Commissioner on Import Delays beyond 48 hrs, Commissioner after 96 hrs	365
Services Talks Energised for November Ministerial Meet – Developed Countries Holding Back	366
Banana Deal in the Making	366
US Drags EU to WTO on Poultry	367
ILO on Informal Employment	366
MNCs, WHO Clamp Down on Fake Drugs	368

BIG's WEEKLY INDEX OF CHANGES**Foreign Trade Policy**

40-SEZ Cir/01.10.2009 Hazardous Waste Rules to Apply in SEZs	365
--	-----

Customs

Ntfn 116/08.10.2009 PMD Fibre Board from China, Malaysia, Sri Lanka and Others – Final Findings	360
Ntfn 117/13.10.2009 Propylene Glycol Anti-dumping from USA, Singapore, Korea and EU Extended upto 7 July 2010 under Review Clause	361
Ntfn 118/14.10.2009 Zero Duty Window for Rice upto 1 October 2010	359
156-Cus(NT)/15.10.09 Tariff Value on Brass Scrap up by US \$43/MT	367
76-FN/16.10.2009 Meet Addl Commissioner on after 48 hrs, Commissioner after 96 hrs	365

CBEC Circulars

27-CBEC/08.10.2009 Audit of Assessments Arising Out of Clearance of Goods in Minor Ports or the Foreign Post Office	363
28-CBEC/14.10.2009 Procedure for Supply of Duty Free Gold to Small Jewellery Exporters by Nominated Agencies	361
29-CBEC/15.10.2009 Guidelines for Compounding of Offences in Customs Cases	362
Draft Cir./09.10.2009 Importer Registration for CENVAT Credit in Downstream Trade – CBEC Seeks Views from Trade	364
CBEC Instruction/15.10.2009 AU Condition to Operate even on Free Imports under Hazardous Waste Category	364

RBI Circulars

Cir.10/05.10.2009 Advance Remittance for Services Imports – Enhanced Limit of US \$ 500,000 not Applicable to Government Bodies – MoF Approval Required	359
Cir.11/05.10.2009 Bank Guarantee Limit Raised to US \$500,000 for Service Importers	359
DBOD.No.48/12.10.09 Garment Exports to get 2% Interest Rate Subvention	359